

University Outreach to Strengthen Decentralization in Estonia: A Needs Assessment

Report of a Visiting Advisory Team

January 15-23, 1999

Background

Legacies of state socialism continue to plague Central and East European (CEE) countries. Implementing, sustaining, and institutionalizing reform will require educating people in strategic organizations and institutions to deal effectively with democratic transition. Democratic governance requires well-trained public officials working in an environment that reinforces and sustains their efforts. Public management education and training efforts are critical to the capacity building that is necessary to sustain democracy at all levels of society.

Complexities challenging such efforts are apparent in Estonia, as in other parts of the former Soviet Union. In Estonia, as with other CEE countries, priority has been given to privatization. The result is that 86 percent of wholesale and retail establishments were privatized by 1996, representing over 90 percent of all wholesale and retail sales. As of 1996, only 10 percent of the land in Estonia had been privatized. More is needed, but these changes are encouraging. A recent visit to Estonia convinced me that people there believe they will succeed.

Estonia has embraced democratic institutions and clearly established the rule of law. Career public officials, though unfamiliar with the administrative practices and styles necessary to nurture democracy, are sympathetic to it and seem to welcome suggestions to strengthen individual initiative and decentralization. Our visit in January, 1999 was to test the potential for university outreach to contribute to the democratization of Estonia. Our conclusion is that university managers and those who will be their partners in outreach are ready and willing to get started. The opportunity and the challenge are exciting.

University outreach and democracy

Economic theory suggests that devolution of authority over the provision and financing of services by local governments, including decisions regarding the allocation of public resources, should result in economic efficiency and greater public accountability. This conclusion assumes that society understands these concepts, that government accepts and promotes them, and that there is capacity for financial management at local level. To deepen and sustain reform, it will be important to prepare universities to provide training and applied research functions to advance democratic practices in civil society and the public sector. Such activities will be a departure from established modes of operation that require changes in policies and practices by universities and governments.

While programs must be tailored to the needs of each country and region, Estonian officials have expressed an interest in considering the outreach experience of U.S. Land Grant universities as they evaluate opportunities for Estonian universities to play more active roles in the democratization process. University outreach activities may extend programs of university teaching and research in ways that educate and inform society more broadly. Examples include training of non-matriculated students, holding public policy fora and workshops, issuing occasional papers and conducting applied research on issues of interest to civil society. The University of Delaware's Institute for Public Administration and School of Urban Affairs & Public Policy, University of Delaware are possible models from which elements may be selected for use in Estonia.

The visit

Planning for a visit to conduct a needs assessment for a university outreach program in Estonia began with discussions initiated by Estonians and a member of the faculty at Delaware at the January, 1998 meeting of the Salzburg Seminar's Universities Project. Key to these discussions is an interest on the part of Estonian universities to be of relevance in issues of importance in their country. We have discussed ways for universities to play a larger role in the democratic development of the country, specifically facilitating fiscal decentralization.

The visit by a four-member team included university faculty and administrators with outreach experience in the United States and other western countries. During the week of 15-23 January, 1999, the team met the following persons to explain university outreach program ideas and discuss the potential for implementation in Estonia:

- * Rectors and Vice Rectors of Tartu University, Tallinn Technical University and Tallinn University of Educational Sciences,
- * A representative of Euro College at Tartu University,
- * Director of Eurohouse, an organization to help develop activities with the EU,
- * Chairman and Director of the Association of Saaremaa Local Authorities,
- * Governor of Saaremaa and senior members of his staff,
- * Executive Director of the Open Estonia Foundation,
- * Deputy Director of the Association of Estonian Cities,
- * Chief of Mission of World Bank-Estonia,
- * Vice Chairman of the Financial Commission of the Estonian Parliament,
- * Representatives of the Estonian Ministry of Finance.

Goals of the visit

Goals for the visit were to:

- (1) understand the extent to which stakeholders in Estonia consider linkages of higher education, civil society and local government to be desirable and feasible;
- (2) assess the potential for developing educational outreach programs at Estonian universities to facilitate fiscal decentralization; and
- (3) determine the interest of stakeholders in supporting specific university outreach activities.

Each of these goals was achieved.

Advance preparation facilitated by the personal contacts made at Salzburg helped focus meetings with stakeholders in Estonia and gave the study team a better understanding of local issues and views. From our meetings, consensus was reached on the following points:

1. The open and participatory practice of fiscal decentralization, while highly desirable as a means of democratization, must be carefully managed to insure that it compliments national investment strategies, macroeconomic objectives and income redistribution programs. Fiscal decentralization should emerge from a process that encourages collaboration between levels of government and among sectors.
2. Properly conducted, outreach programs should reinforce teaching and research activities of universities, but institutional missions may need to be revised to accommodate them and additional resources will be required.
3. Each Estonian university will tailor outreach activities to its particular interests and capabilities to insure that they are sustainable in meeting the needs of Estonians and compliment university capacity.
4. Institutional credibility and integrity require that university faculty and students experience an open environment of institutional neutrality and academic freedom which fosters objective teaching and research.
5. Salaries are currently so low that faculty seek employment elsewhere to supplement their incomes. Cooperation from all segments of society is needed to provide faculty salary incentives to insure a sustainable university outreach program.

Findings of the visit

There is strong support among the persons we met for establishing formal linkages of universities, governments and civil society in Estonia. The concept of university involvement in education, training and research to promote democratic decentralization, especially fiscal decentralization is accepted. An Estonian University Outreach Advisory Group (the “Advisory Group”) was established to guide the development of a university outreach plan. A conference is scheduled for this September to give stakeholders an opportunity to discuss a specific strategy for a program of university outreach in Estonia. There are several reasons to believe that the Estonians will be successful in this activity if potential impediments to the project can be reconciled.

The Saaremaa University Foundation Centre is an established organization created in September, 1997 to encourage cooperative work between Tartu University, Tallinn Technical University, Tallinn University of Educational Sciences in Estonia and Turku University in Finland. A positive, cooperative spirit is exhibited among the partners of the Centre, but currently, there is a full agenda at the Centre and no funds for additional staff.

The Advisory Group is high level and will help develop and implement a business plan and allocation of responsibilities among the universities and organizations involved, but currently universities are strapped financially and faculty from programs other than public administration are likely to have proposals that will compete with this project.

University leaders express want their institutions engaged in university outreach, but they also recognize that the faculty in public administration lack formal training or experience in public finance and financial management.

The presence of the Euro College program at Tartu University is a valuable compliment to help Estonian faculty strengthen teaching and applied research skills in public administration and the Euro Faculty representative indicated a willingness to help in this way, particularly if Euro Faculty efforts can be reinforced by faculty from the United States.

Representative of central government expressed strong, positive support for university outreach and a willingness to work with universities. The Ministry of Finance, the Governor of Saaremaa and the member of Parliament with whom we met were encouraging of university outreach activities. There is a recognition among the persons we met at the Ministry of Finance that fiscal decentralization is a desirable goal and that universities can play a role in building local capacity and enhancing public information needed to achieve the goal over time.

The National Association of Local Governments has created “Social Development Centres”, which involve university faculty in project-based consultations and evaluations to facilitate regional development. Local government is a training ground for national offices in Estonia (in the last general election, some 50 local government officials sought election to Parliament, and 25 were successful), so training programs to strengthen the capacity of local officials can strengthen governance and intergovernmental relations at all levels in Estonia.

The political, economic and social stability in Estonia enhances the potential for success of a university outreach program. The country benefits from a progressive approach to economic growth and the attraction of foreign investment. Per capita FDI is the highest in the region, a factor that indicates a general level of confidence in the stability of the country. These trends are expected to continue to be supported with financial and technical support from the Finnish National Association of Local Authorities and Turku University, the Open Estonia Foundation and the World Bank, but it must be recognized that, as elsewhere in the former Soviet Union, civil society is not well developed in Estonia. NGO/local government interactions are few to date and there is work to be done to remove well rooted suspicion among civil society based upon experiences of the past.

Development of university outreach programs should benefit from Estonia's desire for EU membership. Officials recognize the need to upgrade the quality of all public services, particularly education, to meet EU standards and expectations.

The importance of partnerships to help facilitate university outreach cannot be over emphasized. While university reform will result from the hard work and creativity of managers inside institutions, the absence of governing boards at Estonian universities means Rectors lack the support which usually helps universities get long-term political and budgetary support for university outreach programs. Universities will need to build and maintain partnerships that will support and help guide processes of change.

Outcomes of the visit

A structure for change was created to provide leadership on marketing, funding, program content and institutional responsibilities associated with a university outreach program. The Advisory Group will include representatives of Tartu University, Tallinn Technical University and Tallinn University of Educational Science, members of the Saaremaa University Foundation Centre, the Association of Estonian Cities, the Union of Local Authorities Associations, the Ministry of Finance and the Saaremaa University Foundation Centre, which will serve as secretariat to the Advisory Group.

A strategy for change was initiated. Two areas were identified for university outreach programs in public finance - - certificate training and applied research. Specific examples were reviewed. A continuing education component is proposed to help certificate recipients remain current and maintain high levels of competence.

A process for change was created that will include having the Advisory Group visit university and government officials in the United States to assess experiences and begin to develop an action plan for university outreach in Estonia. Following this visit, the detailed outreach plan will be prepared for presentation at a conference scheduled for September 19-21 in Estonia, at which stakeholders will discuss proposals and hopefully endorse an approach to be implemented over the next two years. Much work needs to be done, but the positive spirit of cooperation and the enthusiasm on the part of all we met are signs that this project has the ingredients needed to be successful.

The Team is grateful to the College of Human Resources, Education and Public Policy at the University of Delaware, Turku University, the Salzburg Seminar's Universities Program and the W. K. Kellogg Foundation for supporting this visit. We hope that the report of the visiting team will help inform and stimulate the September, 1999 conference and subsequent implementation activities.

The visit was conducted by a four-member team comprised of Kari Hypponen, Director of Administration at Turku University in Finland, Eric Keerberg, Director of the Saaremaa Universities Foundation Centre ("the Centre") in Estonia, Arno Loessner, Senior Policy Fellow, Institute for Public Administration at the University of Delaware, and Jeffrey Raffel, Director of the School of Urban Affairs and Public Policy at the University of Delaware. Dr. Hypponen is Vice Chairman of the Delegation of the Centre and former Consultant to the Institutional Management in Higher Education program at the Organization for Economic Cooperation and Development in Paris. Dr. Loessner is Director of the International Union of Local Authorities' Office for Research & Training at the University of Delaware and Secretary/Treasurer of the Unidel Foundation, Inc., a private foundation supporting higher education. Dr. Raffel serves as a member of the Executive Council of the U.S. National Association of Schools of Public Affairs and Administration.

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