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**PUBLIC VERSUS PRIVATE PROPERTY:
OPINIONS OF ESTONIANS
AT THE TIME OF TRANSITION**

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Introduction

Intertwining of two lines of social changes is characteristic of the development of Estonian society during the entire XX century: technological and social changes making up modernization of the society, and political transitions in the broader context of European and world development, having certain specific social as well as economic consequences. The relations of property have undergone alterations due to both lines of changes while political turnover can be seen as the leading force in property changes, especially during the second half of the century. This also means that legal aspects of property relations have very strongly been subject to political situation, and, therefore, this part of the legal order has usually been contradictory.

Today Estonia, like the other Baltic countries - former Soviet republics - is in transition from state socialism to a market economy.

Under the Soviet rule, two types of property - state and collective - were institutionalized, the latter being represented by collective farms as one of the two versions of agricultural production (personal households of rural people were typically seen as a nonsufficient remains). This structure of property was established in the 1940s as a result of the incorporation of Estonia into the Soviet Union.

It is worth noting that by the end of the 1930s various forms of cooperation in production, and accompanying forms of common property were wide spread alongside the private property and continuously developing, 90 % of those cooperatives being constituted in agriculture (Arjakas et al., 1991, p. 280). Productive cooperation as well as various other forms of joint activities in several spheres of life were a characteristic

feature of the social situation in Estonia before 1940

Strong centralization, executed by the Soviet regime broke down the majority of these activities. Local communities as centres of economic and social life began to play a minor and nonsufficient role having typically neither independent position nor their own property. The inconsistency of this stagnating political and juridical system with the needs of economic and social modernization became unbearable in the 1980s when Estonia became the arena of experimenting with various ways of liberalizing of economy in the framework of the existing basic political and social institutions.

The whole situation began to change when Estonia re-established its sovereignty. Now systemic changes were introduced beginning with the political sphere. Two basic reforms can be considered as primarily important for the social dimension of property relations: restoration of private property and decentralization of the whole society's life. Privatization in Estonia can be divided into three main areas. Large-scale privatization organized by the Estonian Privatization Agency embraces enterprises with a balance value of more than 600,000 EEK. By now 7 stages of privatization have been carried out. Secondly, small-scale privatization (units with a balance value less than 600,000 EEK) includes mostly trade and service enterprises. Small privatization is organized by local authorities (county, village, and town governments) and it was in general completed in 1994. Privatization of dwelling space (apartments) is carried out by vouchers. This process started in the middle of 1994 and is now continuing.

Returning of illegally confiscated property (denationalization) including real estate (land, production and service enterprises, apartments) coincides with the above mentioned privatization activities. The privatization ideology in Estonia can be characterized as a full restitution of private property: property can be given back not only to its living owners and their direct successors but also to an unprecedentedly large circle of relatives.

Over-centralization of the whole life of the society has always been viewed as a major shortcoming of the state socialism. When the upbuilding of the new Estonian society began, movement from that centralization to a society with decentralized economic and social as well as political life was proclaimed as a leading goal. Anyhow, the abolition of the domination of state ownership has not brought about a serious strengthening of the property of local communities. Certain political ambitions and preferences of the

new power elites have been resulted in a new centralization of power, and very often local authorities are lacking responsibility as well as material strength to direct the community life and to stimulate people's activities.

These are the conditions under which the attitudes and opinions of people concerning the public and private property have taken shape. No empirical research has been conducted in Estonia dedicated solely to this matter. Anyhow, there are studies which provide some relevant information. The following analysis is based on some of these studies, and primarily on a survey of the adult population of Estonia (N = 1009) in the framework of the Baltic- Nordic project "Social Change in the Baltic and Nordic Countries: A Comparative Study of Estonia, Finland, Latvia, Lithuania and Sweden during the First Half of the 1990s" coordinated by Professor Raimo Blom from the Department of Sociology of the University of Tampere (Alanen /ed./, 1993; Blom, Melin & Nikula /eds/, 1995 - the National Reports of the study are currently in print)¹.

Views concerning private property

Various studies carried out in the Baltic countries at the time of the current big economic and political changes have demonstrated that people accepted private property as an inevitable component of the new social order. Thus, on a survey conducted by H.-D. Klingemann in the three Baltic countries on the eve of decaying of the Soviet Union, 3/4 of the people agreed with the statement that economic problems could not be solved without introducing of private property (Klingemann, s.a., p.6). Another comparative survey gave evidence that value orientations of people have become favourable for economic innovations including transition to the private property in all three Baltic countries, the Estonians being more pragmatically oriented than the Latvian and Lithuanian population (Barnowe et al., 1992)

Why is privatization inevitable and how people see the outcomes of privatization? The Nordic- Baltic survey revealed that it is quite common to see privatization as the only way for rising the efficiency of production. Most people consider restitution of property as the best way of privatization, as the legal rights of former owners and their successors are best of all protected in this way. The Estonians are more apt to support

¹I want to express my warmest thanks to the Finnish colleagues who gave us the possibility to join the research team.

the restitution of property than the non- Estonian population although it would deepen social conflicts and juridical contradictions.

The results of the same survey indicate that approximately 80 % of the residents of Estonia have a right to privatize certain items, and every third family has some nationalized property (mostly farm and/or land) which now should be returned. Thus, for a considerable part of the people the restitution of private property is an actual problem, the solution of which is not always easy.

Opinions about ownership²

Table 1. Attitudes towards the ownership (%).

Kind of activity	State Companies	Private Companies	Both
Police	90	1	9
Railroads	75	6	19
Power production and supplies	71	5	24
Postal services	70	9	21
Education	41	5	54
Bus traffic	35	13	52
Hospitals	31	9	60
Infrastructure services	29	18	53
Mass communications	26	11	63
Kindergarten	23	16	60
Banks	23	22	55
Industry	21	24	55
Agriculture	12	37	50
Department stores	7	50	43

Most people in Estonia (see Table 1) believe that the law enforcement institutions,

²This analysis was accomplished in collaboration with Mare Ainsaar, researcher of the Department of Sociology of the University of Tartu.

railways, electric power stations and postal services must be organized by state while less than 10% of the respondents consider it possible that these spheres can be the responsibility of private institutions.

Education, bus traffic, and medical care are the activities where the number of persons who consider that the state must bear the main responsibility considerably exceeds that of the supporters of private companies. On the other hand, agriculture and trade are the areas which are typically seen as the domain of private institutions.

Some statistically significant and socially meaningful gender differences appear here: in general men favor more private institutions as agents of providing basic social services while women are more often for state companies.

Estonians tend to estimate the share of private institutions in several spheres more highly than non-Estonians. This is seen best of all while considering manufacturing industry and the infrastructure, and also education and kindergartens.

Differences in the attitudes toward the ownership of various sectors of economy are especially remarkable if we consider various occupational groups. Thus, people employed as operators and working on assembly lines, and also those employed in elementary occupations as a rule favour state taking responsibility over important social spheres. Private firms are more favoured by managers, officials, and also by service and sales workers. It can be concluded that people with higher educational level and social status tend to see private companies as more preferred institutions in organizing important social services.

Opinions about the role of agents of social policy connected with various types of property

In the conditions which have been established by now in Estonia, attitudes toward various types of property can be revealed by examining the opinion of the role of social institutions based on different types of property in providing certain important and widespread social services. Four agents of social policy are taken into consideration in the Nordic- Baltic survey: the state, municipal authorities, private institutions, and the people themselves.

Opinions about the main responsibility over certain services - child, elderly and medical care, housing, and recreation - are provided in Table 2.

It is obvious that in general people's assumptions have been shaped by the former basic structure of social policy. The respondents say that medical care must be provided by the state, elderly care by the state as well as by municipal institutions, housing and child care should be the responsibility of municipalities, and people themselves must arrange their recreation. That distribution of opinions is consistent with the actual functions of various social institutions under the state socialism. It is fully understandable also that recreation is currently seen as the only sphere where private enterprises can have any significant role.

Table 2. *Opinions about the institutions which should bear the main responsibility over certain types of services (%)*

Type of service	people themself.	private instit.	municipal institut.	the state
Child care	20	9	47	24
Elderly care	9	2	36	53
Housing	11	3	48	38
Recreation	42	20	27	11
Medical care	8	3	19	70

Men's and women's attitudes do not differ essentially here. Differences between the opinions of Estonians and non-Estonians are remarkable, especially in estimating whether people themselves or state and municipal institutions must take responsibility over certain services. Thus, 1/4 of the Estonians and only 1/10 of non-Estonians say that people themselves have to take the main care over their children; the corresponding figures concerning recreation are 3/5 and 1/7. To put it otherwise, the Estonians tend to rely on their own resources more often, and non-Estonians emphasize the role of the state and in most cases also that of the municipal institutions.

Discussion and conclusions

Establishing of new property relations is the most influential socio-economic component of the transition of the former Soviet republics from state socialism to a market economy being directly important to the overwhelming majority of the population. In Estonia it has taken the shape of the full restitution of private property. The proclaimed goals of the restitution were restoring of justice and reinforcing of the economic progress through creating the class of owners. But the real impact of restitution at the given stage of the overall social development appears to be more diversified. In some cases it has even led to a decline of labour productivity due to technological degeneration (Rajasalu, 1993, p.92), deepening of inequality. It has also acted as a basis of wide-spread alienation and stress (Kutsar and Trumm, 1993), and has created certain new injustice. The restitution of private property in Estonia has not been accompanied by sufficient changes in distribution of power between the basic levels of social organization. Local communities have not acquired the position which they had to occupy in order to stimulate people's initiatives and fulfil their social needs. Accordingly, common property has not obtained an adequate role, and seems to be seen mostly as a non-specific and not vitally important variant of the state, public, or non- private property.

The necessity of restituting the private property characterizes people's attitudes at the time of the transition. The whole body of data which are at our disposal confirm that at the given stage of societal change certain gap appears in the attitudes toward the private property and consequences of its restitution. Overall confidence in the necessity of private property is coexisting with some more or less enduring opinions on social policy based on the domination of public property and comprising expectations about the continuation of certain social guarantees and benefits which were possible in the conditions of the state ownership.

The new system of property relations is only taking shape. It can be seen that people favour the situation where such basic activities as defence and security, railways and postal services, and the production of energy are based on the state property while agriculture and trade can be in private hands. Here people with higher professional status, men, and the Estonians accept changes from public to private property more easily.

Data concerning the age dimension of the opinions about property relations were not

presented here. The results of the numerous studies revealing the changes in youth's attitudes and behaviour (Kenkmann and Saarniit, 1994; Saarniit, 1995) show that the Estonian youth outstrips the older cohorts both in using the new possibilities of economic activity and shaping the attitudes and opinions in the direction of self-centeredness and pragmatism which is consistent with the domination of private property.

Thus we see that the rejection of state ownership is a characteristic feature of the Estonian society in transition as well as the emergence of controversies connected with private ownership. It can be concluded that local communities would be the center of people's activities which would enable to overcome the unefficiency of the state property and also some appearances of new injustice and deepening social differentiation connected with the domination of private property. Broadening of locally centered activities of people would also mean the restitution of those varied networks of social ties and activities which were an important part of life in Estonia before 1940. It evidently calls for the broader institutionalization of common property in the societies moving from command economy to a market society.

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