Discover USSR Welfare Model in the context of European Social Model

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ABSTRACT

Observe the progress of the USSR Welfare Model in Estonia, six target impacts we could formulate for the rethinking process since the 1997 when the platform had related to the social democratic welfare regime in Scandinavia. Summary, the consequence is the insufficient solidarity express in society, since start from independent time, the percent of the person who is excluding from state’s welfare schemes has increased. The inadequate schemes of the welfare, they don’t influence the poverty reduction and Estonia has given priority to the restoration of economic growth instead of alleviation of negative social consequences. The interaction between the social policy both state and European level and European Social Model has been dual practice.

Keywords: Estonia, USSR Welfare Model, European Social Model, individual scope

Estonia is a transition country, between Finland and Latvia; Estonia, Latvia and Lithuania are Baltic Countries their historical backgrounds are different, different languages, at the same time they have started to develop the field of social welfare after USSR has collapsed. During the Soviet period, the social welfare system was consisted mainly of nursing homes, which provided care for children, the elderly and disabled people and permanent care for orphans, the elderly, disabled and mentally handicapped people. Service organizations, which offered people with disabilities work, encompassed only a marginal fraction of the total number of people with disabilities. The regimes of the Soviet Union had included the basic components of welfare: the general public service (the health system, the schools and the kindergartens and the universal pensions (Mikkola 1997). As the Soviet Union collapsed and Estonia regained its independence in 1991 we faced a great challenge to rebuild a new social welfare system on a completely new basis and it was to happen in a very short period of time.

According to Örkény and Székelyi (2000) the East is characterized by a polarized image of society: there is typically a small group of wealthy and a relatively small group of middle class positions facing a huge proportion of poverty-stricken people. Estonia is part of post-communist area. Post-communist Europe must also work with, the best, a confusing and ambivalent relation to welfare founding values such as equality, solidarity and social justice, and at worst an amortized notion of these values (Lendvai 2008).

According to the statistical and research dates of Eastern European countries, this group of countries never perform better than the EU-15 or the EU-27 averages, they spend less on social policy, therefore identifying the group of post-communist welfare regime (Aidukaite 2011; de Haan 2011). Fenger (2007) and Wegener (2007) have former USSR type (Belarus, Estonia, Latvia, Lithuania, Russia and Ukraine). This type resembles the conservative-corporatist type, but the scores on other governmental programmer’s variables are below three well-known Western European types.

The theoretical interaction between the Welfare State*, European Social Policy and European Social Model

The term "Welfare State" is a social construction of the political system (Wirth 2009), the welfare state is matter for politics and politics is also matter for the welfare states (Chu, Tsui & Yan 2009; van Kersbergen 2006). The concept of a welfare state can be characterized by the attempt of the inclusion of all in the political system. The political system is a part of the functionally differentiated society; social policy has been a critical instrument of statecraft in the welfare state. Traditionally, the regimes of Esping-Andersen or Titmuss has utilized for described the welfare states (Aspalter 2011). In Europe, the practice of social welfare is related to social policies, which in practice will depend on local history and traditions. That is, we like to understand how to do
the state policy works and there we are could find the different paradigms. This means, however that in every country in Europe, and probably in every region, welfare is produced in a different ‘mix’. Therefore every country has not only one history of social welfare, a variety/ varying from north to south, from cities to rural areas. This regional welfare mix is a very important part of the social and cultural heritage of Europe (Van de Luitgaarden 2009; Collins 2008).

EU member states have converged toward a certain European Social Model. Borghi (2012) shows the two pillars of EU welfare capitalism, employability and activation, they have related to the social services; the social services are the main tool of contemporary Social Work in Europe. The European Commission adopted a Framework Directive on Services of General Interest in January 2001 aimed at removing barriers to free trade in a broad range of services within the EU, covering purely commercial services as well as social services as health care and household support services (Peana & O’Brien 2006). One of the key areas of the European social policy – the fight against social exclusion – shows that the ability of a person to cope with his/her life independently is for Europe very important. Therefore, the guiding principles of Europe should be active inclusion, not passive welfare (Mann 2009; O’Brien & Peana 2008).

The back round of Estonia in the period of transition

In the period of transition in 1992-1997 as the social welfare system the state and local level was not developed yet, a large variety of NGO’s, especially church related NGO’s, emerged who were applying external development aid in order to provide social services to the needy ((Raudava-Salveste 2010; Raudava-Salveste 2006). The year 1997 marks a breaking point, as within the framework of EU Phare projects (SSCC) foreign experts were engaged by the Estonian state to develop the welfare system. The platform for the development of the social welfare system was:

• to support the families and the care provided by the family members;

• to organize special welfare services provided by the counties, NGO’s, entrepreneurs and enterprises (Mikkola 1997).

The movement turned from state-centeredness to the citizen-centeredness in order to empower the individual engagement of every citizen. Well-organized care for fellow citizens forms an essential part of a person’s participation in the society and enhances democratic processes. The platform had related to the social democratic welfare regime in Scandinavia, eligibility for welfare benefits and services is typically tied to the individual’s citizenship or residency. Estonia is the very small country; the population is 1, 294 million, the proportion of rural population is 48%, less 590 000 taxpayer (E-Government 2011) and the few person in the middle-class, 30,2% the elderly included people with disability, 10-15% the long-term unemployed. Utilizing the statistical numbers, the gross domestic product of Estonia grew 2.5 times in the period 2000–2007, and in the context of the European Union, the GDP per capita increased from 45% to 70% of the average of EU countries during the same period (Trumm & Ainsaar, 2009, 158). Poverty is hidden in Estonia; public discussion shows the success of Estonia particularly before joining the Euro-zone. The term “Second Estonia” was introduced for the first time in 2002, since then, social scientists continue to highlight the various features of the concept: families with children at risk of poverty, elderly poverty, the poverty of people with disabilities, the high level of unemployment. Therefore, 700 000 euro worth of food support from Europe comes to Estonia in 2012 and European Union has increased the support in 2013. Thereby, we research the structures of the social security and the public social services at the state’s level.

Methodology

This paper is at reflecting the USSR Welfare Model about, behind the statistical numbers. How does the USSR Welfare Model influence the poverty reduction and to the ability of a person to cope with his/her life independently at the State’s level in the context of European Social Model? The strategy of research (methodology) has utilised case study. Hassard & Kelemen 2010; Punch (2009), Gomm, Hammersley & Foster 2008; Bennett and Colin (2007) pointed out that the case study aims to understand the case in depth, and in its natural setting, recognizing its complexity and its context. It also has a holistic (Verschuren 2003) focus, aiming to preserve and understand the wholeness and unity of the case. Therefore the case study is more strategy than a method. A case study is a detailed inquiry into
complex of the government with variety data recourses (Baxter and Susan, 2008).

*Configurative-idiographic studies* (Gomm, Hammersley & Foster 2008) where the material is largely descriptive and reflects the particular concatenation of circumstances surrounding the events in a way which, while they may provide insights into the relationships among the component elements in the case, do not easily lead to direct general theoretical interpretations. Description is balanced by analyses and leads into interpretation (Patton 1987, 163). The dates of case study have been based the on mix of evidence for the document analysis (public documents, law, strategies, legal regulations of municipalities etc.)

**Interaction with European Social Policy and European Social Model at state’s level: poverty and start the discourse of need-based**

The first step in the field of social policy was do ratify the European Social Charter, followed by the application of the EU membership and harmonisation of the legislation with the legal system of the EU. In the period of transformed was focused on promoting the EU accession negotiations and matters of social policy having a priority in the accession negotiations as the labour protection and health care, equality of men and women in the labour market, the participation of workers in the management and work environment. Observe the activities for the Ministry of Social Affairs in 2013 -the labour market, work environment, equality of men and women in the labour market, social inclusion- all priorities of social policy of EU are following.

The other hand, the European Union's social policy (the European Social Charter) is defined as "social protection" of the basic structure and it monitors their performance.

“The Revised and Amended European Social Charter Ratification Act” adopted on 31.05.2000, provides for social justice and human freedoms, and established a monitoring mechanism that ensures that, the nations which have joined the Charter abide by them. Estonia has not ratified some of the articles, because the situation in Estonia did not meet the requirements set forth in those articles. Countries, which have ratified the Social Charter, must report regarding the un-ratified articles and strive to implement the rights laid down in those articles. Estonia has submitted reports regarding un-ratified articles for the years 2005 and 2010. Reports on ratified

Articles are available on the website of the Ministry of Social Affairs (Seventh Report of the Republic of Estonia 2010; Euroopa Sotsiaalõiguste Komitee Järeldused. Eesti 2010. It is worthwhile to draw attention to the fact that in 13 years, referring to Estonia's success, not a single article has been ratified. Further, the two reports of evaluation, The National Report of Strategies for Social Protection and Social Inclusion 2006-2008 and 2008-2010, describe the problem of poverty however the problem has grown the year on year. The reason has started in the period of transition period, when the judge restructure of the labour market didn’t allow the start of equality to everybody involved the problem of the unemployment (von Wistinghausen, Oolup, Habicht, Moorlat 2008; Vöörmann 2005; Nömmann, Luiker & Eliste 2002). The Second Estonia was the term from 1997 all the researchers of the society have pointed to the problem (Poverty in Estonia 2010; Hansson & Videvik 2009; Tiit 2005, Vetik 2001; Vetik 2002; Vetik 2003; Lauristin 1998; Heidmets 1995). Estonian Government has presented the new strategical goals for European Commission (Assessment of the 2012 national reform programme and stability programme for Estonia 2012):

*The targets set for reduction of poverty and social exclusion will pose a serious challenge, but are also achievable if social services, including family services, are made more efficient and targeted and if the plans for raising education and skills levels are implemented in full.*

We observe, according to “The development plan of the Ministry of Social Affairs for 2009-2012” when sets out diverse concepts and strategies following principles:

- Need-based approach; providing assistance to a person and his/her family is carried out pursuant to their specific needs and situation.

- Social services and benefits to a person and his/her family are assigned according to their interests and need.

- All decisions concerning assistance to a person and his/her family shall be made in cooperation with the person and his/her family.
The challenge is, how design the need-based practice, based to dignity and enable the scope of individually in the current context of poverty.

Findings from the System of Social Security

The Two Parallel Practices: Solidarity and Tax-Related Pensions

The re-think of progress of welfare strategy has gone on by the year to year, the fundamental change had developed in 1999–2003, when was introduced on Bismarckian social security system, especially with regard to pensions, sickness and the unemployment insurance system. A pension reform was carried out in Estonia during 1999–2002, resulting in the three-pillar pension system comprising of: 1) State pension insurance; 2) the mandatory funded pension; 3) the supplementary funded pension. The rather small differentiation of state pensions is mainly due to two circumstances: the base amount of the equal pension rate and the fact that until 1999, pension rights were accounted only on the basis of the length of the pension qualifying period. As of 1999, pension rights are accounted only on the basis of the amount of social tax paid and that increases the diffusion of pensions, resulting in the bigger differentiation of the values of new old-age pensions granted over the past few years. The amounts of state pensions will reflect, more than ever, the differences in previous wages. This means that the role of pension as deferred wages will increase and the role of intra generational redistribution will decrease. In addition to state the old age pension, the Estonian pension system also includes the mandatory funded pension (as of 2002) and the supplementary (or voluntary) the funded pension (as of 1998). Decrease in solidarity in the Estonian pension system is inevitable if the current policy continues – instead of years of pensionable service, insurance coefficients are calculated, and the mandatory funded pension as well as the supplementary funded pension has been added.

OECD countries are rapidly ageing and Estonia is not an exception. The number of people who received a state pension as of March 2012 was 404 525 (30.2% of the population), in the second quarter of 2009, the average monthly pension was about 305 EUR which is 46.3 per cent of the average monthly net wage. Estonia’s elderly are one of the poorest and most vulnerable segments of the population, as health and social care expenditures are lower and reported health problems among the aged higher than in other European countries (OECD 2011). According to “Report of health, labour and social sector 2007” Estonia has managed to adhere to minimum standard of European Code of Social Security, pursuant to which, average pension of a pensioner with 30 years of pensionable service should form at least 40% of average gross wages of an unskilled male production worker. In 2005, average pension of a pensioner with 30 years of pensionable service formed 43% of average gross wages of an unskilled male production worker. It is the argue of statistic, after the independent time, all the pensions have started from extra minimum level.

The support of disabled people

Different allowances are available to disabled people of working age, pensionable age, child allowance, caregivers and disabled parents (National Report on Strategies for Social Protection and Social Inclusion 2008-2010). A pension is paid for Incapacity for Work (töövõimetuspension). The number of people with disabilities has risen from year to year. The disability allowance for a person of working age will be paid monthly to a disabled person of 16 years of age until attaining the retirement age. The disability allowance for a person of working age shall be paid monthly in accordance with the additional expenses, but not less than 65 per cent and not more than 210 per cent of the social benefit rate a month. The rate of social benefits for disabled persons in 2011 is 25,57 euro. In 2011 this allowance is 12,79 euro per month for moderate disabilities, 26,85 euro per month for severe disabilities, and 40,91 euro per month for serious disabilities.

The Tax-Related and Fix-term Social Benefits

The Estonian Unemployment Insurance Fund and the Social Insurance Board are agencies of the Estonian Ministry of Social Affairs, both have been reformed several times over the years, and have now developed into facilitating the structures of the state insurance system. The objective of the Estonian Unemployment Insurance Fund is the payment of unemployment insurance benefits, the benefits upon collective termination of employment contracts, and benefits upon the insolvency of employers in accordance with the Unemployment Insurance Act and other legislation. The Fund began its activities in 2002. The payment of insurance benefits began in 2003. The right to the unemployment insurance benefits is subject to certain conditions, and is limited in time and in amount. Unemployment Health Insurance is valid when a person is registered at the Estonian
Family benefits

In State budget, There are ten types of family benefits: the childbirth allowance; child allowance; child care allowance; the single parent’s child allowance; conscript’s child allowance; child’s school allowance, child allowance for a child under guardianship or foster care; the start in independent life the allowance; the adoption allowance; and parent’s allowance for families with seven or more children. The child allowance (paid until children turn 16 or, if they continue studying, until they turn 19 and until the end of the academic year in when they turn 19), for example: for the first and second child 19,18 euro; and start from the third child 57,54 euro in 2012.

Parental benefit

The Parental Benefit Act has established on 1 January 2004. The aim of new law has been support the parents to maintain their living standard by paying benefits to a parent who has taken parental leave. A permanent resident of Estonia or a foreigner living in Estonia on the basis of a temporary residence permit has the right to the parental benefit. Parental benefit is paid for 435 days and the size of this benefit is based on the parent’s previous earnings. The parental benefit is the good example for the decision of politic, in the very short time period however the law has prepared and adopted. The parental benefit is the reason, according to “A Report of the Social Protection Committee”, than between 2001 and 2008, Estonia recorded a yearly average rate of growth for total benefits of more than 10 % (The Social Dimension of the Europe 2020 Strategy, 2011)

The subsistence benefit

The law as “the body of rules whereby a civilized society maintains orders and regulates its internal affairs as between one individual and another, and between individuals and the state” and many authors also emphasize the social control dimension of law. Welfare law and regulations control when and how welfare recipients basic needs will be met (Lens 2007; Todorova 2006; Hering & Berteke 2005). The law adopted in 1995 was based on the traditions of the 1925 laws and used the term "social welfare" - "The Social Welfare Act." In the English translation of the law "Social Care", a direct translation, was not used. The intent of the law is precisely given with the term Welfare as the law regulates procedures for income support and other activities funded by the state.

The main order of the Social Care (Welfare) Act, Passed 8 February 1995 (RT1 I 1995, 21, 323; consolidated text RT I 2001, 98, 617), entered into force 1 April 1995, involved the subsistence benefit. The subsistence benefit is a form of state assistance for those in difficulty that is paid by the local government. The benefit is paid if all other measures for the alleviation of poverty and difficulty have proven ineffective. The subsistence level is set by Riigikogu (the national parliament) in the state budget.

It is calculated based on a single person, or the first member of a family, for every budgetary year. The subsistence level of the second and each subsequent member of the family is 80% of the subsistence level of the first member of the family.

Findings from the System of Social Services of State

In Estonia medical services are separated from the social care system, which means that special care services (long term medical care combined with nursing services) are not financed through the public health insurance system.

The Health Insurance Fund

Health Insurance Act, passed 19 June 2002 (RT I 2002, 62, 377), entered into force 1 October 2002, the current system is built on solidarity based health financing; a modern provider network based on family medicine centred primary health care (PHC); modern hospital services and increased attention to public health (Health, Labour and Social life 2000-2008, 2009). The decentralization of nursing homes (which existed during the Soviet period and became State facilities after re-independent) began in 1996, for which a working group was established at the Ministry of Social Affairs. During this period, the financing model changed from general funding to service-based financing. Clients and local governments had to now start to pay bed fees. However, the buildings, (generally old manor houses) were in such poor condition, that decentralization
could not be fully completed. Current time in 2013, only the Social Care Services Ltd) is 100% owned by the State, is involved in 17 special Disability Care Homes and one Elderly Care Home. In 2011, there are a total of 2,333 customers in various regions.

According to the different sources, 1000 or 1500 people are on waiting lists. There are no other social welfare organizations in the state administration. The Estonian Institute for Health Development, a Ministry of Social Affairs agency, has focused its activities on: promoting health, HIV / AIDS issues and public health. The beginning of the 21st century was the period of the fastest economic development in the history of Estonia, which is remarkable not only in the context of Estonia, but of the whole of Europe. Substitute homes for children, previously named children's homes, were decentralized by the State and became part of the local government's administration in 2006. Time and again, it should be noted how different the practices of nearby neighbours are:

Finland considers child day care services as a social service, and it is the most favoured social service in Finland (Wall 2008:4), in Estonia, the educational services have remained unchanged since the Soviet era. Some years ago, child care services were planned as a social service (fast tracked due to a political agreement) though in practice, it has not been successfully established. Work with children and young has been part of the Educational System since Soviet times; local municipalities administer Children’s Daycare Centres and Kindergartens, the parents pay the fees. The Public School System is free of charge in Estonia; even school meals, as a point of social policy, are free of charge for children; local municipalities support the School transport and purchase of school supplies.

The strategic goals of the Ministry of Social Affairs are implemented through the state budget and accordingly; the development plan of the Ministry of Social Affairs is the implementation plan in the area of social protection of the state budget strategy. It has previously been mentioned that the Ministry has reduced publicly funded services year after year, or they have been transferred to organizations working as specialized agencies, primarily to the Labour Market Board. The Labour Market Board has been able to use European Social Fund money during the period of 2007-2014. The 2012 budget has been cut, with European money ending in 2013 along with most of the services. The second largest spender of European structural funds was the state-owned company "Welfare Services Ltd", which used the money for building new, modern houses for people with mental disabilities. The Ministry of Social Affairs has not organized tenders for the promotion of social services on local municipalities; local governments have had to apply for the funds themselves. Submission of projects has been very different across local authorities, in the investigated local governments haven’t used money from EU funds.

Looking for The Risk Groups: Exclude from The State Welfare System

Care of Relatives

In Estonia, according to the Family Law, primary responsibility for the personal coping has of every individual lies on family members. On the other hand, according to the Social Care (Welfare) Act, the responsibilities of a local municipality cover a wide range of social benefits to the management of welfare institutions for children, elderly people, people with disabilities, etc. In Estonia, all the services and benefits are targeted at the individual according to the model widespread in Estonia. At the same time, as already mentioned, the Family Law Act, adopted on 18.11.2009, RT I 2009, 60, 395, entry into force 01.07.2010, is in effect in Estonia and Chapter 8 of the law deals with obligation to provide maintenance arising from filiation.

§ 97 Persons entitled to receive maintenance:

3) other descendant or ascendant who needs assistance and is unable to maintain himself or herself.

Caring for one's relatives is one example of how families find it difficult to hope for sustainable state. First, a reminder: medicine is totally separated from the social care system. Thus, the responsibility for the care of a person during their long-term care illness or profound disability lies solely on the family. In 1995, already in the first Social Welfare Act § 10 paragraph 5, lists foster care (care in families) as a social service.

(1) Foster care is the care of a person in a suitable family, who they are not a member of.

(2) Foster care occurs according to a written agreement between the township or city government and the caregiver.
Thus, upon finding a suitable caregiver who is not a family member, the local government enters into the care provided contract and the family should receive some relief of the situation. Until 2006, local authorities were funded through the social insurance budget, and then the Government decided that the funding responsibility should be transferred to local governments. This study shows that all municipalities have such agreements in place with caregivers, but a problem that is rearing its head, is that local governments no longer wish to extend the contracts. Reasons brought forth are the lack of money, because the caregiver contract entails payment of a salary, including taxes.

Care for the Elderly: Local Government supports Only Singles

According again to Family law by which family members have a mutual maintenance obligation in practice is the basis for the giving and receiving of social assistance (not receiving, since for example, the adult child lives in Australia). The care home fees in every elderly care home are significantly higher (up to 3 times), than the pension income of a person. Very often even their adult children are not able to support their parents, since their own incomes remain far below the average, and the problem has to be solved by the municipality. The most “profitable” service in the field of social services is elder homecare services; therefore nursing homes are generally owned by businesses. Social services are generally expensive, since the target group is small in Estonian circumstance and clients of the service belong to an at-risk group; thus, taking into account the local situation, social care services are not suitable for major business activity.

Support to the Long-Term Unemployed

Despite the success of the State, the unemployment rate has remained at 10-16% for the last two years. The Statistics Department does not collect data all on long-term unemployment, so it is believed that there could be 137 000 unemployed people in Estonia. Unfortunately, the biggest social problem in rural areas is unemployment. An example of statistical and legislative twists and turns is the unemployed, where the period of unemployment has been a year and the individual has fallen into the long- term unemployed “box” where they are no longer paid unemployment insurance and the only income in a good case the subsistence benefit (this is only when a person is able to prove their expenses.) In rural areas, this is often not possible, because accounts are settled in cash, (under that table). Outside the cities, people who were engaged in agriculture during the Soviet era have remained living in the countryside. Political regime changes caused a loss of work; people were unable to move to the city, as country houses were essentially worthless in the real estate market. Health is in poor condition, and not to deny it, alcoholism is doing its job. Doctors diagnose these people, whose number has more than doubled in ten years, as disability pensioners with a clear conscience.

The limited access for support

In 2010, the income level of the wealthiest 20% of the population differed from the poorest 20% by 5.9 times. The EU average lies at 4.9 (Statistical Office 2011). The recommendation of OECD 2012 however has been “Benefits should be more targeted to provide sufficient help for those in greatest need” we have observed that all the benefits of the risk groups are very small, the recipients of gross income 504,70 euro (Statistical Office 2012). The at-risk-of-poverty rate was 19.5% in 2007, which means that a total of 258,800 people lived in relative poverty (Cantillon 2011). The situation has not changed yet, in 2012, the average monthly gross income per employee has been 844.44 euro (Ida-Viru county 716.04; Põlva county 730.70). The subsistence level as 76,70 € per month for a person living alone or the first member of a family, and 61,36 € for the second and each subsequent member of the family. The subsistence level is determined based on the minimum expenses incurred in the consumption of food, clothing, footwear and other goods and services satisfying primary needs, however, this is not so in real life. The Social Welfare Act establishes the right of local governments not to provide subsistence benefits to people of working age or capable of working, who are not studying or working, and who have repeatedly, and for no good reason, refused to accept suitable positions. In practice, the subsistence benefit is “the compensation for accommodation” - the only proof is an invoice - the families, who are living in rural area, cannot apply for the subsistence benefit, as if is for your own personal old house, it is impossible get official invoices usually.

The poverty and unemployment are strongly related with the question of housing. The guaranty or opportunity for the public housing, the basic idea in the European Social Charter (Spicker 2000), does not available in Estonia generally. The political decision was to give back the houses owners, who lost their
property, when started the USSR period after independent time. The lot of percent of the population, they had been only way bay the house or flat itself. The consequences, the highest percent owners in Estonia and after financial crises, since the current time, the banks are getting the houses and flats back. The risk groups, for example the single parents or disability person, they are standing at very the weakness situation (Puudega lastega perede toimetuleku ja vajaduste uuring 2009).

Conclusion

The principal goal of the welfare state is defined in terms of poverty reduction. At the current time, beginning in 21st century, EU member states have converged toward a certain European Social Model. One of the key areas of the European social policy – the fight against social exclusion – shows that the ability of a person to cope with his/her life independently is for Europe very important.

Firstly, however in Estonia, the basis of the system’s building, political ideology of social security has been limited very small benefits (the subsistence benefit, the family benefits and benefits of disabled people from state budget). Secondly, the pension reform was carried out in Estonia during 1999-2002 when established the two parallel practices: solidarity and tax-related pensions. Further, the Health Insurance Fund has established in 2002, where principle of tax-related has followed and at the same time Estonian Unemployment Insurance Fund, there offer the fix term benefits to unemployed with health insurance.

The economic situation was very well and Estonia focused on euro zone negotiations therefore the drastic cutting of the budget has been in the 2007 however, the few universal benefits have deleted. At some time, the new benefit, the parental benefit has given the positive impact to the social security budget. The principle of need-based has formulated since 2009, however Estonia has followed this year in year, the need-based level itself (76,70 € per month for a person), it does not allow the life of human dignity, unfortunately for the personal coping too.

Fifthly, the universal social welfare services are carried to the medical services and education. Opposite to Scandinavia, the medical services are separated from the system social care because of the care of relatives (disability people) and elderly the big challenge to family. At the same time, social services development has taken place, and has happened from the 0-level - there is no history of its provision, in the years 1990-1993. The decentralization has been act in the public space, however, the paralleled: firstly, the government has decreased your own responsibility from year to year and passed it on to the local municipal ones; secondly, the local governments have decentralized the social services outside mostly non-government organizations. Thus, missing the social services for children with disabilities, elderly, adult disabilities, unemployed, are changing the social benefits for caregivers.

Finally, the question how does works of the interaction between the social policy at local and European level and European Social Model. We could formulate however, for the view of the scope of individual, two different impacts on the time: firstly, at the current time, very low pensions and recipients do not allow the dignity of human life, and unfortunately the scope for individual view; secondly, too low wages and the long period of the unemployment give the impacts to future they are “the guarantee” for the poverty your own the age of the pension. Thirdly, The State of Estonia has to take responsibility establish the social services to the person of disabilities (2500 the total number) only and has given the duties to local government (decentralisation) or to family unfortunately. The dominant discourses reflects with utilisation of the European Structural Funds in Estonia, "the ideology or magic of European Union structural funds" has appeared; where everything that is not funded from the structural funds is not visible in society.

Discover the progress of welfare; in the period of transform, the starting platform had related to the social democratic welfare regime in Scandinavia, eligibility for welfare benefits and services is typically tied to the individual’s citizenship or residency. The capacity of state and local governments to manage society policies becomes increasingly questioned in terms of efficiency and social justice by all kinds of social movements as well as by neoliberal ideologies. Unlike many other EU Member States, Estonia has given priority to the restoration of economic growth instead of alleviation of negative social consequences. During the 20-year however, the process of re-thinking has obliterated the welfare regime of Scandinavia and the solidarity for public space.

National governments, in addition to guaranteeing territorial integrity, have attempted to nourish the
political commitment of the population by providing social security. The insufficient solidarity express in society, since start from independent time, the percent of the person who is excluding from state's welfare schemes has increased. The inadequate schemes of the welfare, they don’t influence the poverty reduction and Estonia has given priority to the restoration of economic growth instead of alleviation of negative social consequences. The interaction between the social policy both local and European level and European Social Model has been dual practice, the weakness risk groups outside from the welfare system and the public services actually.

Horton (2011, 2010) and Horton & Gregory (2010) argue, the paradox is in welfare, those welfare states, like in the United States, that target resources on those in poverty often do really badly at tackling poverty. More universal welfare states, one the other hand, which provide benefits and services to all, tend to do much better. Thus, it is necessary to raise, in particular, the awareness of the depth of the poverty and social exclusion problem among the highest-level decision-makers.

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