

Arne Grønningstæter

Great Expectations

Social exclusion and social policy
in Estonia and Latvia

A summary



Arne Grønningstæter

Great Expectations

Social exclusion and social policy
in Estonia and Latvia

A summary

Fafo-report 410



© Fafo 2003

ISBN 82-7422-399-3

ISSN 0801-6143

Cover design: Jon S. Lahlum

Printed in norway by Wittusen & Jensen

We have little resources, but during the Soviet era we did not have any services, so we should not complain. (Estonian social worker)

The social assistance is big enough for dying, but too small for living.
(Estonian social worker)

The state leaves the problems to the municipalities. The municipalities have very limited resources, and cannot provide the range of social services they are expected to.
(Latvian social worker)

We used to think that we had too little resource, but this has in fact changed to the better. In our office we have enough manpower, but many people quit because of the low wages.
(Norwegian social worker)

Social work is exciting, interesting and a lot happens.
(Estonian social worker)

I like the contact with people; the jungle of problems is a challenge.
(Estonian social worker)

We will not create a welfare state but a welfare society. The state cannot take the whole responsibility.
(Marju Lauristin)

We will develop a welfare society, but we do not want to copy the welfare monsters that our Nordic neighbours have developed.
(Mart Laar)

Contents

<i>Background</i>	7
<i>Income maintenance</i>	11
<i>Municipalities</i>	19
<i>Gender and ethnicity</i>	27
<i>Comparative perspectives</i>	31
<i>References/bibliography</i>	43
<i>Appendix: Publications from the project</i>	45

Preface

The aim of this report is to sum up the project "Social exclusion and social policy in the Baltic countries". This project ran for 3 years and was an interesting and stimulating process. The present report is an attempt at describing this process.

The content of the report is based on quotes or summaries of papers produced during the project period. Consequently a large section is based on quotes from other researchers and excerpts from their writings. Avo Trumm, Dagmar Kutsar, Riina Kiik, Zane Loža, Anette Brunovskis and Tone Fløtten have all been part of the research team and I want to thank them for their co-operation and support. Aadne Aasland must be specially mentioned. In addition to his academic contributions, he has also been the project manager and supervisor. Thanks also to Stein Ringen for inspiration and input, particularly during the first phases of the project.

The paragraph on structural shifts in Estonia is an excerpt from a paper written by Dagmar Kutsar and Avo Trumm. Zane Loža and Aadne Aasland wrote the case study of a Latvian county. Avo Trumm and Dagmar Kutsar also wrote the case study of two Estonian counties. Anette Brunovskis is responsible for the paper on women's employment. Aadne Aasland and Tone Fløtten wrote the article on ethnic dimensions. The rest of the paragraphs are based on papers where I myself have been involved in the writing, either alone or in collaboration with other members of the research team. All paragraphs contain a reference to the paper it is based on, including a mention of the authors. As a consequence of the fact that this report is based on the work of a number of authors, the report mirrors the nuances in the views of the authors. When editing the summary I have done nothing to tone down these kinds of disagreements. I am, however, responsible for the excerpts and the editing. If some of the other authors do not recognise their points in the text, I am the one to blame.

The format of this report is to some extent an experiment. We have tried to present the results from a diverse and long lasting project in a short format. Thanks to the publishing department at Fafo for the good job in producing the book. Jon Lahlum had the idea to the format of the presentation. Olav André Manum has done a great job with adding intros and improving the language.

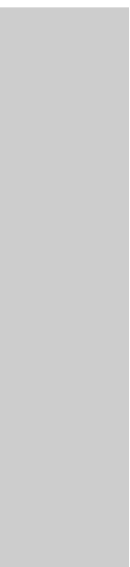
A list of the relevant reports and papers produced during the project period are to be found in Appendix 1. More information on the "Baltsoc" project can be found on the following web-address: <http://www.faf.no/baltsoc/index.htm>

It has been quite a privilege to work with these issues. The contacts and co-operation with Baltic researchers and academics have been an important experience, both personally and professionally. My thankfulness should be extended to the respondents, focus group participants and everybody else who has assisted us in collecting our data. The project has now reached its final phase. This report is based on a paper that was presented at a seminar in Pärnu in March 2002.

The project was funded by the Research Council of Norway. We have recently got the message that we have got funding for a new co-operation project between Tartu University, University of Latvia and Fafo. We are looking forward to further co-operation in this field of research.

Oslo February 2003

Arne Grønningseter





Background

1

The Tartu University – Fafo cooperation

The collaboration between researchers from The Fafo Institute for Applied Social Science and researchers from the different Baltic States is more than a decade old.

The cooperation between Fafo and researchers in the Baltic countries started in the late 1980s. The core projects in this Baltic-Norwegian collaboration are the living condition surveys conducted in Lithuania in 1990, in the three Baltic States and two regions in Russia in 1994 and in Estonia, Latvia and Lithuania in 1999¹ (see Aasland and Tyldum 2000, Aasland et al 1997a, Aasland and Cesnuiyte 1997b, Dietz 1996, Grøgaard 1996, Aasland 1996). One of Fafo's main partners in the Baltic region since 1993 has been the Unit of Family Studies at Tartu University.

The project "Social exclusion and social policy in the Baltic countries" has run for three years and was concluded with a seminar in Pärnu in March 2002. The project is carried out in co-operation between the Tartu University (TU) and the Fafo Institute for Applied Social Science. The Tartu team has consisted of researchers from the Unit of Family Studies and from the Unit for Social Work Education. A Latvian researcher has taken part in the research and co-ordinated the contacts with relevant partners in Latvia.

The project

Ten years after the collapse of the Soviet Union, the main structures of a new social policy are more or less established in the Baltic countries. But under which influences and at what costs were these policies developed, and how do they affect people's lives on a local as well as individual level?

The project called "Social policy and social exclusion in the Baltic countries" started in 1999. The aim of the project was to provide new insights into social politics in the Baltic countries by analysing the impact of the respective countries' social policies on the living conditions of households and individuals. We have been looking at the overall tendencies in social policy development in Estonia and Latvia, their decision-making processes, the role of the different actors and the implementation of the new policies.

The project started with a broad assessment of the social policy systems of Estonia and Latvia. Ten years after the collapse of the Soviet Union the main structures of a new social policy are more or less established in the Baltic countries. The movement towards integration into the family of European welfare states has taken place remarkably fast. In retrospect it is clear that the negotiations for joining the European Union sped up this process even more. This new situation has created a number of challenges in the sphere of social policies.

We had three aims:

- To look at how decisions on social policy are reached in a Baltic context
- To describe the actual policy development and implementation
- To analyse the impact of a given social policy on living conditions of individuals and households.

A general assessment of the results from the first phase of the project identified a core problem in social policy reform in the countries of Estonia and Latvia, namely how national policies and legislation were implemented on the municipal, local or regional level. From the beginning this was a central issue for the team at Tartu University. Against this background

¹ The Norbalt projects are presented at the following web-site: <http://www.fafo.no/norbalt/index.htm>

we decided to look more thoroughly at the situation in two counties in Estonia and one in Latvia and some municipalities in both countries. Additional issues have emerged through this process. One has

been the gender dimension, another the ethic dimension and a third the professionalisation of social work.

Methods

The combination of interviews and survey data provided us with the opportunity to move beyond rules and regulations and discuss the actual implementation of social policies, income maintenance systems and social services in the two countries.

The approach in this study has been that of case studies. The reports contain a series of case studies, dealing with different levels and issues of social policy in the two countries. The methodological challenges have been complex, at least on two levels. First and foremost we have the problem of case studies. They give limited scope for generalisation. On the other hand they provide opportunities for more in-depth analyses. Secondly there is a basic methodological problem linked to the comparative aspects of the project. Language limitations were problems in semi-structured interviews as well as in focus groups. We have tried to minimize these problems through a pragmatic division of labour among the researchers. The present study is based on four sources of data and information:

Semi-structured interviews

with politicians, ministry officials, insurance company employees, representatives of NGOs, municipal officials, social workers, social scientists and representatives of the social partners. The people we interviewed all deal with social policies in their professional lives, but from different angles and perspectives. We deliberately chose a wide selection of informants with experiences from different aspects of policy formulation and implementation. In this way we wanted to secure obtaining information from people with different perspectives and possibly different views on the more controversial issues. The method was used during the first phase of the project,

i.e. during the general analysis of the income maintenance systems of Estonia and Latvia. We used an identical interview guide in both countries.² The semi-structured interview method was also the one employed when interviewing experts and municipal officials in the municipal case studies. In these last interviews we used the issues from the focus group guide as an interview guide.

Focus group interviews with social workers

The guide for the focus groups was developed at a joint working seminar for the research group. We conducted four focus group interviews, two in Estonia, one in Latvia and one in Norway. The focus groups stand as the main source of information for the “municipal phase” of the study. The interviews concentrated on the relationship between the state and the local levels of administration concerning the implementation of social policies. The Norwegian focus group in Oslo was mainly used for the purpose of adding a comparative aspect to the discussion on the development of social work.

Assessment of laws, public documents and papers presenting Baltic social policy

The language barrier put up some real limitations on the Norwegian group’s ability to read public documents, although the Norwegian team also consisted of people with working skills in Latvian. On the Estonian side, however, we were completely

² The interview guide can be found on the following internet address: <http://www.fafu.no/pub/rapp/665/app2.htm>

dependent on the Estonian researchers for documents that were not written in or translated into English or Scandinavian.

Data from the Norbalt living condition studies

in Estonia and Latvia in and 1999 have been an important source throughout all phases of the project.³ (see Aasland et al 1997a, Aasland and Cesnuiyte 1997b, Dietz 1996, Grøgaard 1996). These surveys, called Norbalt I and II, contain data on a wide range of dimensions regarding living conditions. More than 3,000 households were interviewed in each country and the surveys covered information on more than 7,000 individuals in these households. The Norbalt surveys contain detailed information on household and individual incomes. In our study we use this information to assess the impact of government transfers to the distribution and redistribution of resources between different segments of the population.

The combination of interviews and survey data provided us with the opportunity to move beyond rules and regulations and discuss the actual implementation of social policies, income maintenance systems and social services in the two countries.

The “Baltsoc” project itself has turned out to be a fascinating process. We started out as a group of academics with a number questions about social policy as a framework for distribution of resources in a given society. Through interviews and focus groups we came close to social workers and administrators and this eventually enabled us to present our findings for a group of Estonian, Latvia and Norwegian social workers. The aim of the present paper is to reflect the dialogue with the social workers. The process has hopefully brought us closer to the realities the social policies in the countries covered have left us with. We also entertain some hopes that our projects have contributed to creating an atmosphere of a mutual exchange of ideas and knowledge among project users and informants.

³ The Norbalt projects are presented at the following web-site: <http://www.fafo.no/norbalt/index.htm>



Income maintenance

2

Structural shifts: Estonia⁴

Since her liberation from the Soviet Union, Estonia has gone through radical political and economic changes. These changes have taken their toll on the population. So much so that nearly half of the population do in fact live below the poverty line or under the immediate risk of falling below this line. What does this mean in terms of well-being for the people, and how does it affect social policy development?

The paper “Structural Shifts” was written as the first background document of the project. It focuses on the high social cost of social and political reform in Estonia as well as in all other countries of Eastern Europe. The deterioration of economic and social resources has led to losses in objective and subjective well-being. As a result, almost one fifth of the population, that is people belonging to the most vulnerable groups in Estonia, lives below the poverty line and is consequently highly dependent on the country’s social welfare schemes. A second fifth lives under the risk of falling below the determined poverty line (Poverty reduction... 1999). The country is experiencing an increase in poverty and inequality. This, combined with decreasing social and political participation, has replaced the experience of overall solidarity and social integration.

Rapid changes

Estonia’s social protection system has seen rapid changes, not least because of new emerging social problems, changes in ideology as well as politics and finally serious economic constraints.

The paper attempts at contributing to an expansion of social policy research in Estonia. It concentrate mainly on the analysis of structural shifts in the system of social assistance and aim at evaluating the efficiency of changes introduced to increase the economic coping capacities of the least advanced groups of society. The authors have set themselves the following tasks in this chapter:

- To determine the main preconditions for a reformation of the social protection system;
- To provide a systematic description of the formation and re-formation of the institutional set-up of the social protection system in general, and the social assistance system in particular;
- To analyse the impact of social assistance provisions on the welfare of vulnerable groups;
- To outline the main hardships and shortages for the program of targeted social benefits.

The system of social protection in Estonia is still under development. Compared to family benefits or pension schemes, which are relatively stable and well functioning, the organisation of social assistance has remained rather chaotic.

The aims, tasks and functions

The executors of Estonia’s social policy need a systematic understanding of the aims, tasks and functions of social protection in a troublesome socio-economic situation. Important questions they need to ask themselves are for instance: What are the means and ends of the different security schemes? How is a smooth ‘role division’ between different measures to be reached? What could be achieved through implementing universal benefits and services? Should some benefits be means tested and if yes, which ones? The actors in the field of social policy in Estonia still pay insufficient attention to the fiscal analysis of the measures decided upon. This analysis should include questions like “What is the effect of a particular measure in money-terms?” We still know too little about administrative costs, expenses related to targeting errors and ‘latent costs’ caused by the decreased motivation and increased passivity of the client.

⁴ This paragraph refers to Fafo-paper 2002:1. Trumm, A., *Structural shifts in providing social assistance: Response to changing living conditions in Estonia*

The paper did not touch upon the issues of professionalism, democratic dialogue between different actors, the beliefs and values of providers and recipients. These are factors that have more or less of an impact on the final result of social protection — increase in welfare. These issues are still

undiscovered areas of social policy analysis, and should be carefully studied in the future. The main conclusion in this paper points to the need for more research and development of knowledge in the field of social policy in Estonia.

Four dimensions⁵

Privatisation creates a new social situation. In a capitalist society everybody must earn his keep by selling his labour. Which social policy will have the best redistributive effect? Do people trust the system, or do they have good reasons for not trusting it in Estonia as well as Latvia? These are some of the central topics we discuss in detail with the four dimensions of public or private responsibility, the labour market connection, distribution – redistribution and accountability as the main focus of attention.

Two of the project-reports present a basic overview over the Estonian as well as the Latvian income maintenance systems. The two cases are described and analysed with four dimensions as the main focus of attention. The four dimensions are

- public or private responsibility
- labour market connection
- distribution – redistribution
- accountability.

Public or private responsibility?

Privatisation has been singled out as one of the main aims in the economical restructuring of the Baltic countries. This creates a new social situation. One aspect of this new development is seen in the interconnection between the privatisation of the economy and the market on the one hand and the development of a social policy and an income maintenance system on the other. The introduction of a social policy in such a situation will obviously have an impact on the division of responsibility between the state, the municipalities, the non-governmental organisations, the market, the family and the individual.

However, by focusing exclusively on the public/private dichotomy, we run the risk of oversimplifying the issue. Getting a full picture of the system implies a necessary look at the division of labour and the relationships between the local, regional and central authorities.

The division of responsibility

In the private sector, the division of responsibility between the market, civil society, the family and the individual is quite essential for understanding the different elements of the development of a social policy. Among other things, the level of public benefits will have a significant influence on the importance of private schemes. Furthermore, the division between public (mostly municipal) and private (mostly charitable) social assistance is also an important aspect.

In the former socialist and Soviet countries the transfers to clients were based on allowances and subsidies. These transfers were state managed (Wiktorow 1992). There are great differences between the former Soviet bloc countries as to the speed with which their privatisation processes have been implemented as well as in their views as to which social services should be covered by the public authorities on different levels. Here we discuss the respective roles the public and private sectors play in

⁵ This paragraph refers to Fafo-paper 1999:21 A. Grønningsæter, Social Policy in Transition – Income Maintenance in Estonia compared with Norway. And Fafo-paper 2001:9, A. Grønningsæter, A. Aasland og Z. Loža “We all agree, but no-one is grateful”. Developments of the income maintenance system in Latvia.

Estonia and Latvia with regards to social insurance as well as the social assistance system.

Labour market connection

The link between the individual's labour market position and his or her access to social transfers is one of the main characteristics dividing the different welfare state models. Esping-Andersen (1990) describes three welfare regimes and uses the concept of de-commodification as one of his main criteria for differentiating between them. The word is employed as a description of the level of the individual's dependency on selling his or her workforce on the market. The distribution of resources in capitalist societies is based on the principle of everyone earning his keep by selling his labour. It follows as a logical consequence that important differences in income maintenance systems are linked to the individual's position on the labour market.

Re-commodification

Social assistance benefits are means tested, and consequently independent of previous work experience. The concept of re-commodification has been used by several authors to describe the increased use of activation or active measures as a condition for means tested social assistance. The same term is also being used to describe the increased use of active labour market policies (Lødemel 1997). A frequent criticism levelled against the present welfare states is their lack of work incentive. This criticism has met with a varied range of responses, for example tighter eligibility, cutbacks in benefits, active labour market measures, and workfare,⁶ the idea being that these responses will force the recipient of social benefits back onto the labour market. This increased use of active measures can be understood as a new paradigm in social policy-making. (Gilbert 1999). To what extent has these international developments influenced the development of a social policy in transitional countries like Estonia and Latvia? This is a central question, as the use of so-called active measures will influence both the generosity of the system and the labour market connection to the

schemes. Over the last few years the European Union has actively promoted active labour market measures, e.g. in the Union's various programmes for increased employment.

Distribution – Redistribution

The economic problems and the increased level of poverty in transitional countries, such as Estonia and Latvia, make the question of the distributive and redistributive effects of income maintenance schemes acute. The welfare state creates a framework for the *distribution and redistribution* of society's resources. The different income maintenance systems are cornerstones in these distributional mechanisms. There are several dimensions to the distributional mechanisms, e.g. the dimensions of economic resources, gender, age (distribution between generations) and region. In Estonia and Latvia, with large ethnic minorities, it is even possible to talk of an ethnic dimension.

Redistribution

A pension system with income based input and flat rate output has a relatively high level of redistributive effect. In a system where input as well as output is based on income, or where output is purely based on input, social and economical differences are kept up. As the name implies a universalistic system represents a certain level of redistribution purely because of the simple fact that it reaches everybody. An individual insurance system has necessarily less of a redistributive effect than a tax-based system that covers all citizens. Clasen (1997) argues that social insurance programmes in most European countries are reproducing the inequalities of the labour market. He also claims that they represent a horizontal rather than a vertical redistribution of income. Furthermore he maintains that most of these systems are ridden by the internal conflict between status maintenance and solidarity. Families with children and elderly people are usually at the highest risk of poverty. The income maintenance systems aim at reducing the risks that are linked to the different phases of life.

⁶ By workfare we mean that contribution by work is a condition for receiving social assistance benefits.

Means-tested social assistance

Means-tested social assistance systems must necessarily work in a different way. Contributions are all paid through taxes and are meant to cover those groups with the lowest income – the poor. The system is intended to have a certain level of redistributive effect. Since social assistance schemes work as the last safety net, the level of and access to pension schemes have consequences for the role the social assistance has to play in a society. The relation between social insurance and social assistance affects the distributive results of the income maintenance system.

Accountability

When talking about the dimension of accountability, we mean to what extent do the people *trust* the system, and whether or not they have reasons for trusting it. The question of reliability is linked to the *sustainability*, the *efficiency* and the *eligibility* of the system.

For historical reasons one would expect that the experiences of the post-communist countries would lead to a lack of trust in state driven services. Had this been the case, we might have seen serious objections to the domineering role of the state in the welfare sector in the countries in question. However, for precisely the same historical reason, i.e. the experience of the communist state, the population would have learnt to expect that what is needed at least for basic existence should be secured by the state. It is difficult to see how the political institutions of these transitional countries that are described as “fragile and poor societies”, should be able to meet these expectations (Kapstein 1997).

The crisis of expectations

One problem for the western welfare state is said to be that people's expectations surpass what the welfare state is able to deliver. This is the so-called crisis of expectations. In the former communist countries people tend to compare their living conditions with those of the western economies, and therefore see a connection between market economy and high standards of living. People will also compare their present situation with the situation before the changes from communism to western democracies, and deteriorating living conditions will inevitably lead to distrust. Equally, a slow improvement in living conditions as well as growing social inequality will be expected to have the same kind of impact. The individual's and the community's experiences with service delivery and the quality of the welfare bureaucracy are important for a continued support for a high level of welfare benefits and services in the populace. Another issue linked to the accountability of the welfare system is the level of benefits and services. Do people in fact receive what they need from the different agencies involved? Such questions present obvious dilemmas for the politicians and policy-makers in relatively poor countries like Latvia and Estonia where the expectations to service delivery can be expected to be fairly high.

The reports from Estonia and Latvia emphasise different aspects of these dimensions of the two countries' social policies. We aim at letting the coming two chapters supplement each other, and consequently the extract from the Estonian report focuses on an on-going change processes while the Latvian chapter points to an understanding of today's system in Latvia.

Social policy in transition: Estonia

Demographic changes will affect Estonia's future economy and her ability to steer the economic and welfare state developments in the desired direction. This fact will therefore be decisive when social policies are hammered out. Other factors, such as the relationships between local and central authorities and the relations between employer and employee, will also be influential.

Crime, unemployment and poverty are the most important social problems in this country. A survey mapping public opinion on social problems in Estonia concludes that these problems are perceived as endemic, dangerous, and in need of urgent resolution. (Narusk 1998). Poverty is seen as an urgent problem, and one would expect a high degree of support for measures fighting poverty.

Demographical challenges

One of the biggest challenges to Estonian society in general is the demographical trend. The birth rate is presently so low that the number of inhabitants will decrease dramatically in the coming years. This will have an effect on the country's ability to steer the economic and welfare state developments in the desired direction. One can therefore expect a heavy emphasis on measures that will encourage families to have more children. A high priority on developing the maternity leave system, benefits and support for families with children is therefore to be expected. The recently introduced "parental salary" is a good example of this priority. The same demographical trends will lead to a growing proportion of elderly people in Estonia. One would therefore expect the politicians to fear the expenses of too generous a pension system and consequently to be somewhat careful in developing the old age pension system. On the other hand, in the political debates everybody seems to agree that young families and the elderly are the worst off, and should be given priority with the further development of social policy.

The responsibility lies with the municipalities

The responsibility for social assistance and services lies with the municipal authorities. The municipal services are based on needs and are means-tested. As the authorities are aiming at developing these services, it is absolutely necessary to strengthen the qualifications of those employed in the local services.

One of the main issues between the employers' and the employees' organisations is the question of payment of social benefits. Today, only the employers

pay the "social tax". The employers quite naturally want the workers to take their share of the payment to the pension funds.

Estonian unemployment benefits are the lowest in Europe. The unemployment benefits are one of the obstacles towards membership in the EU. Changes are therefore to be expected.⁷ There is a "gap" between parts of the Estonian system and the EU "norm": Since Estonia is negotiating EU membership, substantial efforts have been made to fill this gap. The main problems are the absence of a supplementary pension system (second pillar), low unemployment benefits, and a weak system of work accident and occupational disease benefits (Leppik 1999). Some of the expected changes will therefore depend on the progress of the EU negotiations.

Changes and the dimensions of comparison

If a sustainable welfare system is to be built up, Estonian authorities may have no choice but to move in the direction of a less redistributive system. Implementation of the 2nd pillar⁸ of the pension system, new unemployment insurance, parental salary, a growing insurance market and a growing civil society are all issues that will change the public/private mix in Estonian society. Seen with the glasses of the present political climate in Estonia it is very likely that this development will strengthen the private sector. This will affect the profit oriented as well as the non-profit oriented parts of the private sector.

Maintains established differences

With the implementation of the second pillar and the expected strengthening of the third pillar, changes in the redistributive function of the income maintenance system are to be expected. The system will become less redistributive and more similar to the systems of Western Europe, systems that maintain established differences in the labour market. The authorities may not be left with much choice but to move in this direction if a sustainable system is to be secured. The connection to the labour market might

⁷ Please bear in mind that that this was written in 1999

⁸ The three pillars of the pension system is described in Barr (1994)

change through an introduction of active labour market policy. The implementation of the second pillar, however, means strengthening the links between pensions and the labour market in the sense that the amount the individual will receive as pensions is dependent on what he/she has made of economic input into the system. If the universalistic pensions and benefits are kept on a low level, we will see a less de-commodified system.

Ability to deliver

The future accountability of the income maintenance system will depend on at least two issues – the ability to deliver and the stability of the system. A professionalisation of the people operating the system is necessary to enable the system to deliver according to demands. Some of the benefits are at a very low level. This might weaken the accountability; as the

system will not be efficient enough to sufficiently meet people's needs. The most important factor that will secure accountability, however, is the strengthening of the national economy. EU membership might support sustainability in the system in two ways. The first is the general strengthening of the economy. The second is the necessity and probability of some kind of convergence with the EU system – “the social Europe”.

A new model?

The Estonian type of welfare mix is based on universal benefits combined with different kinds of insurance. What we see is a combination of marked economy thinking and universalism, a mixture of Scandinavian and American models - or the social democratic and the liberal model (Esping Andersen 1990).

“We all agree”: Latvia

An analysis of the four dimensions under the Latvian system discloses a vulnerable social security system. To mention but two of the four dimensions: There is a discrepancy between what the municipalities are obliged to provide under the law and what they in fact can afford to provide. Income maintenance is also a case in point. In Latvia this works as protection against poverty, but the redistributive effects of the system will be weakened by the implementation of the second pillar.

“We all agree, but no-one is grateful” is the title of the paper dealing with a general assessment of income maintenance system in Latvia. The title is a slightly altered quote from one of the informants, and describes what we came to experience as a widespread attitude towards people's or the clients' approach to social policy.

Divisions of roles and responsibility

A classic sociological model builds the basis of welfare policy on three pillars; the state, the market and civil society. The state – or public services – dominates the welfare model of Latvia. We have not analysed the informal service provision extensively, but it seems to us that both market-based services and services organised by civil society play a very limited role. To

get a more detailed picture we might divide the public sector into two; the state and the municipal/regional authorities.

The private sector is divided into market, civil society and family/community. The division of labour between the state and the local level is very much modelled on the Nordic/Scandinavian pattern.

Tiny municipalities

The Latvian municipalities are small and will in the long run have problems with providing the services people demand. The municipalities are responsible for means-tested benefits and services. The formal and legal premises for what the municipalities do, are, however, to a high degree, centralised. Management rules, the level of the social benefits and the

guaranteed minimum income (GMI) are defined at state level. Due to budgetary constraints, however, the municipalities do not fulfil the obligations stipulated by the law. In other words, they have some freedom in setting the priority between the items in the budget such as schools, administration and social assistance.

They are also at liberty to prioritise internally within the budget for social transfers administered by the municipalities (between groups of the population – the elderly vs. the unemployed, etc.). Municipalities are thus responsible for providing services, but are at the same time subject to centralised decision-making procedures. The main topic of this analysis is income maintenance. In an analysis of the relationship between the state and the market, we see that the pension system is publicly managed. The role of NGOs seems to be limited, but is probably important in caring for the most marginalized groups in Latvian society. In principle the Latvian model is directed towards the individual, but we have seen that in reality, the Latvian family has a central role in income maintenance. The income transfers are often insufficient and not all the needy are eligible for transfers.

Labour market connection

The implementation of the second pillar of the pension system will increase the connection between labour market position and pensions. At this stage we do not see any development towards an important role for labour market based schemes, supplementary to the public schemes. At the municipal level the social assistance system is to a large extent demanding services in return for benefits. These measures are of different kinds. In an international, comparative perspective the way these measures are used in Latvia represent a problematic part of the social policy. The aims and ways of using activity-oriented measures are not clear, and the lessons learned from the western countries about problems with active measures have not been taken into account.

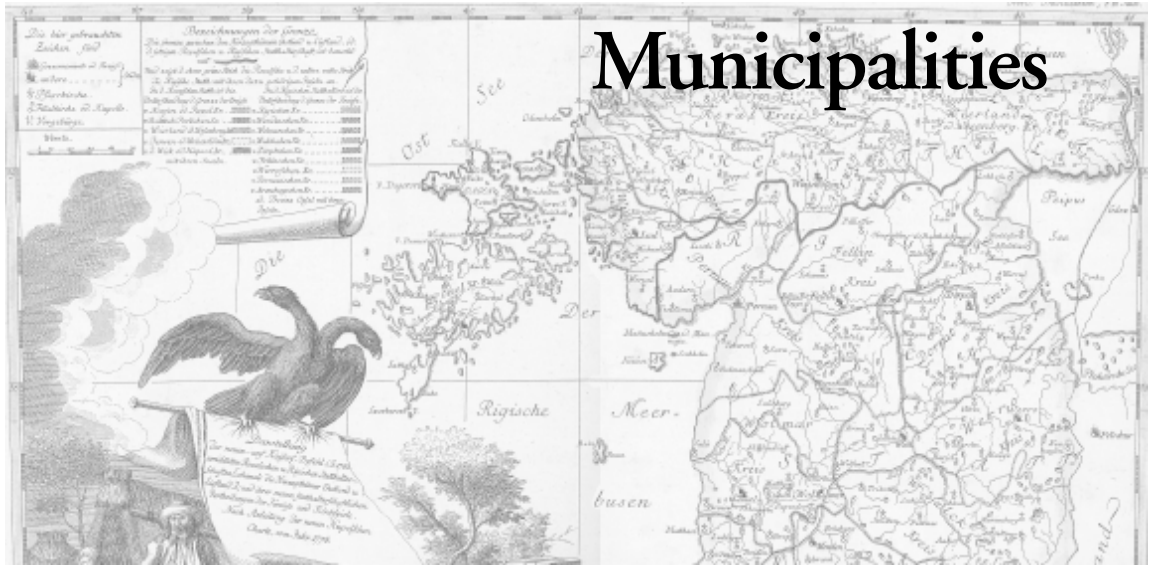
Implications for distribution/redistribution

Measured by the Gini coefficient, the economic differences in Latvia are relatively large. The Norbalt data give a Gini coefficient in Latvia of 40 in 1999 (whereas e.g. the Norwegian was 25,6 in 1995 (SHD 1999)). The Latvian income maintenance system works as a shield against poverty, defined by relative measures. It represents protection against relative poverty, especially among the elderly. In this sense it functions the same way as the western welfare states. The redistributive effects will be weakened somewhat when the second pillar is implemented. The second pillar will increase the function of maintaining income and at the same time protect people from poverty.

Accountability

A volatile economy is the main reason for problems linked to the accountability of the Latvian system. It differs from the problems encountered in the established welfare states, but is similar to those experienced by other countries in transition. There are pressures on the welfare states, and these Latvia seems to have in common with other countries. The pressures thus seem to be international. Two demographic issues challenge the system; the growing number of elderly and the decreasing birth rate. The decreasing birth rate will in the long run lead to a decrease in the population, and there is therefore an urgent need for measures that give families incentives to have more children⁹. The political system is criticised for fostering distrust because of too many changes. Instability and unpredictability have prevailed. So even though the economic and demographic pressures on welfare states are an international phenomenon, these pressures are felt to a higher degree in the transitional economies than in most established welfare states. An implementation of the second pillar of the pension system similar to the Swedish model is likely to lead to a more transparent system.

⁹ See Fafo-paper 2002:5, Brunovskis, A., Opportunities and Choices. Women's Employment and Family Change in Latvia in the 1990s.



During the second phase of the project we studied three municipalities in three regions of the two countries – two in Estonia and one in Latvia. The case studies are presented in this chapter; the comparative aspects of this part of the project are discussed in chapter 5.

Case study of a Latvian county¹⁰

Local municipalities receive only a fraction of the tax-payers' money. But municipalities are still expected to provide social benefits to the needy. Add to this a lack of social assistance offices and social workers without relevant education in addition to a lack of communication between central policymakers and local administrators, and you have a picture of the problems faced by municipal social assistance in Latvia.

The district in question contains around 20 municipalities, including towns. Area-wise it is among the smallest in Latvia. It is a typical Latvian district along a number of parameters. The number of inhabitants; their distribution across rural and urban areas; their wages and the incomes of the municipalities come close to what one would expect to find in an average Latvian district. The district does not include any big cities or any other obvious factors that would influence the regional characteristics in any significant manner. It does however, have a slightly lower unemployment-rate and is demographically a little less burdened than the average Latvian county.

Tax-money is the financial source

Social assistance as it is understood in Latvia is composed of social benefits, social care and social rehabilitation. Social assistance is currently provided both by the state and the municipalities. However, the municipalities receive only a small fraction of Latvia's taxes, and the duties of social assistance left in the care of the municipalities must be financed from municipal budgets and the tax money the municipalities receive. The state benefits, however, are targeted to certain groups of inhabitants rather than needy people. In certain cases such as foster families and guardianships, the finance is provided by the state while the provision of the service is left to the municipality.

Many municipalities have not yet established any social assistance offices. Only a small minority of the social workers in the country have relevant professional education, but many of to-day's social workers are currently undergoing training in courses. Our case study shows that there is a lack of

communication between the policy making level, or governmental level, and the local municipalities. The exchange of information and feedback between the Ministry of Welfare and the local municipalities does not function. The local politicians and social workers see themselves as facing a situation where centrally made decisions bear no consideration for the local environment.

Insufficient funding

We have not been able to identify any clear source of finance for the different types of social assistance. In our case, the insufficient financing of the system was an acute problem faced by the heads of the municipalities and the social workers in rural areas as well as the town municipalities. The local politicians held the opinion that the municipal budget was insufficient to finance the kinds of social assistance the law provided for. The question of how much financial contribution the local municipalities would need to be able to provide a reasonable level of social assistance services, however, remains open. No threshold minimum level or any other benchmark has yet been determined.

The development of social assistance parallel to the development of social benefits was observed only in the town municipalities. In the rural municipalities, the social workers found it difficult to find sufficient funding to provide basic social assistance. The social assistance provided by the local municipalities does not fully meet the municipal obligations under the national law. Each of the municipalities in our study had developed local regulations that were considered better fit to municipal interests and capabilities. It was local regulations that set the framework for the

¹⁰ This paragraph refers to Fafo paper 2002:2, Zane Loža and Aadne Aasland, From a Local Perspective: Social Assistance and Social Work in Latvia.,

provision of social assistance in the municipalities, not national ones. Local regulations differ across the municipal borders, thus there is no real equality in the inhabitants possibilities to receive social benefits. Except for provision of home help that we found to be universally available, additional forms of social care were only available at the town municipality. Social rehabilitation components were not visible on the level of local regulations, nor were they provided in reality. It should also be noted, however, that social care and social rehabilitation are vaguely defined on the national level as well.

Disagreement between social workers and local politicians

The "umbrella style" of the national law, debates over the funding of assistance and the intention to decentralize the system are all elements that delegate considerable power and authority for the development of social assistance on the local level to local politicians. Apart from the recipients of social benefits, the people who most acutely felt the local politics' and local politicians' influence on the provision of social assistance, were the social workers of the focus group. Unsurprisingly, the views and opinions of the social workers and the politicians were often different.

The provision of social assistance in the town municipality was more uniform and standardized than in any of the rural municipalities. Local social assistance (mostly benefits) tends to support the disabled and the elderly, especially lonely elderly people as well as children. The benefits less frequently reach needy families or families from a social risk group. The various municipalities, however, prioritize in different ways.

Situation of the social workers

The social workers in our study all had their educational background from fields other than social work. In this they were typical representatives of the situation in the country as a whole. A lot of people in Latvia are used to receiving unconditional social

benefits and therefore refuse to accept social assistance as a means to actively participate in and improve on their own condition. So far, there is still very little belief in other kinds of assistance, other than benefits, that is. People also see the social assistance office as an institution that should provide support in any situation of life. As a result, social workers meet a very strenuous and demanding working day. Not all workers in our study were happy in their role in the local community.

The municipalities see it as in their interest to increase the social assistance recipients' (for the most part the recipients of benefits) participation in society through the means of social work. They have therefore introduced measures to that effect. The town municipality was more actively engaged in provision of social work than were the rural municipalities. There are several reasons for this: Firstly, the town municipality assumed a more active attitude towards the changing role of social assistance. Secondly, the potential use of social work was more valuable in the town than in the rural municipalities, and thirdly, the rural municipalities assumed that to work for rural family farms is an alternative source of income open to those who are willing to deliver.

Preparing a new law

Social assistance as a concept and its recent focus on the development of alternative social assistance is a challenge for all groups involved. The social workers generally accept the idea of a locally provided, decentralized, participatory social assistance. The implementation of such a system, however, is inhibited by the lack of sufficient finance and a lack of political will. The present legal and financial systems do not provide the right incentives for the development of assistance on a local level, and is not sufficiently explanatory with regard to social care and social rehabilitation. In an attempt to solve these problems, the Ministry of Welfare is currently preparing a new law on social assistance. It is hoped that this will address the shortcomings of the existing legislation, be more outcome-oriented and backed-

up with more adequate financing for the social assistance system¹¹.

The future of social assistance in Latvian regions will depend on a number of factors, where the decisive one is likely to be the development of the Latvian economy in general and in particular the regional economic development. Continuous high unemployment rates in many districts will put a pressure on the local budgets and this will necessarily affect the level and types of social assistance available to the population.

Social assistance moves in two directions

The developing welfare state regime will be of great importance to the local municipalities. The questions are whether Latvia will focus on universal principles or perhaps move more in the direction of means testing when distributing social assistance to the poorest? Today the trends move in both directions. A guaranteed minimum income to all is being introduced on the one hand, while on the other, a greater degree of discretion on the part of the social workers, and even in some cases local politicians, when distributing social assistance is also becoming more common.

The development of local government and the distribution of roles between the state, the districts

and the municipalities have not yet been settled. At present the municipalities feel that the policies introduced at government level are far from the needs that they themselves experience in their everyday dealings with social issues. Neither is the institutional set-up particularly well suited for the municipalities' needs. On the other hand, the large number of municipalities in Latvia and the hesitation among many local politicians introduce local government reforms may also contribute to preventing a more rational and economically founded use of scarce resources.

Professionalisation

Today there is a need for a professionalisation of social work, especially in the districts. However, social work is not very prestigious and is poorly paid. The social workers that receive a professional education are likely to seek work not in the rural districts, but rather in better paid jobs in the larger urban centers. Here they have a much better opportunity to perform other tasks than just poverty relief. Still, this report has shown that substantial assistance is actually being provided despite economic hardships and an inability to comply with the norms of national legislation or the aims of social assistance as perceived by the social workers themselves.

Case study of two Estonian counties¹²

In Estonia, social assistance is faced with an imbalance between available resources and actual needs. The country also suffers under international trends to reduce the role of the state in social work. Nevertheless, social workers feel that they are able to make their influence felt and that they are increasingly capable of defending the rights of the less fortunate.

The two Estonian regions under the study are different in their cultural, economic and social backgrounds. Both of them have varied resources for development, but nevertheless lag behind the most developed areas

of Estonia, i. e. the capital city Tallinn and its surroundings.

Within the framework of the Strategy for Regional Policy of Estonia three key indicators have been

¹¹ Please note that this paper was published in 2002.

¹² This paragraph refers to a paper by Avo Trumm and Dagmar Kutsar, "Provision of Social Assistance: The case of two municipalities of Estonia". Fafo Paper 2003:1.

worked out for the attainment of the objective of the regional policy of Estonia:

- That the living standards (measured as the average income of a household) should not be lower than 75% of the average of Estonia
- That the unemployment rate (measured by the methodology of the ILO) should not exceed more than 35% of the average of Estonia;
- That municipal tax revenues (measured as personal income tax in local budgets) should not be lower than 75% of the average of Estonia, of which Tallinn has been excluded.

The average household income in the County of Pärnu is close to the country average. The situation was at its most favourable in 1999. In 2000 the growth of incomes slowed down considerably compared to the rest of the country. The County of Jõgeva, however, has consistently been among the poorest regions and therefore belongs to the target regions of regional policy programs.

The state vs. the municipalities

Members of the focus groups discussed widely different levels of governance and the role of the state in creating preconditions for enabling the population to cope with their everyday lives. The interviewees agreed that the state should create conditions under which every person would be able to cope, either on his/her own or with the help of the government. The following quotes are representative for the attitudes of the social workers:

The laws are the task of the state. But those laws should work so that they create preconditions for coping, whether we talk about the equal tax policy, the employment policy, health care or insurance, so that there were less need and more room for the traditional social assistance.

The state should make sure that people could secure their own lives so that the social welfare could be for those who for some reason cannot afford it themselves. Still, state provisions are not always enough.

The social worker at the municipality should be able to help when people have temporary difficulties or health problems. Social work could, with its services and prevention measures, provide important help to get people back on their own feet. But today people fall down and stay down. People are generally prepared to cope, but people differ, some are stronger, some weaker, to some people one setback is enough and they are unable to cope, whereas others can handle seven setbacks and still they bounce back again. In many cases, a social worker is the last resort for a person in need.

A municipality has to reach every individual that needs assistance and social welfare. Therefore the social worker must really know his/her region. I am talking about myself as I have a small population in our town – 2500 people – and having lived there since I was a kid, I really know everyone. And the social worker should be the one who helps and sees beyond things, and who really knows how to push the right buttons with the local council and government so that certain things could be provided for in the budget so that something could be done.

Co-operation between agencies

The group members also pointed out the increasing importance of the NGOs. They are becoming an increasingly important actor for them to cooperate with in the field of social work.

To conclude, social workers from the group held the opinion that social workers have a lot of opportunities to make their influence felt. The question remains how many of these opportunities are used?

The problems of any society end up in the hands of the social worker. To verbalise them and make the problems visible for society, that must be a goal. Maybe then these problems would get more attention at a higher level as well. The social counsellor of a municipality is expected to make proposals, the social counsellor must also prepare

material for the budget that the municipal council either approves or disapproves of, and if all he or she does is to prepare motions for inclusions in the budget, it may very well happen that they are rejected. But if these problems have been illuminated in the press, it is more probable that the council will approve of the proposals of the social worker.

By creating co-operation between different agencies and by co-operation on different levels of governance social workers are making their area of influence larger. They also add to their influence by their increasing professionalism and their growing professional awareness.

Social assistance: The last resort

There is a general consensus among the experts that social assistance should be the last resort for the recipient to turn to, rather than a long-term support measure.

If we look at the law concerning the social protection of the unemployed, there are different services on offer. Those who are officially registered as unemployed, get stipends and unemployment benefits. Others get counselling service, information about vacant jobs, etc. This is the active information that the National Labour Market Board gives them. All the other measures should be applied before social assistance benefits. This should be the last help resorted to.

Great changes

Since the restoration of independent statehood in Estonia, the social protection system has undergone changes. Some of these changes have a global and universal character, some are caused by the transition and some are nation-specific in the sense that they are characteristic for Estonian society.

As an opened society, Estonia is heavily influenced by global developments whether they are economic, social or political. In the sphere of social protection a new global welfare paradigm that we might name the post-modernist social policy, has emerged. The new paradigm is about the withdrawal from social commitments, the rejection of the importance of an integrated society or even of society and the *individualisation of the social* (Ferge 1997). Estonia has intentionally or unintentionally followed the new 'social fashion' stressing individualised responsibility for social reproduction, explicitly rejecting collective responsibility, renaming social inequalities as individual freedom of choice, prioritising economic growth and entrepreneurial freedom. Consequently, the market structures and supranational organisations in their attempt to reduce the role of the state, propose new instruments of social protection such as private insurance, means-tested assistance, private charity and business contracts. These ideas are stressed in EU accession reports in particular (Ferge 2000).

Imbalance between need and resources

The one common feature for the social protection systems in all post-communist countries is an imbalance between available resources and actual needs. It is a purpose *per se* to make cut-offs in social costs, without any special evaluation of or consideration to the possible impacts such cut-offs might have for the sustainability of society. As a result, the universal benefits and services that were formerly called 'free of charge' are the most negatively affected. For EU accession countries the obligation to demonstrate 'high credits' and 'a total and final end to the past' leads to an unconditional acceptance of any given advice.

The global and international pressures on the national social security systems prevent Estonian authorities from taking the opportunity to elaborate the nationally most rational welfare mix. The influence of the 'global and supranational welfare monsters' will increasingly dominate over national interests.

Problems of coping are complex

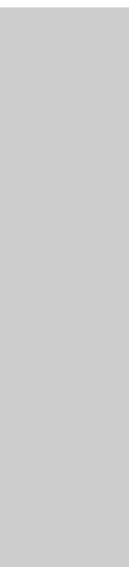
However, the question of a nation-specific social security could play a relevant role in the future as well. While re-arranging the social assistance system in Estonia, the following considerations should be taken into account:

- The problems of coping in the Estonian population still have a massive and complex character. A re-orientation of social security from universal to a more targeted and assistance based approach runs the risk of overloading and decreasing the functionality of the social assistance provision;
- The low administrative capacity and the insufficient resources of the Estonian municipalities may deepen the social inequalities and reduce people's access to social care facilities.
- The decline of the role of the state in social assistance provision could be compensated for through private structures and civil society. Therefore, it

becomes increasingly necessary to develop a culture of charity and civil participation.

Lacking in financial and institutional support

The provision of social assistance still plays an important role in securing social inclusion and the overall sustainability of Estonian society. The recent developments in this particular area have positive as well as negative consequences for the social security of the most fragile part of the population. The reconstruction of the organisation social assistance increases the flexibility and complexity of provisions and creates positive pre-conditions for the professional growth of social workers. However, the fact that the emerged changes have not been supported by the necessary financial and institutional arrangements may result in burnouts, insecurities and other negative consequences for the individual social worker.





Gender and ethnicity

In addition to the two main tracks of our project – income maintenance and municipal social services and benefits – gender and ethnicity have represented two important aspects of the analyses. The income maintenance systems might have a redistributive impact along the gender as well as the ethnic dimensions. Both Estonia and Latvia have large ethnic minorities. The gender division of welfare is internationally an important aspect of the welfare analysis (see e.g. Ginsburg 1992). In the papers on income maintenance we discuss these dimensions of the welfare state in the two countries. In addition, some contributors have analysed these dimensions especially. Two of such contributions are presented in this chapter.

Gender¹³

Contrary to expectations women have not been pushed out of the labour market. This is in particular due to the creation of new jobs in the service sector. However, economic developments in Latvia has forced women to take on full time jobs thus making it more difficult for them to choose children and caring for the family at home.

Quite early in the 1990s, concerns were expressed about women's situation in the post-socialist countries of Eastern Europe, in particular with regards to their access to the labour market. As the former regime had been committed to the full employment of women as well as men, it seemed obvious that women would lose out in the competition on the new labour markets. In addition, the social provisions designed to alleviate the conflict between work and family deteriorated.

Male workplaces were lost

In the latter half of the 1990s, case studies emerged showing the surprising result that in several of the countries in question, women, as compared to men, had not been pushed out of the labour market. It was suggested that women had retained their relatively strong position in the labour market due to the nature of the economic restructuring. This restructuring hit hardest in the male dominated parts of the industry, and in addition the countries saw a growth in typically female occupations in the service sector.

The paper on the gender dimension aims at illuminating further possible explanations for the position of women on the Latvian labour market that has turned out to be stronger than expected. In addition to considering the opportunities for women's continued employment, as argued in former studies, the paper examines the relationship between work and family, and family change, in particular the falling fertility rates as a potential contributing factor in sustaining women's high level of participation on the labour market. Dramatically falling fertility rates have been characteristic for most of the post-socialist countries.

Combining work and family

The study deals with the structure of opportunity in Latvia with regards to access to the labour market and the possibilities for combining work and family. Restructuring did initially hit hardest in men's jobs, reflected in the higher unemployment rates of men in the early and mid 1990s. Furthermore, the largest growth in the employment sectors has been in service occupations, creating many jobs that are seen as typically feminine. We also examine state provisions for families with children. There has been a concern in previous research on Eastern Europe that particularly the closing of kindergartens could make work and family harder to combine. While this has also been the case in Latvia, the decline in provision of financial resources through family benefits, combined with low wage levels, has increased the necessity for women to take on paid work. Most families quite simply cannot live on a single salary. Consequently, women do not really have any opportunities to opt for a home-based existence. On the individual level, the necessity to work is reflected in the high labour force participation and employment rates of women, which are very similar to those of men. Women predominantly work full time, whether they have small children or not. This indicates that adjustments to accommodate the conflicting demands of work and family concerning time are not made at the different workplaces.

The importance of falling birth rates

Falling birth rates are also clear indicators of women's relatively strong position on the labour market. A lot of people have chosen to postpone or forego having children, as birth numbers and birth rates have been halved during the last decade. This means that there

¹³ This paragraph refers to Fafo-paper 2002:5 Anette Brunovskis: Opportunities and Choices. Women's Employment and Family Change in Latvia in the 1990s. The main data source for this paper is the Norbalt survey, see the chapter on Methods.

has been a substantial decline in the number of women with small children, and consequently fewer women to confront the conflict between work and family. As a result there are also fewer people who compete over the use of public childcare facilities. This is reflected in a large increase in the share of children attending kindergartens from 1994 to 1999, entirely accounted for by the drop in birth numbers. Falling fertility rates may thus be perceived as strengthening women's opportunity to enter onto the

labour market at aggregate level.

It has been suggested that the economic and political processes initially believed to cause women to drop out of the labour market in favour of the role of the traditional housewife, have been influential in family change, in particular in terms of falling fertility rates. This, in addition to the characteristics of economic restructuring, may have contributed to women's relatively high participations on the labour market.

Ethnicity¹⁴

Ethnicity has little impact on the risk of falling into poverty. The ethnic minorities' situation in Latvia as well as in Estonia is complex, but the most common denominator for poor people or people who experience social exclusion is a lack of education, not whether or not they belong to an ethnic, i.e. Slavic, minority.

The two countries of Estonia and Latvia are similar in the sense that they are both ethnically heterogeneous. Barely two thirds of the Estonian population are ethnic Estonians (UNDP 1999) while merely a little more than half of the Latvian population are ethnic Latvians (UNDP 1998). The standard of living of ethnic groups in these two countries are surrounded by myths, and with the special history of the Baltic States (see below) one would expect the large Russian and Slavic populations especially to be at risk of lagging behind the titular groups economically as well as socially. Previous research has concluded that ethnic affiliation has little impact on the risk of falling into poverty, and there are no great differences in material living conditions between the majority ethnic groups and the Slavic populations in the two countries. (Aasland 2000, Fløtten 1996). However, the risk of being socially excluded has not yet been analysed.

The basic question

Our focus is on the differences between ethnic Latvians and Estonians and the Slavic minorities. The basic question is: *Are the Slavic ethnic minorities of*

Estonia and Latvia at greater risk of being socially excluded than ethnic Estonians and Latvians?

On closer examination a relatively complex picture emerged. Anybody belonging to the Slavic minorities in Estonia and Latvia will often lack fundamental rights associated with citizenship such as the right to vote in national elections and being eligible for leading public positions. Furthermore, it seems as if the Slavic population more often than the titular groups struggle to get integrated into several other arenas of society. The minority groups are less integrated and feel less secure on the labour market, they participate less often in civil and political activities and they tend to report more frequently that economic hardships restrict them from participating in social activities. Despite these facts, there are no significant differences between the ethnic groups when it comes to social isolation. Moreover, the differences *between* the two countries when it comes to exclusion among the ethnic minorities are smaller than the differences *within* each country.

¹⁴ This paragraph refers to Aadne Aasland and Tone Fløtten, "Ethnicity and Social Exclusion in Estonia and Latvia" *Europe-Asia Studies*, Vol. 53, No. 7, 2001, pp-1023-1049. The main data source for this article is the Norbalt survey, see chapter on methods.

Education

Even though there is a significant relationship between ethnicity and various forms of social exclusion, and the presence of cumulative exclusion, the most important variable to explain the social exclusion that affects all groups, nevertheless seems to be education. People with little education are more often excluded. Given the importance attached to poverty in the discussions of social exclusion, we would have expected poverty to have a significant impact on all forms of exclusion as well. The strength of the relationship between income poverty and exclusion from different arenas does seem to vary, and poverty does not seem to be a dominant variable in explaining neither exclusion from civil/political participation nor social isolation.

The most important finding is that ethnic affiliation seems to be of *some* importance in explaining certain forms of social exclusion, but the findings are not unanimous, and other factors are too important for us to draw too decisive conclusions. Ethnicity is not a decisive factor in explaining income inequalities in

present-day Estonia and Latvia, and the Slavic minorities do not seem to suffer from any considerably higher risk of multidimensional exclusion than the titular groups. Ethnic Estonians and Latvians tend to view their situation in more positive terms than other inhabitants when expressing subjective feelings of economic and social security (Aasland 2000). We have reason to believe that ethnicity does play a role in the integration into the two societies.

Not poverty, but social exclusion

There seems so far no need to pay special attention to the Slavic minorities as far as poverty is concerned. The degree of exclusion along several of the dimensions selected in our analyses, however, suggests a need for consideration. Of special importance is inclusion into the labour market. To enhance the educational level of both titular and non-titular groups seems to be crucial. There is reason to fear that a prolonged exclusion from the labour market may affect inclusion into other arenas of society in the long run.



This is the chapter where we bring in the Norwegian focus group for a comparative view of the situation for social work in Latvia and Estonia. We also discuss models of welfare and whether or not the Baltic States are in the process of developing a model specific to this region of Europe. Another central discussion is whether or not the globalisation of social policies have forced the Baltic countries into disregarding their nation-specific needs and adjust to social policies that essentially will not solve their problems.

Models of welfare

Post communist countries do not seem to fit into the most used categorisation of welfare states into a liberal, a conservative and a social democratic model. Closer scrutiny reveals that their solutions are far more diverse than western eyes normally perceive them to be.

The categorisation of welfare states that is most referred to is Esping-Andersen's division into three welfare regimes (1990). He divides the various welfare state models into the liberal, the conservative and the social-democratic regimes.

The models

The "liberal" welfare regimes include countries like the USA and are characterised by means tested assistance, modest universal transfers or modest social insurance plans. The "conservative" regimes include Germany and France. They are strongly corporatist and the principle of subsidiarity accords an important role to civil society and the family. The most important social insurances are based on the individual's position on the labour market. Finally, the social democratic regimes include Norway and Sweden and their most important characteristic is universalism. The most important social insurance is run by the state and covers all inhabitants. The Scandinavian welfare state regime is considered the most de-commodified.

Many have tried to challenge Esping-Andersen's theories by adding new models. Some criticise the model approach and seem to be more interested in what the different welfare systems have in common and look at the historical and political backgrounds to explain the developments in the different countries.

A variety of post-communist solutions

The typologies mentioned above, however, do not include the post-communist countries. There have been many attempts of grouping the European former Soviet and/or communist countries. One that is often used is a division into four geographical groups, The Baltic States, Central Europe, South Eastern Europe and The Slavic countries (UNDP 1998b). This grouping of the CEECs illustrates the diversity of these countries. In spite of common western prejudices about uniform communist states, these countries show great diversity in their preconditions for change as well as in the political choices they have made. The Baltic countries, along with e.g. The Czech Republic, Hungary, Poland and Slovenia, seem to move towards one variety of the western welfare state. This is a different path from e.g. Bulgaria, Romania and several CIS countries. They appear to have chosen a "softer" market approach and slower privatisation. The result at this stage of the transition process is a new mix of welfare systems that is closer to the former Soviet systems (Deacon 1998). A new central and eastern European model does, however, not seem to be developing.

Is there an emerging Baltic model?

There are a great number of similarities between the Latvian and the Estonian social policy solutions. Consequently the question of whether a welfare state model specific to these countries is emerging, deserves closer scrutiny.

Our studies of the Estonian and Latvian cases reveal that both countries face many of the same challenges and have seen a number of similar developments.

The project has focused on Latvia and Estonia. Our findings consequently do not include Lithuania and our conclusions do not apply to this country. The

numerous common characteristics of the Latvian and the Estonian models, however, raise the question of whether or not there is a Baltic social policy under development. The basic universalistic pension is a common trend. The same goes for the role of the municipalities in providing social services and social assistance benefits. On the other hand, the two countries have chosen different paths concerning other aspects of the income maintenance system. The guaranteed minimum income, or GMI, is particular to Latvia. The Estonian solution to the same challenges has been to establish a norm for a minimum level of subsistence. One difference

between the two is that the GMI focuses on individual income, and the subsistence minimum level is more focused on the needs of the household as a unit. The second pillars of the pension systems in the two countries will be different when they are implemented. The Latvians have chosen to develop a state managed second pillar, while the Estonians have opted for a mandatory system based on the workplace. Some of the trends common to the two Baltic countries such as universalism, public responsibility and the role of the municipal social assistance and services - are in accordance with the Nordic model for income maintenance systems.

A comparison between the Baltic and Nordic income maintenance systems

There are striking similarities in the Scandinavian and Baltic welfare state models, among them the universalism of parts of the models. But, as is to be expected, there are also important differences, not least in the lack of resources in the Baltic States and the consequences this carries for the clients. Do the similarities include the Baltics in the Nordic family of nations?

Social exclusion and social policy in Estonia and Latvia has been a Norwegian-Baltic cooperation project. A closer scrutiny of the common features of the Baltic and Nordic models of the welfare state therefore turned out to be too tempting to be avoided. Estonia and Latvia have chosen to build up a relatively equality oriented system of benefits. The idea of equality is a common feature of the Baltic and Nordic countries. Different economic levels and different levels of poverty are basic problems in comparative social studies. In this case it is almost impossible to find relevant measures for comparing the levels of benefits or the generosity of the system in these two European regions. A striking difference between the Scandinavian and Baltic countries is the fact that in 2000 the GDP (Purchase Power adjusted) was more than 4 times higher in the Nordic/Scandinavian countries than in the Baltics. (UNDP 2001 ¹⁵)

The level of benefits

When we compare Norway to Estonia and Latvia we also find a basic difference concerning the level of the benefits. That these differences are seen in the actual amount paid out to the recipient is obvious due to the different economic level of the countries, but there are also differences in relative terms. For instance, the difference between pensions and wages are greater in the two Baltic countries than they are in Norway. The question is whether the difference is so important that it changes the model and leaves us with a more liberal approach to the welfare regimes in Estonia and Latvia? At the present stage of development in the two countries, however, this question cannot be answered with any accuracy.

Liberal or social democratic?

Both the Estonian and the Latvian welfare approach have been characterised as liberal as well as social democratic. It could be argued that the two countries

¹⁵ See appendix 2

represent liberal welfare states. The most important of these arguments is that the benefits are set on such a low level that almost every person is dependent upon individual measures in the market. The lack of resources in the welfare system combined with the individualisation of society leads to a situation where some groups of people are marginalized. On the other hand, the data in our survey clearly indicate that pensions and benefits do reduce the relative poverty substantially. The Estonian pension system has some basic structures in common with the Finnish, while the Latvian has more or less adopted the new Swedish pension system.

The Nordic family of nations

An alternative approach to the comparative discussion is to use the concept of “**families of nations**”. This concept is used by Castles (1993). The Nordic countries are described as a typical example of families of nations. The idea is that shared historical and cultural experiences contribute substantially to explaining similarities in national policies. A more or less common history and culture in the Nordic countries seems to have created a drive towards universalism – and perhaps even local public responsibility. The idea that the Baltic countries are Eastern European is a new phenomenon linked to their recent political history and in no way connected to the countries’ culture and long-term history. The common universalism in the Baltic and Nordic social policies might be a result of common cultural trends in this north-western corner of Europe

The Baltic and Nordic countries are close neighbours. Parliamentarians and government representatives meet on a regular basis and cooperate through the

medium of the Council of the Baltic Sea States, extended proceedings of the Nordic Council and the Nordic Council of Ministers. Multilateral cooperation has also been re-established after the fall of the Soviet Union. In the search of an explanation for a Baltic/Nordic convergence, it is necessary to come back to the close regional connection and exchange, and to common culture, history and values. The idea of a common northern family of nations points towards shared cultural dispositions, such as the high value put on equality. This promotes a drive towards universalism and state social policy in all countries. There seems to exist a high level of public support for a policy oriented towards economic equality. However, it is important to underline the fact that there are still many questions to be answered. The challenges that the Baltic transitional countries are facing are quite different from those of the established Scandinavian welfare states.

A Soviet heritage

The Nordic connection, however, is just one factor in this development. Soviet social policy was also universalistic and run by the state. In the Soviet model the social support systems were to a large extent linked to the work place. That historical heritage is very different from the Nordic model and seen through this project the Soviet model seems to be very far from what is emerging as the Baltic trend. The outcome of the economic transition the Baltic States are presently going through is the single feature that will have the most significant effect on the social development in these societies in the coming years. One should not forget, however, that much also depends on the political will to give priority to social policy and income maintenance.

Globalisation of social policy?

International actors are increasingly influential when it comes to forming a national state's social policy. The question is to what extent do foreign actors influence the development of the social policies in Estonia or Latvia in a constructive manner?

Deacon (1997) describes the emergence of a global social policy. The main message of his analysis is that international actors are increasingly influential when it comes to formatting social policies in different countries. Deacon points to three main premises that have lead to a global social policy discourse: The collapse of the cold war and communism, the threat of global migration and finally the trans-nationalism of the environment. In his analysis he includes organisations consisting of states as well as international NGOs and agencies.

The post-communist states are dependent on foreign investments and international loans in their efforts to reconstruct their economy. The countries have been invaded by international consultants and agencies, all of which have wanted to earn money or influence the situation in different ways.

A conglomerate of influential actors

The Baltic States' Scandinavian neighbours for example, promote their models through different aid and exchange programmes. The EU on the other hand seems to be promoting a more German-like model through its programmes. Critical voices in the CEEC seem to think that the most successful external pressure comes from the World Bank and the IMF promoting a more liberal-like model. Russia could be a fourth important external factor. The Baltic States were a part of the Soviet Union and there are still large Russian minorities in all of the three countries. The role of the Council of Europe, the ILO, the OSCE and UNDP might also be important.

The Latvian informants¹⁶ saw the World Bank as the most influential in the sphere of social policy-making. In line with the WB terminology, the new Latvian

pension scheme was described as a three-pillar system. Several aspects of the system differ from World Bank policy. Most importantly, the first pillar is universalistic, while the World Bank generally suggests a means-tested first pillar. The second pillar – while still not implemented – will be state managed. The World Bank has generally promoted a privately managed second pillar (Barr 1994). Some of the interviewees described a tripartite co-operation consisting of Swedish experts, World Bank consultants and ministry officials as the basic agents behind this three-pillar system. This seems to be a strong alliance.

Influence through the high quality of their work

During the first stages of reform the IMF played an active role as an advocate for a system of protection against poverty that was basically means-tested and workfare oriented. In the last few years the involvement from the IMF has been limited. The ILO has been involved as an advisor on some aspects of labour legislation, but has had no hand in designing the income maintenance system. The UNDP acts as consultants, but according to interviewees in the ministries they make no attempts at directly influencing the policy-making process. In the main they exert their influence through the high quality of their work, if our informants are to be believed. The EU was thought to have a greater impact through the norms and requirements Latvia needs to comply with to qualify for membership rather than as an active agent with direct influence on the design of a social policy. The EU is an important agent on issues related to safety at work and labour protection. The EU's influence on social issues through Latvia's negotiations for membership in the Union, however, was seen as marginal.

¹⁶ The discussion is taken from the paper about income maintenance in Latvia.

Greater democratic experience, more independence

Our informants felt that Latvia initially had received substantial advice and recommendations from international experts. As local politicians and officials gradually acquired greater experience, combined with the international bodies' lack of first hand knowledge of the local context, Latvians grew more critical to advice from abroad. Advice often derives from the fact that people are working together and is therefore in its form more indirect than direct.

The conclusion of a similar discussion about international change agents in the paper about Estonia concludes as follows: "The striking result of this

analysis is that the national agents are seen as important on a broad range of issues, while the international agents are connected with specifically defined issues."

Consequently in our analysis we found the national social policy discourse to be quite as important as the international influence. Our findings are therefore partly in contrast to Deacon's theories. Even though we find active international actors promoting different social policy measures, we found a less monolithic global social policy and a higher degree of national independency from the global trends than Deacon might lead us to expect.

The municipalities

The Baltic countries have adopted the Nordic pattern in according great responsibility to the municipalities in implementing the social policy programmes. So far the state sets relatively strict premises for the municipal management of social measures. This might change the relation between the state and the municipalities as well as that between the public and the private sectors. The division of labour between state and the municipalities in the social policy will depend on the municipal and regional reforms.

While the case studies primarily focused on each country separately, the paragraphs on municipalities and social work will focus on the comparative perspectives of the situation of the municipalities.¹⁷ In addition to the focus group interviews in Latvia and Estonia, a focus group in Norway added background information to the analyses.

Four problem areas

We have discussed four problematic areas – the aims, the gap between needs and resources, the use of workfare and finally active measures and professionalisation. The municipalities have a long way to go before they are able to deliver what is presupposed in the legislation as well as meeting the expectations of the users. It is, however, interesting to see that these four problem areas also are high on the

agenda in far more developed welfare states – like e.g. the Norwegian. When e.g. Langeland and his Fafo colleagues present a broad overview of the Norwegian welfare state development (Langeland 1999) these issues are important. The issues are more or less identical, although the level of service is very different.

The process of implementing the policy might change the relation between the state and the municipalities as well as that between the public and the private sectors. The division of labour between state and the municipalities in the management of benefits and services will depend on the municipal and regional reforms. So far the state appears to set relatively strong premises for the municipal management of social policy measures. To what extent the municipalities will develop their own services, or use NGOs and

¹⁷ This paragraph refers mainly to the conference paper by Arne Grønningsæter, Welfare policy in the Baltic countries – the relation between the state and the municipalities in implementing social policy in Estonia and Latvia. The paper was presented at the X. Nordic social policy research seminar in Oslo August 2000

other private service providers to do the job also remains to be seen.

A Nordic pattern

Municipalities play an important role in the Nordic welfare state, particularly with regard to social services. A process of decentralisation has strengthened this role over the last years. Studies of the organisation of social assistance in the Nordic countries show different forms of organisation, but the role of the municipality is a common characteristic. (Bradshaw and Terum

1997, Lødemel and Schulte 1992) There are differences in the level of use of central norms, but the local basis for service provision is common. The Baltic countries have adopted the Nordic pattern in according, at least in their legislation, great responsibility to the municipalities. On the other hand there is a huge gap between the levels of the locally based services between the two regions. Estonia, as well as Latvia, has established a legal framework that might lead to a role for the municipalities similar to that of the Nordic countries. They have, however, a long way to go before this becomes reality.

Social work and the social worker¹⁸

Compared to the Nordic countries, the most striking difference between Nordic and Baltic social workers is the latter group's lack of relevant education. The Baltic social workers are also less specialised, and claim that lack of resources is their main challenge. Their Norwegian colleagues maintain that solving the complexity of their client's problems is their biggest challenge. If the differences in their situations are many, the similarities are more numerous.

The most striking difference between the Nordic and the Baltic countries in this connection is linked to the level of professionalisation. There are very few social workers with a diploma in social work from a college or a university in the Baltic States. In the Nordic municipal social services these groups have a dominant position. The paradox is that the social workers complain about low status in the Nordic as well as the Baltic environment. But they also claim that the situation is improving. The re-establishment of social work as a profession in the Baltic States has only been on the agenda for approximately 10 years, whereas the Nordic countries have traditions originating from before the 2nd World War.

Specialisation or all-round

The Norwegian social workers seem to be more specialised than their Baltic colleagues. This is partly due to the fact that the municipalities are small in the Baltic countries and partly due to the low number of social workers. When the municipalities are very

small, as indeed they are in Estonia and Latvia, the social workers will have to work with the whole spectre of social problems

Social assistance is meant to be a short-term support for people in need. In many cases this becomes long term help for the poverty-stricken. This is a common problem for the social worker. The Baltic social workers present lack of resources as their main problem, while their Norwegian colleagues in fact admit to having much resources. As a consequence Norwegian social workers place a higher priority on concepts such as quality of life and preventive work than the Estonians and the Latvians do. The Baltic social workers, however, say that prevention is becoming more important and they seem to have more of an entrepreneurial role than the Scandinavians.

Marginalisation, but different focus

Drug addicts, families with small children and individuals that in one way or the other are excluded

¹⁸ A conference paper by Riina Kiik and Arne Grønningsæter called "I like contact with people, the jungle of problems is a challenge" discusses comparative aspects of the professionalisation of social work in Baltic and Nordic environments.

from working life risk marginalisation in the Baltic as well as in the Scandinavian countries. Despite these facts, the focuses of the social workers are quite different. The explanation for these differences seems to be the levels of specialisation as well as a different focus in the field of social policy. The role of the social workers seems to have some common elements in all countries, for example, all social workers see themselves as important in coordinating different helping institutions and organisations, whether this coordination is linked to health, school or social services.

Social workers experience conflicting expectations. State agencies, municipal politicians as well as users represent different angles. There are also tensions within the value base of social policy and social work. Examples of such conflicts are universalism on one hand versus the view of the individual on the other. Securing rule of law is important for the legitimacy

of the profession. In small communities, like the Estonian and the Latvian, it is also important to develop a good, viable balance between closeness to the users and a professional approach to social work.

Inability to meet the client's needs

There is one striking communality between Norwegian and Baltic social workers. They all feel frustrated in their inability to meet the needs of the clients in any fulfilling way. Their explanations as to the whys and wherefores of this problem, however, differ greatly. The main explanation among the Baltic social workers is a lack of elementary resources within the field of social policy, while the Norwegians complain more of the complexity of the problems. This experience of being unable to fulfil the client's expectations is, whatever the reason, experienced as both frustrating and challenging on all sides of the national borders.

Conclusions on different levels

The process of transition is still not finished, despite the fact that Latvia's and Estonia's welfare systems are settled on the legislative level. The challenges are many; political turbulence, coordination of the services, professionalisation of social work and a falling birthrate, among them. Despite hardships, there is enthusiasm and drive to develop better and new services.

After 12 years of transition, the general structures of the welfare systems of the Baltic countries are settled on the legislative level. The basic principles of the new pension systems are established and the countries are in the process of developing social services. Public management and responsibility dominate the social benefits and services in Estonia and Latvia. The process of transition is still not finished. Even though the general framework is getting clearer, there are many areas where the implementation is still to be seen.

The project *Social exclusion and social policy in the Baltic countries* has focused on the process of social policy changes in Estonia and Latvia. The approach has been exploratory and based on questions rather

than hypotheses. The basic question has been: What are the underlying patterns of social policy changes and how do these changes influence people's lives in the two countries?

Living conditions high on the political agenda

We have seen that the Estonian income maintenance system moves towards a three-pillar pensions system, basically moving along the same patterns as the Finnish model. A mandatory labour market based on a second pillar supplements the universalistic basic pension by and an individual, market-based third pillar. The social services are in a process of professionalisation. The system is challenged by demographic and

political turbulence. The living conditions of families are relatively high on the political agenda. It looks as if the system might develop towards a higher level of market orientation and a stronger labour market basis and thus become less redistributive. The system can be characterised as a mix of liberal and social democratic regime.

The new Latvian pension system is based on the Swedish model, with its basic universal pay-as-you-go pension and a publicly managed income related and fund based second pillar. The Latvians intend to develop a system of Guaranteed Minimum Income. The process of developing such a system has, however, been much more difficult than expected. The demographic development has created tension around the living conditions of families. The development of locally based social services is the serious challenge when it comes to the implementation of a social policy in the districts. Coordination of the services is mentioned as a problem. The losers appear to be those who are marginalized in the labour market and have had little opportunity to earn rights in the pension system. The Latvian regime has also been characterised as a mixture of liberal and social democratic.

Pensions

Public pension systems and public services dominate the social policies in both countries. The labour market based elements are strengthened through the implementation of the second pillar. The pensions seem to represent a relatively efficient protection against poverty, especially among the elderly. Relative poverty is substantially reduced through public transfers. At the same time the benefits are on a relatively low level. In the long run this might undermine the accountability of the income maintenance systems.

The municipal responsibility for social service and social assistance is principally close to the Scandinavian

systems. The two countries will have to deal with huge challenges before the system is developed into a well functioning provision of services. We have pointed to four areas in need of consideration. The first is a development of a common understanding of aims. We have found a gap between local and central political levels. We also saw differences between the local political and administrative levels on the one hand and the social workers on the other. The social workers feel that the central level should provide better directions to the local level. Simultaneously both social workers and municipal authorities maintain that the transfers of resources that the state provides are a question of too little too late. There is a significant gap between needs and resources.

Active measures are problematic

The use of so-called active measures is a problematic area. In Latvia, the use of public work as a kind of workfare (work for social assistance) is widespread. It seems, however, that there is no strategy and no real consideration on how active measures could be used as a means of integration of people marginalized on the labour market. There is a need for professionalisation of social work. The use of active measures is a good example of how good intentions are impracticable without skilled service providers. Estonia and Latvia have a long way to go before the system will function according to the legal intentions, and according to the users' expectations. The most problematic obstacles are a lack of resources and low benefits.

On the more optimistic side it is important to point to the fact that new services are developed. Social workers and municipal administrators participate with enthusiasm and this is a driving force towards better services. The role of entrepreneurship is important in the coming phase of social policy development.

Research and practice – from the ivory tower to the social assistance office

Social workers have been very important as informants, through focus groups as well as through individual interviews. This gave us the chance to take part in a process that involved people from the first line of implementers of the policy of all three countries. In the summary of the discussions 5 points stand out and we examine them in detail in this summing up.

This project has been an interesting process. A number of researchers had been studying living conditions in the Baltic regions, and wanted to investigate to what extent the institutional framework and social policy development influenced living conditions. We saw the need to learn more about the institutions and policies that influence the living conditions of the Baltic countries. In addition, we came to realise that there was a lack of scientific studies on social policy developments in these countries. The starting point was several research questions formulated in the ivory tower of research. This resulted in an overall assessment of the income maintenance systems of the two countries on the part of the Norwegian research team. This in turn, demanded a closer look at how the municipalities implemented their part of the system. We came to recognise that one of the crucial points of the system was the implementation of the decentralised part of the social policy in question. Social workers have been very important as informants, through focus groups as well as through individual interviews. In the concluding phase of the project we therefore got the idea to gather these informants with the aim of discussing our findings. We therefore invited informants, from Estonia and Latvia, as well as from Norway to the concluding seminar. This gave us the chance to take part in a process that involved people from the first line of implementers of the policy of all three countries. In this summary of the discussions 5 points stand out.

Desired changes

The process of social policy changes has been a central part of the project. Consequently the social workers discussed what they see as desired changes. The Estonians pointed to the need to organise social

workers. They wanted to develop teamwork and co-operation across traditional bureaucratic borders, e.g. between professions, between the public institutions and NGOs as well as between administrators, social workers and politicians. They also stressed the importance of having time and resources for doing real client work. The individual social worker needs supervision and feedback. The politicians should encourage innovative approaches. The last point they stressed was that social policy should be more than reactive response to urgent problems.

The Latvian social workers pointed to the same kind of issues. “We need more time to follow up the client.” This was seen as necessary if one of the aims of the social worker is to contribute to the empowerment of the client.

Even the Norwegian social workers pointed to similar issues. They maintained that they needed teams and networks around the client if they should be able to help them help themselves. It is necessary to join forces across bureaucratic borders if one shall get the maximum out of the available resources.

Priorities

Priorities in the daily work were pointed out as another important issue. The questions that arose were not only who to prioritise, but also how to prioritise. Should authorities do the priorities through regulations or should the social workers do the priorities based on the meeting with the individual clients? Both alternatives are problematic. The first alternative because the authorities lack the necessary feeling for the situation and are basically oriented towards the development of infrastructure and

community related issues. This alternative also raises another issue altogether: Should the rules be national or local/municipal? The second alternative is problematic because it is very easy for the social worker to give priority to the clients that he/she sees the most.

The Latvian social workers described their typical clients as families with many children or single parents. They meet between 5 and 20 clients per day, including home counselling. Unemployment is a main issue. Many families lack material resources for sending their children to school. Social workers are often struggling with the local politicians about giving priority to benefits.

The Estonian social workers singled out three kinds of clients; unemployed, single parents and children who need protection. They complained of the politicians lack of understanding of the nature and importance of social work.

The Norwegian social workers claimed to see a development towards more complicated problems linked to each client. The so-called multi-problem clients are increasing in number. Many are in a vicious circle when it comes to economy and it is difficult to help them out of such a situation. Education seems to be an important determinant for how long people will need social assistance benefits.

Network

The social workers in all the three countries pointed to the use of network as essential to their ability to solve problems. That was linked to the network of the social service agency as well as to the network of the clients.

The Estonian and Latvian participants repeated their need for establishing networks that function. It is important to do away with various forms of prestige that can put up obstacles for this way of working. The networks should include policy developers, researchers and decision-makers in addition to social workers. It is important to develop new ways of working together with NGOs.

Empowerment

The aim of social work is to educate and give responsibility to the client, in one word, empowerment. Many of the above mentioned desired changes can be seen as steps in towards more emphasis on an empowerment-oriented approach in client work. It is a challenge to be able to treat every person with equality and at the same time see every person as different individuals. The presence of ethnic minorities reminds us of the importance of this principle. It is an important ethical issue to question what social workers should do and what should be left to the clients themselves.

The social workers also pointed to the need for empowering the social workers themselves. Many social workers are women and they meet the traditional hindrances that women meet in our societies. Social workers need more power to influence society around them.

The relation between the social workers and the researcher

The last part of the discussions centred on the relation between the social workers and the researchers. Several of the participating social workers held that the ideas and thoughts from the project had contributed to widening their focus and made it possible for them to look at their work from the outside. Researchers can function as critical as well as encouraging instances towards social work practice on the one hand, and the practitioners can act as controlling bodies of the researchers on the other. Research can also contribute to encouraging the social workers in their professional lives.

Through the project we have clearly seen the lack of resources in the municipal social services. The social workers therefore asked how the researchers could use their professional influence to improve this situation.

The social workers claimed that the researchers could contribute by presenting future perspectives and establish new international networks. They saw the

need for networks that involved practitioners as well as students. They also pointed to the need of linking research networks to practical social work. Several people maintained that a combination of the researchers' and the social workers' respective networks would produce beneficial spin-off effects that could be used to advantage. The question on how that was to be done, was left without an answer. The last question to the social workers was whether the researchers in the project have captured the main questions and problems? The social workers pointed to the constant changes of the social policy situation.

For example did some Latvian social workers point to a change from material problems to individual loneliness. By focusing the change process the researchers can help with coping with future social challenges.

It is important to learn from each other, both researcher and social workers need to look at the changing dimensions of social work and social policy. One of the present challenges in the Baltic countries is to move from transition to mainstreaming.

References/bibliography

- Aasland, A. og G. Tyldum (2000) *Better or Worse? Living Conditions Developments in Estonia, Latvia and Lithuania 1994–1999*. Fafo
- Aasland, A. (2000), *Ethnicity and Poverty in Latvia*, Ministry of Welfare of Latvia and UNDP,
- Aasland, A. et al. (eds.) (1997a) *The Baltic Countries Revisited: Living Conditions and Comparative Challenges: The NORBALT Living Conditions Project*. Fafo.
- Aasland, A. and V. Cesnūtyte (1997b) *Living Conditions in the Baltic Countries Compared: The NORBALT Living Conditions Project*. Fafo.
- Aasland, Aadne (ed.) (1996) *Latvia: The Impact of the Transformation: The NORBALT Living Conditions Project*. – Fafo.
- Barr, N. (ed.) (1994) *Labor Markets and Social Policy in Central and Eastern Europe; The Transition and Beyond*. Oxford University Press
- Bradshaw, J. and Terum, L.I. (1997) How Nordic is the Nordic Model? Social Assistance in a comparative perspective. In *Scandinavian Journal of Social Welfare* 1997/6. Munksgaard
- Castles, F. G. (ed.) (1993) *Families of Nations. Patterns of Public Policy in Western Democracies*. Dartmouth.
- Clasen, J. (ed.) (1997) *Social Insurance in Europe*. The Policy Press.
- Deacon, B. et al. (1997) *Global Social Policy*. Sage Publications.
- Dietz, Jan (1996) *Putting the Past behind: A Review of Living Conditions along the Eastern Baltic Rim: The NORBALT Living Conditions Project*. Fafo.
- Esping-Andersen, G. (1990) *The Three Worlds of Welfare Capitalism*. Polity Press.
- Esping-Andersen, G. (ed.) (1996) *Welfare States in Transition: National Adaptations in Global Economies*. Sage Publications.
- Fløtten, T. (1996) Economic Resources. In Grøgaard, J. B. (ed.) *Estonia in the Grip of Change; The NORBALT Living Conditions Project*. Fafo.
- Gilbert, N. (1999) *The Enabling State: An emerging paradigm for social protection*. Fafo
- Ginsburg, N. (1992) *Divisions of welfare*. Sage
- Kapstein, E. B. (1997) Social Policy and the Transition. In *Social Research* Volume 64 No. 4.
- Langeland, O. (ed.) (1999) *Mellom frihet og fellesskap; Det 21. århundrets velferdssamfunn*. Fafo/Tiden
- Leppik, L. (1999) Social protection system of Estonia facing the EU enlargement. Unpublished paper, Ministry of Social Affairs of Estonia.
- Lødemel, I. (1997) *Pisken i arbeidslinja – om iverksetting av arbeid for sosialhjelp*. Fafo.
- Lødemel, I. And Schulte, B. (1992) Social assistance – a part of Social Security or the Poor Law in new disguise? Presented to the conference "Social Security 50 years after Beveridge, University of York September 1992

Narusk, A. (1998) Forgotten tunes of the Singing Revolution. In Moskalewicz, J. and C. Tigerstedt (eds.) *Public opinion on social problems. A survey around the Baltic Sea*. NAD Publication

Poverty Reduction in Estonia. Background and Guidelines (1999). Tartu

SHD (1999) *St meld nr 50 (1998 - 99) Utjamningsmeldinga*. Det Kongelige Sosial- og Helsedepartement. (Green Paper on Distribution of income and living conditions in Norway. The Royal Ministry of Health and Social Affairs)

UNDP (2001) *Human Development Report 2001*. United Nations Development Programme.

UNDP (1999), *Estonian Human Development Report 1999*. United Nations' Development Programme, Tallinn

UNDP (1998) *Latvian Human Development report 1998*, United Nations' Development Programme, Riga

UNDP (1998b) *Poverty in Transition?* UNDP Regional Bureau for Europe and the CIS

Wiktorow, A. (1992). Soviet Union. In Dickson, J. and d. Makarov (eds.) *Social policy in Socialist Countries*. Ruthledge.

Appendix: Publications from the project

Fafo papers

Arne Grønningsæter, Social Policy in Transition – Income Maintenance in Estonia Compared with Norway. Fafo-Paper 1999:21.

Arne Grønningsæter, Aadne Aasland and Zane Loža, “We all agree, but no-one is grateful”. Developments of the Income Maintenance System in Latvia. Fafo-paper 2001:9

Avo Trumm Structural shifts in providing social assistance: Responses to changing living conditions in Estonia. Fafo-paper 2002:1

Zane Loža and Aadne Aasland, From a Local Perspective: Social Assistance and Social Work in Latvia. Fafo-paper 2002:2.

Anette Brunovskis: Opportunities and Choices. Women’s Employment and Family Change in Latvia in the 1990s. Fafo-paper 2002:5

Avo Trumm and Dagmar Kutsar, Provision of Social Assistance in Municipalities of Estonia. Fafo-paper 2003:1

Arne Grønningsæter, Great expectations — Social exclusion and social policy in Estonia and Latvia – a summary. Fafo-report 410

Articles in books and journals:

Aadne Aasland and Tone Fløtten, “Ethnicity and Social Exclusion in Estonia and Latvia” *Europe-Asia Studies*, Vol. 53, No. 7, 2001, pp-1023-1049

Anette Brunovskis, Kvinner og det latviske arbeidsmarkedet – tendenser i siste halvdel av 1990-tallet (Women in the Latvian labour market), *Nordisk Østforum* 2001:1 (15).

Arne Grønningsæter, Social policy in Baltic countries under Change. In Shilneva, Lydia and Roar Sundby (ed.) (2000) *Social Work and Social Development – New Trends in a Changing Europe*. Report from the 7th European IUCISD conference. Inter-University Consortium for International Social Development

Aadne Aasland, Social progress in Latvia. In *Welfare reform in Latvia*. Ministry of Welfare of the Republic of Latvia 2002.

Conference papers and presentations:

Riina Kiik and Arne Grønningsæter, ”Jeg liker å ha kontakt med folk, jungelen av problemer er en utfordring” – Sosialarbeidere i Baltikum og Norden (Social Workers in the Baltic and Nordic Countries) Presented at the IVth Nordic symposium on research in social work in Oslo november 2001

Arne Grønningsæter, Social policy and social work in Estonia and Latvia – attitudes, knowledge, priorities, and the gap between needs and resources. Presented at the European conference of professional social workers in Bratislava August 2001

Dagmar Kutsar, Poverty and social exclusion: how poverty impacts one’s life course. Presentation at *the 2nd Estonian Social Work Congress*, Pärnu, August 22-24, 2001.

Avo Trumm, Social assistance benefits – do they relieve or deepen poverty? Presentation at the 2nd *Estonian Social Work Congress*, Pärnu, August 22-24, 2001.

Anette Brunovskis, Women, work and family in Latvia – Tendencies from 1994 to 1999. Presented at the 4th Conference on Baltic Studies in Europe, in Tartu June 2001

Arne Grønningsæter, Is there an emerging Baltic social policy model? The Estonian and Latvian social policy in a European context. Presented at the 4th Conference on Baltic Studies in Europe, in Tartu June 2001

Avo Trumm, Investigating clients of social assistance – principal methodological questions. *Seminar of social workers of City Government of Tallinn*, June 22, 2001.

Riina Kiik, Changes in social welfare and civil society: the implication for social work education on the basis of Estonian experience. Presentation for EASSW Conference “*Theoretical approaches in social work education*”, Lodz, June 7-9, 2001.

Tone Fløtten and Aadne Aasland, Ethnicity, Poverty and Social Exclusion in Estonia and Latvia Presented at X. Nordic social policy research seminar in Oslo August 2000

Arne Grønningsæter, Welfare policy in Baltic countries – the relation between the state and the municipalities in implementing social policy in Estonia and Latvia. Presented at the X. Nordic social policy research seminar in Oslo August 2000

Dagmar Kutsar, Investigating social assistance provision: the case of fieldwork of the international project “Structural shifts...” Presented at the seminar Society for Everybody. Tartu 14. August 2000

Avo Trumm, Determination of the applicants of social assistance: status-test, means-test and needs-test. Presented at the seminar Society for Everybody. Tartu 14. August 2000

Riina Kiik, Investigating social assistance provision: methodological problems. Presented at the seminar Society for Everybody. Tartu 14. August 2000

Riina Kiik, Educational level of social workers and needs of complementary education. Presentation at the seminar “Return of the Social Work Profession to Estonia”. Tallinn 17. Juli 2000.

Aadne Aasland and Guri Tyldum. Poverty in the Baltic Countries. Presented at The International Society for Quality of Life Research Congress, Girona (Spain), 19-21 juli 2000

Aadne Aasland og Guri Tyldum. Citizenship and Social Exclusion in Estonia and Latvia. Presentation for Society for Advanced Socio-Economic Studies, London 7-10 juli 2000.

Riina Kiik, Ageing policy and the generations in Estonia. Presented at SOS-TERVE-2000 i Tampere, 22. 24. Mai 2000

Arne Grønningsæter, Welfare Policy in Transition – Estonia and Norway Compared. Presented at the IFSW European Seminar in Helsinki/St.Petersburg July 1999

Working papers, BA-theses etc.

Kapp Kai, Raudmets Kaidar (2000). Homeless in Tartu: facts from the Civil Census 2000. Working paper

Kiik Riina (2000) Re-professionalisation of social work in Estonia. Working paper in Estonian.

Migul Maris. (2000) Making choice between the fields of study: social work. BA-thesis in Estonian.

Toots-Erelt, Ave. (2000) Formation of the image of social work in contemporary Estonia. BA-thesis in Estonian

Semm Kristin. (2000) Monofunctional settlements at the societal transition: developments and influencing factors. BA-thesis in Estonian

Saarna Triin (2000) Coping capacities and the need for social assistance of widowed single parents. BA-thesis in Estonian

Presentation at the concluding seminar

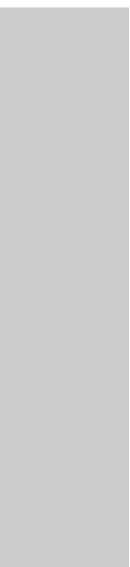
Tone Fløtten, Is it possible to compare poverty between a Baltic and a Scandinavian country?

Arne Grønningsæter, On the Baltsoc Project – an overview

Avo Trumm, Structural shifts providing social assistance in Estonia

Aadne Aasland, Social policy and social assistance in Dobeles

Riina Kiik, Development of the role of social workers in Estonia



Great Expectations

The project "Social exclusion and social policy in the baltic countries" ran for three years and was concluded in 2002. This report sums up the findings from that project and is based on quotes and summaries from papers produced during the project period.

The report describes a process that in addition to the researchers also involved social service providers in Latvia and Estonia. The period of transition has lasted more than ten years and the main structures of a new social policy is established in the two countries. The study questions how these new structures are implemented, and how social policy measures influence the development of living conditions.



P.O.Box 2947 Tøyen
N-0608 Oslo
<http://www.fafo.no/english/>

Fafo-report 410
ISBN 82-7422-399-3