

SOME THOUGHTS ABOUT TEACHING ECONOMIC POLICY IN ESTONIAN INSTITUTIONS OF HIGHER EDUCATION – UNIVERSITIES

In this brief article, the undersigned describes his experience above all from teaching in the Tallinn University of Technology (TUT (1992–1998)) and University of Tartu (UT), being the founder, Head of Chair and Professor of the first Chair of Economic Policy in Estonia in the TUT and having taught subjects of economic policy also in the Department of Economics of the UT (since 1996), Pärnu College of the UT and Narva College of the UT (until 2019). In addition, having taught subjects of economic policy for four years (2014–2017) also in the School of Economics of the Georgian Technical University in Tbilisi as a visiting professor.

The undersigned has planned to write this article for almost ten years already, agreements on obtaining information had been reached with both the then Dean of the Department of Economics of the TUT Professor Üllas Ehrlich and Professor Janno Reiljan of the Department of Economics of the UT. But it was a busy time and the work was not completed. By now, a lot of time has passed from these events, Üllas Ehrlich is no longer the Dean and has forgotten several details, Janno Reiljan unfortunately passed away in January 2018 and is now resting in the Raadi Cemetery in Tartu. Fortunately, there were some people in both departments who remembered the events and supplied the undersigned with some guidelines and information. Their assistance is appreciated but it is not important to disclose their names to maintain peace.

1. Chair of Economic Policy in the TUT (since September 1992)¹

It should be noted here that when Matti Raudjärv (MR) founded the first Chair of Economic Policy in Estonia in the TUT in 1992 (the Chair of Economic Policy in the University of Tartu was founded more than a year later, at the end of 1993), this Chair together with other chairs was a part of the Institute of Territorial Economy (the Director of which was a lawyer, Professor Ants Kukrus (1992–2002)).

In 1996, Professor Janno Reiljan and Professor Jüri Sepp invited Matti Raudjärv to the Department of Economics of the UT to teach some parts of subjects of economic policy as a visiting teaching staff member.

In 1998, Matti Raudjärv left the Chair and went to work full time to the Department of Economics of the University of Tartu together with his Grant of the Estonian Science Fund (ETF) which provided financing for several years² (the next Head of the Chair was mechanical engineer Kaarel Kilvits (since 1997, whom Matti Raudjärv had invited to his Chair a few years earlier).

There was no reasonable cooperation with the new Head of the Chair as K. Kilvits copied page by page and published under his own name the original textbook published by Matti Raudjärv in 1995 (which was actively used by students of the TUT and other

¹ Information related to the TUT originates from the archives of Matti Raudjärv (MR) and from the web and additional information has been taken from e-mails received on 05.04.2024 and 08.04.2024. In addition, conversations on the phone with people familiar with the situation.

² ETF Grant 1998–2000: Eesti Vabariigi arengut kindlustava eesmärgipärase ja kompleksse majanduspoliitika ning vastava koolituse teoreetilise-praktilise aspektid. Grandi hoidja M. Raudjärv.

Estonian universities and other institutions of higher education) (referring only in the introduction to the use of the materials of Matti Raudjärv's book, **if appropriate**). **This was essentially plagiarism!**

It is interesting – when students plagiarise, it has harsh consequences – up to exmatriculation. However, in this case the fact was perhaps only pointed out to this member of the teaching staff and Head of the Chair. This certainly did not do any credit to the Tallinn University of Technology.

The area of teaching and research by Kaarel Kilvits was relatively modest: Economic Policy; Industrial Policy, Innovation Policy, Technological Policy; Industrial Restructuring, Integration with the European Union. It was mainly related to his main educational background, i.e. mechanical engineering. As the undersigned was employed by the University of Tartu, there were probably no competent colleagues at the Department of Economics of the TUT who would have directed K. Kilvits in an appropriate manner. And was anyone interested in it at all (the deans were Alari Purju (although his main education was in economic cybernetics) and Enn Listra (main education – theoretical physics; master student of the TUT Department of Economics in 1993–1997 and also doctoral student in the same department in 1997–2001).

The Chair started to struggle along step by step in the TUT under his leadership. In 2002–2013, the Chair of Economic Policy was a part of the Institute of Public Economy (with K. Kilvits as the director) and in 2017, both the institute and the chair were liquidated.

2. Chair of Economic Policy in the UT (since December 1993)³

The Chair of Economic Policy of the University of Tartu was established at the end of 1993 while establishing the Institute of Economic Policy and Public Economy. The Chair was created based on a part of the Division of Business Policy and Chair of Economic Theory. Economic Policy as a specialised subject was taught from the autumn semester of 1994. The Chair of Economic Policy had the following tasks:

- Teaching of the general theory of economic policy.
- Treatment of microeconomic policy both in research and teaching.

In 1996, the Division of Economic History was added to the Chair of Economic Policy.

In the academic year 1998/1999, the Chair of Public Economy was merged with the Chair of Economic Policy.

The main task of the Chair of Economic Policy in teaching was to organise and teach the specialised subject (area of specialisation) of Economic Policy and Public Economy together with the Chair of Public Economy. We can say that the Chair of Economic Policy of the UT was not very remarkable either in teaching the whole subject field of economic policy.

³ Information related to the UT originates from the archives of Matti Raudjärv and from the web and from the source: Sepp, J. (2008). *Majanduspoliitika. Tartu Ülikooli majandusteaduskond 70/40. Tartu Ülikooli Kirjastus*, lk. 195–201. In addition, face to face conversations and phone conversations with people familiar with the situation (incl. Janno Reiljan, etc.).

The teaching staff of the Chair of Economic Policy taught the following subjects (8 of the 9 subjects are directly subjects of Economic Policy):

Institutional Economics, New Political Economy, Comparative Economic Policy, Structural Policy, Competition Policy, Competition and Structural Policy, Regional and Municipal Policy, Regional and Local Policy, Environmental Policy.

The teaching staff of the Chair of Public Economy taught the following subjects (8 of the 13 subjects are directly subjects of Economic Policy):

Structural Economics, Economic and Monetary Policy of the European Union, Monetary Policy, Monetary and Stabilisation Policy, Foreign Economic Policy, Rural Economic Policy, Agricultural Policy, Financing of the Social Sphere, Social Policy, Social and Employment Policy, Economics of the Public Sector, Financial Management in the Public Sector, Economics and Management of the Public Sector.

In conclusion: the two chairs taught in total 22 subjects, 6 of which were not directly subjects of Economic Policy.

Probable reason: no members of the teaching staff had spent fellowship periods in universities of other countries to become familiar specifically with the whole area of economic policy, and therefore they succeeded to cover only a part of economic policy in the teaching process.

In the TUT, there was an opposite situation during the first period (1992–1998): starting from his first fellowship period (Institute for the World Economy at the University of Kiel (in November–December 1989), Director Professor Gerhard Prosi (27.10.1935 Ludwigsburg – 29.08.2014 Kiel, retired with the emeritus status in 2001)), and for the most part of his following fellowship periods, Matti Raudjärv committed himself to becoming familiar with *the whole area of economic policy* (incl. in 1995 at the Institute of Economic Policy of the Paderborn University, with Professor Peter Dobias, also for several years, more recently in 2016/2017, at the Kiel Institute for the World Economy with Dr. Klaus Schrader and Dr. Claus-Friedrich Laaser).

After Matti Raudjärv left the TUT to the University of Tartu, a “half-hearted situation” developed also in the TUT.

3. Extracurricular cooperation between the chairs of economic policy of the TUT and the UT (1994–2006).

Extracurricular activities of Matti Raudjärv during his employment by the Pärnu College of the UT (and the Narva College as a visiting teaching staff member)

A unique activity was the organisation of conferences of economic policy in Tartu–Värskä, the initiator of the idea and main organiser of which was Matti Raudjärv. The first conference was the three-day “ship conference” in May 1984 (Tartu–Värskä–Pskov–Värskä–Tartu). The second conference was held in 1994 – then the Head of the Chair of Economic Policy of the TUT Professor Matti Raudjärv invited the Chair of Economic Policy of the UT (Head of the Chair Professor Jüri Sepp) to contribute as the co-organiser. Since 1996, the conference became international with the participation of above all German colleagues. Together with different Estonian institutions and international partners, 13 conferences were held in 1994–2006 together with the publishing of the respective collections of research papers.

In the subsequent year, the Chair of Economic Policy of the UT (and Jüri Sepp) no longer contributed to the organisation of the conferences or the publishing of the scientific journal established in 2007, and Matti Raudjärv who was then already employed by the Pärnu College of the University of Tartu continued with new energy his activities as the main organiser of the conference and chief editor of the journal. The University of Tartu made almost no contributions to the further organisation of the conferences and publishing of the journal (only Professor Janno Reiljan actively participated until his death in January 2018) and mainly colleagues from the TUT (Professor Sulev Mäeltsemees, Professor Üllas Ehrlich, secretaries), Germany (Professor Manfred O. E. Hennies from the Kiel University of Applied Sciences until his death in October 2019; Professor Armin Rohde from the University of Greifswald; later at Jänedä (where the conference has been held since 2013) also professors Klaus Schrader and Claus-Friedrich Laaser from the Kiel Institute for the World Economy and several others), Russia (at Jänedä, Tatiana Avdeeva from the Kuban State University), Georgia (at Jänedä, Irina Gogorishvili from the Tbilisi State University) and from other places actively participated in the conference and publishing of the journal.

We can also put it this way – since 2007 the role of the TUT and universities of other countries increased both in the organisation of conferences and publishing of the journal.

4. The changing role of economic policy in Estonian universities (TUT, UT and others)

The activities of the Chair of Economic Policy were not successful very long either as it was merged with the Chair of Public Economy at the beginning of this century. The Chair of Economic Policy and Public Economy was formed, and the subject of Economic Policy was not treated fully but only partially.

MR has a subjective opinion/question here: were the chairs liquidated and merged both in the TUT and UT because of the somewhat ineffective activities of the heads of the chairs?!

Unfortunately, we must note that both earlier and now many members of the teaching staff teaching economics have not been familiar with the basic principles of economic policy and consider it to be some area like the fights and unethical behaviour of Estonian politicians both in the Riigikogu, Government of the Republic and municipal councils. During the reforms of universities in 1992 also the otherwise respected Professor of Statistics of TUT, Doctor of Economics Vello Vensel (28 December 1941, Tula – 22 December 2004, Tallinn) did not understand why such a subject (subjects) as Economic Policy even exist(s).

On the other hand, the Professor of TUT, Doctor of Economics, Head of Chair for a long time, Academician, Chairman of the Supervisory Board of the Bank of Estonia (21.12.1992–21.12.1997) and member of the 8th and 9th Riigikogu Uno Mereste (27.05.1928 Tallinn – 06.12.2009 Tallinn) and one of the experts who laid the basis for the terminology of this field, understood the importance of economic policy as an applied science and supported the undersigned as much as possible.

Having spent fellowship periods in 1989–2016 for many times for months at the universities of the Federal Republic of Germany (University of Kiel, Kiel University of Applied Sciences, Kiel Institute for the World Economy, University of Frankfurt (Main),

Osnabrück University of Applied Sciences, Paderborn University, University of Greifswald and several others), at the Vienna University of Economics and Business in Austria, universities in Tbilisi, Georgia, and other Georgian universities and at other places, I have seen at these universities that teaching economic policy as a field of science is becoming more widespread at the universities of the rest of the world, including in the USA. Here in Estonia the situation is unfortunately opposite – both at the TUT and the UT (above all in colleges), economic policy as a field of studies has been almost completely or completely removed from the curriculum. The decision-makers are probably incompetent to have behaved in this manner.

And then we are wondering why the current Government of the Republic of Estonia and a many politicians in the Riigikogu and local municipalities discuss incomprehensible solutions and adopt senseless or incomprehensible decisions and the economy is not developing as much as necessary. We hear even absurd statements from time to time, and we can state that a remarkable proportion of our politicians have not very extensive knowledge of economic policy, i.e. – have weak knowledge of economics (like it is said sometimes – their “school fees” should be paid back. And the population and entrepreneurs are not satisfied with the situation, planned prospects of the economy or the quality of life.

The question about universities also arises in Estonia – how democratic and competent have been the changes made and the decisions adopted in the university structures (departments, faculties, institutes, chairs, etc.)?

Having had contacts for about 50 years with the universities and institutions of higher education and colleagues from them both in Estonia and several other countries (Germany, Austria, Finland, Spain, Lithuania, Latvia, Ukraine, Hungary, Georgia, Russia, etc.), we can state that we have still a long way to go to reach normality, compared to other countries. Quite often the attitude has been like that of the Soviet times and sometimes the question arises – maybe some former KGB activists are acting and making decisions in some teams? It would be good if my doubts turned out to be wrong!

During the period before and after regaining of independence of the Republic of Estonia, three members of teaching staffs were committed to studying and becoming familiar with the field of economic policy or areas of studies related to economic policy: Janno Reiljan (UT) on the subjects of foreign economic policy, Jüri Sepp (UT) on the subjects of new political economy, institutional economics, competition policy and other similar subjects, and the undersigned Matti Raudjärv (TUT, UT) on the subjects in the almost all areas of economic policy. Whereas the latter was lucky to have fellowships particularly with the professors teaching economic policy and to write also a textbook on economic policy (three editions). The book was probably a success and is good because otherwise Kaarel Kilvits would not have copied it to his book so much and published under his name according to standard rules of procedure after Matti Raudjärv left the TUT.

April – May 2024; in Tallinn, home office at Pirita-Kose

Matti Raudjärv

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founder (in 1984) and chief editor of this journal (1994–2006, 2007 – to date)