

## COMPETITIVENESS OF ESTONIAN INSTITUTIONS OF HIGHER EDUCATION IS AT RISK – DECISIVE ACTION REQUIRED

### Introductory thoughts on the current situation <sup>1,2</sup>

Financing of institutions of higher education in Estonia and the resulting salaries, including for the academic staff, have been modest for decades and have not covered the actual needs and have not taken into account the contributions of the academic staff and researchers.<sup>3</sup> True enough – during the period after regaining of independence of Estonia when students of institutions of higher education had to pay the tuition fee, the financing was somewhat better due to the additional funds. This, however, did not mean that the academic staff as a whole received dignified remuneration. Also academic trade unions, including the University of Tartu Faculty Association, started to work actively on issues related to increasing the competitiveness already years ago. Also other Estonian institutions of higher education and several individual authors have raised these issues.<sup>4</sup>

This range of problems is familiar also to many other institutions of higher education of the European Union (EU) Member States and EU institutions. But these issues are broader and not just limited to institutions of higher education. Nicolas Schmit, Commissioner for Jobs and Social Rights: “Almost 10% of EU employees live in poverty. This has to be changed. People who have a job should not worry about making ends meet.”<sup>5</sup> The European Commission sees the solution in collective negotiations!<sup>6</sup> The European Commission made a proposal on 28 October 2020 to adopt a **European Union Directive** to ensure adequate minimum wages to EU employees which would

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<sup>1</sup> This brief article is just an overview of the relatively narrow circle of problems in Estonian institutions of higher education and does not claim to be a comprehensive or detailed treatment, analysis or assessment; it just (this time, partly once again) raises some problems.

<sup>2</sup> In addition to the introductory thoughts presented below it is possible to read the longer article in Estonian (**Raudjärv, M.** Rahastamine ja palgad Eesti kõrgkoolides ning konkurentsivõime (Financing and salaries in Estonian institutions of higher education and competitiveness)) on the CD enclosed with this journal (see the Table of Contents of the journal).

<sup>3</sup> As an aside, the following very important economic aspect should be pointed out: from the position of national economy as a whole, the growth of productivity should still precede the increase of salaries. This is regarded very important in developed countries and is constantly monitored. It should be constantly followed also in the Estonian national economy.

<sup>4</sup> Also Matti Raudjärv has written about issues of the wages policy (including the low salaries of the academic staff and researchers) in the issue 1-2/2019 of this journal: **Raudjärv, M.** (2019). Eesti palgapoliitika mõned aspektid / Einige Aspekte der estnischen Gehaltspolitik / Certain aspects of the Estonian wages policy. No. 1–2), pp. 73-79 (Estonian summary of the publication on paper); pp. 91-107 (on the CD enclosed with the journal, which contains the full paper in German, short summary in English; summary in Estonian: pp. 130-136).

<sup>5</sup> Nicolas Schmit, ec.europa.eu; see also EU Parliament Resolution “Employment and social policies of the euro area” and the study „In-work poverty in Europe: a study of national policies“

<sup>6</sup> University of Tartu Faculty Association. [<https://union.ee/en/euroopa-komisjoni-lahendus-ollektiivlabiraakimised/>] 17/02/2021

ensure decent living whenever they work.<sup>7</sup> This means that the directive provides a long-term perspective for combating in-work poverty and achieving fair wages – and the Commission sees collective bargaining as the means to achieve that, assuming the existence of **strong trade unions**.

Amendment of the Study Allowances and Study Loans Act and the reform of doctoral studies are targeted at raising the efficiency of doctoral studies and ensuring the next generation of engineers and excellent scientists. Despite a slight increase in the number of doctoral degrees defended and the proportion of academic staff, the number of graduates of doctoral studies is still low and insufficient to change the economic structure and meet the needs of the society.

Academic trade unions, non-trade union organisations of top researchers and student representations have increasingly pointed out the need to increase the state financing of higher education and research to 1.5 and 1 per cent of GDP, respectively, and to ensure that way the security of jobs. The University of Tartu Faculty Association has also raised the problem of high workload of the management in the University of Tartu, largely caused by the constant fight for financing.

According to the vision of the Faculty Association, **basic salary, i. e. basic income** should be guaranteed to academic staff to ensure job security also in case of failed project applications, if they have an open-ended contract of employment but the working group has no budget to pay the salary.

Starting from 01.01.2021 a new career model came into effect at the University of Tartu with the resulting amendment of the Salary Rules. In connection with the new Higher Education Act, also amendments to the job descriptions of the academic staff came into effect on 01.01.2021 and the university adopted a new structure of academic positions. One of the financing problems has been topical again – whether or not to apply the **tuition fee**. This is often only an additional source of financing rather than motivation for students to make more efforts and acquire more knowledge.<sup>8</sup> It is necessary to ensure maximum development of all talented young people and this can only happen in the conditions of free higher education which ensures free studies and different forms of support to students according to the model of the Nordic countries. High-quality higher education is the key to the success of future of Estonia! It is quite evident that at the geographical location of Estonia where we are surrounded by Nordic countries with free education, higher education with a tuition fee would mean a very strong blow to its quality – our talents would go to Finland, Sweden and Denmark. Also talents would not come to Estonia from other countries.

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<sup>7</sup> ec.europa.eu

<sup>8</sup> **Eesmaa, M.** (2021). Tasuline kõrgharidus näib mõõdapääsmatu? Universitas Tartuensis. Issue 2, pp. 17–19, and University of Tartu Faculty Association (union.ee). [<https://union.ee/tasuline-korgharidus-naib-moodapaasmatu/>] 17/02/2021

So there are many problems and more than presented in this brief overview. All these have to be acknowledged, the solutions have to be worked out, backed with legislation and implemented.

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At Pirita-Kose in Tallinn and in Tartu

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