

The significance, role and development prospects of non-profit organizations in the Baltic States, using the example of Estonia

Irina Karpushkina

Ph.D. Student, Baltic International Academy,
Lomonosova street 4, Riga, Latvia

Abstract:

The non-profit organizations in the economy of any country play a significant role. However, the lack of proper information on the availability of non-profit organizations, specificity of their activity, in-depth research about the necessity of their creation, the mission of already founded and successfully operating, does not allow to evaluate the role and significance of these organizations, both for society and economy of the country.

The empirical researches, the study of problems will allow to determine the reasons and necessity of creation of non-profit organizations, prospects of their development, role and significance for the civil society in the Baltic States.

As an example, was carried out an in-depth analysis of state of non-profit organizations in Estonia, as one of the Baltic States.

Keywords:

Non-profit organizations, civil society, the third sector.

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In the Baltic States over the last 25 years, i.e., since the acquisition of independence has successfully promoted the process of creation of non-profit organizations (NCOs) as a whole and in each country separately. The Baltic States: Latvia, Lithuania, Estonia unite not only a single geographical space, contributing to the organization of the similar organizational forms of activity, theoretical foundation of knowledge, but also the society inside the economic space.

At the present stage, to the study of the problem of non-profit organizations, the definition of their role for the civil society, the reasons of their creation, the state's attitude towards such organizations doesn't pay due attention in the Baltic states, as in each country separately and in general, in the Baltic states in comparison.

The goal of this manuscript is the supplement of knowledge base on the state of non-profit organizations, the assessment of their role and significance for civil society, the determination of the sector in the economy, influencing on the creation of non-profit organizations in the Baltic States and particularly in Estonia.

The non-profit organization is a legal entity, as well as commercial organizations. As early as in the last century, the author of the book "Strategic marketing" Philip Kotler, the founder of the theory of marketing in non-profit organizations, highlighted the main types of legal entities, based on the types of legal capacity that have general and special franchise. As well as, classifying the legal entities, depending on the goals of activity, the author divides the organizations into commercial and non-profit. In the commercial organizations are included partnership associations, societies and productive cooperatives. In practice, each country, adhering to the theoretical basis, uses its identifications of commercial legal entity. The example that confirms the said can serve the carried out analysis, where the identifications have been studied of such types of such legal entities as partnership associations and societies in Latvia, Lithuania and Estonia (See, the table 1).

The second type of classification of legal entities on the goals of activity are nonprofit organizations. In a narrow sense, the nonprofit organization (NCO) it is an organization that does not have as a main goal of its activity the profit extraction and that does not allocate the earned profit between the participants. The nonprofit organizations can be created in order to achieve the social, charitable, cultural, educational, political, scientific and management goals in the areas of health care, physical fitness and sports promotion, the satisfaction of spiritual and other non-material needs of citizens, protection of rights, legitimate interests of citizens and organizations, settlement of disputes and conflicts, provision of legal aid, as well as for other purposes that are aimed to the achievement of public goods. The nonprofit organizations have a right to run a business only if this activity is aimed at the achievement of the goals of an organization.

Table 1
The names of legal entities in Latvia, Estonia and Lithuania

The commercial legal entities					
Partnership associations		Societies			
The full partnerships of Latvia: Pilnsabiedrība Lithuania: TŪB (Tikroji ūkinė bendrija) Estonia: täisühingud	Limited partnerships of Latvia: komandītsabiedrības Lithia: KŪB (Komanditinė ūkinė bendrija) Estonia: usaldusühingud	With the limited liability: Latvia: SIA (Sabiedrība ar ierobežotu atbildību): Lithuania: UAB (Uždaroji akcinė bendrovė) Estonia: Osühing	With the additional responsibility: Latvia: Sabiedrība ar papildus atbildību Lithuania: Papildoma Atsakomybė Estonia: Täiendav vastutus	Open joint – stock companies: Latvia: Akciju sabiedrība Lithuania: Atviros akcinės bendrovės (AAB) Estonia: Avatud aktsiaseltsid	Closed joint-stock companies: Latvia: Slēgta akciju sabiedrība Lithuania: Uždaroji akcinė bendrovė Estonia:

The above said reveals the necessity of determination of relation of nonprofit organizations to the economy sectors of the country.

Today, the social economy conditionally divides the social groups of civil society into three sectors: public, commercial and non-profit (See Figure1).

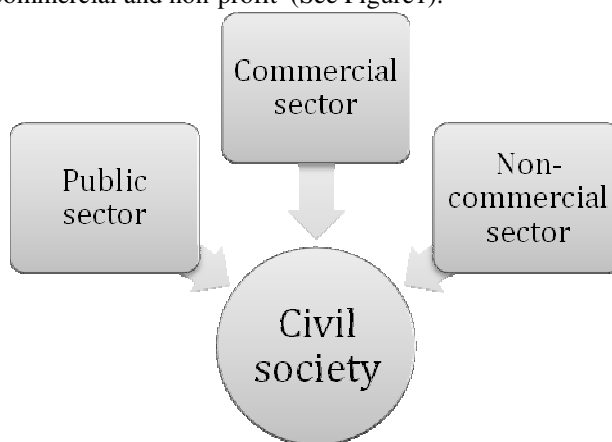


Figure 1. The sectors of civil society

As it can be seen from the figure, the nonprofit organizations are highlighted in a separate group and are not included in the commercial sector. At the same time, adding of a specific nonprofit organization to the public or nonprofit sector is determined by a combination of factors and generally has a subjective nature. In fact, this statement should be studied more deeply. Referring again to the theory of division of the legal entities, Philip Kotler in his scientific papers divided the non-profit organizations into the types, determining: consumer cooperatives, public united organizations, movements, funds, institutions, the organizations of public self-activity, religious organizations, non-profit partnerships, autonomous non-profit organizations, associations and other types as provided for in the legislation of one or another country.

According to the classification of the famous scientist and marketing specialist and presented above, the classifications of sectors of organizations of civil society (Figure 1), let's distinguish three main sectors, dividing the organizations into: state organizations – public sector (the first sector); - the commercial organizations – the private sector (the second sector); - the non-profit organizations – non-profit sector (the third sector).

Reinforcing the accuracy of the statement of selected scheme of division of organizations into sectors, let's make additions – the attitude of organizations towards the sources of funding in each sector. And let's represent the above said in the visual form (See table 2).

Table 2
The sectors of citizen sector organization

Characteristics	State (public) sector	Commercial (private) sector	Nonprofit sector
Sector	The first	The second	The third
The composition of sector	Public authorities of All levels State nonprofit organizations;	Commercial organizations	Nonprofit organizations
The legal form of an organization	For the public authorities — government institution or institution of self-government; for the state organizations — nonprofit	commercial	Nonprofit
Founders	State	Any persons	Any persons
Human resources	staff	Staff and attracted (paid)	Staff and attracted (paid and unpaid)
The payment of the human resources	Salary	staff — salary, attracted — under a contract of rendering of services	staff — salary; commercial services of attracted— under a contract of rendering of services; the services of volunteers are not paid
The main goals of activity	The management of society and rendering of public services	Profit extraction	Generally, but not necessarily socially relevant, including charitable

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			philanthropic, educational, religious, political, social and economic and etc.
The sources of funding			
State budget	yes	Only for the enterprises with the state participation	possible
loan capital	yes	yes	yes
issue of securities	yes	yes	no
Capital of owners	no	yes	no
Income of commercial activity	yes	yes	yes
Investments	yes	yes	yes
donations	no	no	yes

Analyzing visually represented material, it is possible to note that capable publi sector, strong private sector and active third sector characterize the civil society.

The third (as well as non-for profit, non-governmental) sector is one of the central parts of the society, operating in the form that do not strive for profit of associations and groups divided into the interests and acting on the principles of civil initiative and volunteering.

Thus, the society can be divided into three coexisting sectors: public or state sector, the participants of which are engaged in the protection of general and national interests, the formation of an appropriate policy, lawmaking and etc., both at the state and local level. In this sector are included state, municipal institutions, public and legal institutions.

-The second sector – the sector of business, dealing with the profit earning in the result of entrepreneurship. It should be noted that the word-combination “private sector” is used not only in business, but in nonprofit sector.

-The third sector includes two directions, these are: professional, nonprofit area in which people for salary are engaged mainly in the representation of the public interest, the protection of interests of the sector, the offer of a service and etc., and purely voluntary activity in which the representatives of the other sectors put into practice their civil positions and initiatives on the basis of volunteer services.

Staying more on the third sector, it should be added that the forms, existing in the third sector of organizations are mainly non-profit association (NCO), funds and partnership. All three forms can be named unprofitable associations and consequently, the third sector – non-profit, unprofitable sector. A great part of non-profit associations are civil associations or free associations based, we emphasize by the private individuals, but not by the institutions of the public authority, non-profit organizations.

Having determined the positions of non-profit organizations in the civil society and in the economy of the Baltic States as a whole, let’s analyze the organizations of the social society, using the example of one of the Baltic States – in Estonia.

The civil society in Estonia is determined as a society in which to the decision –making are involved all people in accordance with their interests and abilities. This society covers the cooperation between: a) people on their own initiative for the implementation of their interests and participation in the discussion, decision –making of public issues and b) associations, networks, institutions, promoting of such cooperation.

According to the legal definition, in the third sector of Estonia are non-profit associations, funds and associations based on the partnership. They all are called civil or free associations. Forms of organizations, operating in the third sector are non-profit organization (Est. MTÜ, NCO), the target institution or fund (Est. SA) and society. The popularity also gains the subtype of NCO, engaging in the social entrepreneurship. The term social entrepreneurship is denoted the use of private enterprises not for profit gaining, but as an auxiliary force in the process of changing of society for the better.

The establishment of organizations of social value, operating within the frameworks of entrepreneurship in the name of society, but not in the name of enrichment that have appeared in Estonia, in recent years should become a shining example of reflection of civil position of society for the other countries. And also this fact can change radically the theoretical positions in the terms of entrepreneurship. Without getting involved in arguments in this respect, let’s represent the general statistics of existence of acting of non-profit organizations and funds in the regions of Estonia.¹ According to the data of Internal Affairs of Estonia as on the 1st of January 2014 were counted 29508 registered non-profit organizations (in the state, Estonian language - MTÜ) and 822 funds (in the state, Estonian language – SA). For more complete idea of the state of non-profit organizations (NCOs) in the regions of the country, let’s represent visually the analysis of statistical data of register of nonprofit organizations of Estonia, in the table 3.

Table 3

The statistics of register of NCOs and funds on 01.01.2014 in the regions of Estonia²

Region	City	NCOs	Fund
Harju	Harju	3300	59
	Tallinn	9752	333
	aadressita	54	0
Total in Harju		13106	392
Tartu	Jõgeva maakond	606	24
	Põlva maakond	604	16
	Tartu	3457	109

¹ Website Estonica - created by the Estonian Institute and supplemented them online edition of Estonia - http://www.estonica.org/ru/Общество/Некоммерческий_сектор_Эстонии:_краткий_обзор/Сегодняшний_день/

² Register of Estonian companies - http://www2.rik.ee/rikstatfailid/failid/tabel.php?url=14_01mk.htm

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	Valga	655	45
	Viljandi	939	26
Total in Tartu		6261	220
Parnu	Võru	778	14
	Hiiu	354	9
	Järva	736	20
	Lääne	788	21
	Pärnu	1857	40
	Rapla	790	12
	Saare	992	23
Total in Parnu		6295	139
Viru	Ida-Viru	2532	53
	Lääne-Viru	1313	18
	aadressita	1	0
Total in Viru		3846	71
Total		29508	822

As it can be seen from the table 3, the largest number of NCOs and funds are registered in the region of Harju. Such a high index, according to the opinion of authors is determined by the fact that in this region is included the capital of Estonia – city Tallinn in which are registered 9752 and 333 funds that exceeds the similar figure in the other cities or in general in other regions. The second region according to the number of nonprofit organizations and funds – Parnu, in the third position, with a slight difference takes Tartu. It should be noted that the tracing analogy between the number of funds and NCOs, i.e., is noted a large number of registered funds in the same regions, where a large number of registered NCOs. For the generalization of obtained data of ledger statistics, let's represent the analysis in the form of graphic chart by cities, state, as on the 1st of January 2014 (Figure 2).

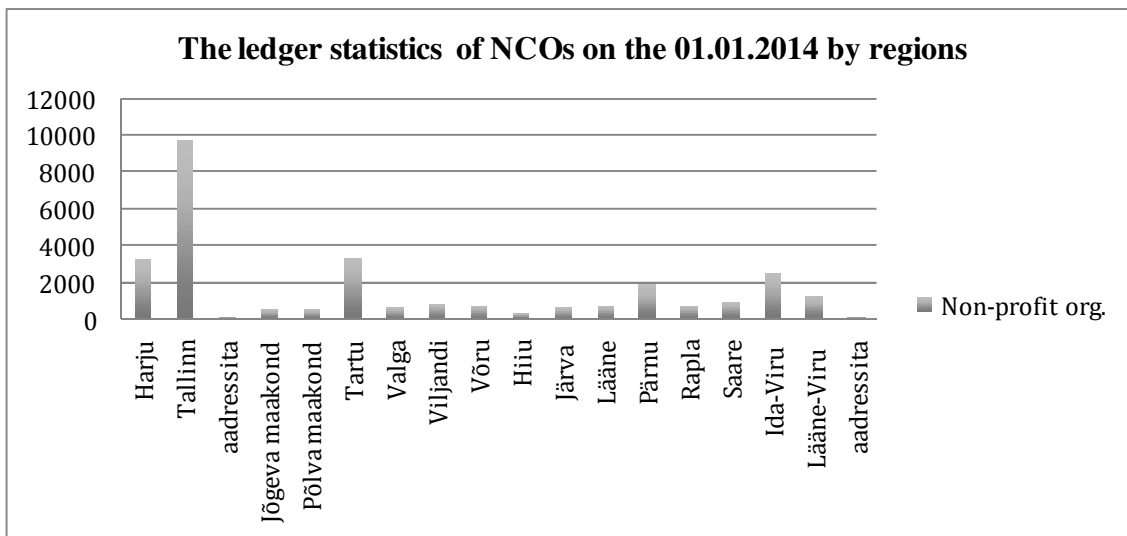


Figure 2. The diagram of ledger statistics of NCOs and funds as on 01.01.2014 by the regions of Estonia.

The represented diagram (Figure 2) shows that the largest number of NCOs is registered in Tallinn, Harju and Tartu. This fact, according to the opinion of authors can be explained by the number of people, living in these cities. As a proof, we give some data of the National Statistical Office of Estonia according to which as on 01.01.2014 in Tallinn have lived 430 944 people, in Tartu, at the end of 2013 – 97117, in Harju 572,103 as on the 1st of January 2014, in total number of population in Estonia 1 315 819 people.³ The mentioned data we will analyze and represent visually in the table 4.

Table 4

The correlation of population and number of nonprofit organizations in the major cities of Estonia

City	Population	NCOs	Fund	Correlation in %
Harju	572 103	3300	59	0,58
Tallinn	430 944	9752	330	2,33
Tartu	97 117	3457	109	3,67
Total in Harju, Tallinn and	1 100 164	16509	4980	1,54

³ the official web site of Estonian statistic - <http://www.stat.ee/ppe-46953>

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Tartu				
Saaremaa	31 756	922	23	2,97
Total in Estonia	1 315 819	29508	822	2,30

The represented data in the table 4 show the most bright index – coorelation of NCOs with the presence of living population in major cities. The largest coorelation is observed in Tartu - 3.67. Despite this in Saaremaa, the percentage ratio of nonprofit organizations to the population size is 2.97. Such number of nonprofit organizations on a small number of the population is explained by the direction to the development of tourism sector of the economy of this region and specifically the city.

In the last decade in Estonia is observed the increase of number of nonprofit organizations. On an average, approximately increases in 1500 NCOs. However, it should be noted that at the beginning of 2012, almost 33500 organizations were outside the range from the registered nonprofit organizations that significantly disrupted the statistics downwards. The reason for this decline was the not represented the annual reports of economic activity in due time in the register of the legal entities and automatic deletion of organizations from the register. This circumstance was stem from the introduction of new requirements which provide for the submission of annual reports even, if the economic activity is not carry out) by all the registered NCOs and funds (SA) previously release from the submission of annual reports. Thus, during 2011 was excluded 127 organizations, including 19 funds, in 2012 this index reached 2274 of NCOs, among them 121 funds, in 2013 – 1541 among them 34 funds.

Nevertheless, on an average there are about 6000 of nonprofit organizations which are carrying out a passive economic activity, namely, for this reason it is impossible to calculate the total number of NCOs as operating actively. For the social organizations and funds the quantatitive tool is not an indicator of the level of institutionalization of civil society and universality. The real activity of NCOs is necessary to evaluate according to the number of wage workers, attracted volunteers and annual reports. Another positive fact in the favor of the country, where a favourable political and economic climate is created for the creation, functioning and development of NCOs. On the basis of available official statistics, Estonia, in comparison with the other Baltic countries is one of the countries, where the nonprofit organizations can be called „long – lived”. For example, as on the 1st of January 2014 the duration of operation of NCOs was 8 years.

Approximately half (~ 15 000) of the registered of nonprofit organizations are housing cooperatives or associations. Besides that the condominiums and other types of nonprofit organizations implement their activity according to the legislation of Estonia. By the special laws are subject to trade unions, religeous associations (church, monastery and etc.), provincial associations of the local authorities and etc.

Almost one third of them are apartment associations, 18% operate in the field of art, entertainment and leisure, 3 % of organizations are engaged in the field of education or health care and social assistance. According to some evaluations approximately 4 -6 % of working population of the country works in the third sector. In 2014, in the voluntary

activity were engaged the residents of Estonia. The most active volunteers constitute 5 % of total population – they act weekly or monthly, they for the most part are the members of civil associations and contribute to the event planning and management of associations, as well as in the management of circle and advocacy of social groups. The 52 % of volunteers participated in the activity on their own initiative and participated under the supervision of any organization or by invitation. The 15 % of all volunteers acted in the institutions of public sector. The carried out researches have also revealed the activity of volunteers, who are the professionals and who contribute to their knowledge pro bono.

In rural regions acted about 450 associations based on the partnership to which are added partnerships without agreements and operating in the cities of partnership. More than half included in the register of non-profit associations and funds in the Commercial register of organizations are apartment, garage and gardener's partnership. According to different estimates the associations employ 4-5% of working population.

The represented analysis, the availability and multi-polarity of fields of activity of non-profit organizations mean that the role of NCOs in Estonia is great and to their creation and activity put special emphasis.

In connection with the above mentioned statement, let's analyze the availability of cooperation of non-profit organizations with the state institutions of Estonia. It should be noted that in order to provide the safety and open society in the formation of national structures, local self-government authorities and NCOs together, more effectively cope with the MIA of local self-government and regional department of administration of civil rights of state policy analysis, planning, coordination and development of organizations of civil society.

The civil society is a term of wide comprehension and influence on everybody. The civil society is considered to be a society, where the basic rights and human liberties are protected and where it is possible to influence on political decisions. There is cooperation – spontaneous, public, pursuing its own interests, implying the discussion of public issues and participation in the decision-making process. But it should be taken into the consideration that fact as mentioned earlier (See. Figure 1) that the civil society is a part of the third sector or non-profit sector – a part of society which is not a part of state authority or profitable business sector.

Another important fact – is a civil society in Estonia is based on the strategic development of civil concept of development of society (EKAK). In Estonia this document is the development concept of civil society approved by the parliament of Estonia – Riigikogu on the 12th of December 2012. In this regard, it should be noted that both in Latvia and in Lithuania is just holding a discussion, concerning the role of non-governmental organizations in the society and are looking for an appropriate form of the cooperation agreement. Let's settle on this moment and give the explanations on the concept of development of civil society in Estonia.

An Estonia development concept of civil society (in Estonian language - Eesti kodanikuühiskonna arendamise kontseptsioon - EKAK) - EKAK – is a document that determines the complementary roles of state authority and civil initiative as well as the principles of cooperation in the field of formation and implementation of state policy, as well as the formation of civil society of Estonia. In August of 2014, the government of

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Republic also approved the action programme within the frameworks of EKAK, the use of which is coordinated by the joint committee of civil associations and government sector, convened by the Ministry of Foreign Affairs.

Forms of cooperation involve a wide range of tools and mechanisms. Mainly, the government supports the civil sector, forming a favourable legal base for institution, functioning and sustainability of organizations (i.e., creating mechanisms, allowing NGOs to use different sources of finances). The government and NCOs have increased the level of cooperation in the field of provision of social services. In its turn, the government has strengthened the support of NCOs, providing the various grants and subsidies.⁴

An Estonian Civil Society Development Concept is approved by the parliament in December 2002. The concept of civil society and government authority allowed formulating the partnership basis and to determine the development prospect of active citizenship that would contribute to the consolidation of democracy in the country. In the same period was created a commission that determined the priority forms of responsibility, control over the implementation of concept and its development prospects.

In 2007, the meaning and role of commission were supported by an official document of the government under the number № 380 of 16th of August, where was approved its composition, in the amount of 22 members, including: five ministries, chancellors, fund managers in the state, employers and employees of organizations, public associations and carefully elected representatives.

The last change was in the composition of the joint EKAK committee on the 5th of July 2012, where the committee should be based on the institution. In general, the committee is consisting of ministries, public funds and non-governmental organizations. It should be emphasized that the representatives of non-profit organizations were elected by the members of the committee in the public competition.

The last decade was marked as directly or indirectly related to EKAK positive events. As a result of active work of representatives of civil associations the state authority became increasingly to recognize the importance of participation of citizens and necessity of cooperation with the third sector. In the ministries work coordinators who are responsible for the increase of involvement of citizens. One of the positive beginnings is the activity of fund of assistance in development of entrepreneurship (EAS) which in cooperation with district development centers (MAK) offers information how to create non-profit associations and how to develop it. In cooperation with district development centers is organized education and consulting of members of non-profit organizations.⁵

⁴ Network of Estonian Nonprofit Organizations, NENO (or EMSL in Estonian) - <http://www.ngo.ee/ngo/210/article/8149>

⁵ Network of Estonian Nonprofit Organizations, NENO (or EMSL in Estonian) official website, "Explorer for a year in volunteer activities of the population" - <http://www.ngo.ee/ngo/210/article/8149>

On the basis of priorities of “development concept of civil society of Estonia” (EKAK) currently are made three promotional programs of civil initiative: 2004-2006, 2007-2010 and 2011-2014. The last of them, namely, the development programme of civil society for 2011-2014 is focused on five topics – civil education, vitality of civil associations, the participation of citizens, the partnership in the field of public services as well as charity and philanthropy. The “development concept” of civil society of Estonia” (EKAK) serves as a basis for the national strategy of support of volunteering. One of the most important documents in this field is the development programme of support of civil initiative for 2007 – 2010. It should be noted that on the development of volunteering movement in Estonia a huge influence had a membership of Estonia in the European Union. 2011 in the European Union was declared the year of volunteering movement in terms of which under the guidance of the center of development of volunteering movement (VTA) and the Ministry of Internal Affairs were carried out the activities related to the training and support of volunteers.

However, the implementation of “concept of development of civil society of Estonia” (EKAK) was very difficult. Many agreements remained only at the level of promises to what is contributed the abstractness of both legal acts and concept itself. For example, in Estonia, was not a clean plan of actions, covering the different aspects of civil education as well as was not a common coordinator of this activity. More difficult problem has appeared that both citizens and civil associations have found that their participation in the decision-making process is often only apparent. A serious issue is the involvement of various minorities. The sounding in the speeches of politicians understanding of importance of civil initiative is very often remains only at the level of words.

Extremely important in the last decade was the activity of the civil associations and activists themselves. The role of union of non-profit organizations and funds of Estonia (EMSL) is still very high, being a representative body of civil associations, a union provides training and offers consultations and provides the information, concerning civil society, etc. The union of non-profit organizations and funds of Estonia publishes a journal *Hea Kodanik* (Good Citizen) which contains a variety of materials, reflecting the development of civil society. The union of non-profit organizations and funds of Estonia headed work on making up the above mentioned *Kaasamise hea tava* (the best tradition of involvement) as well as the Code of Ethics of civil associations, reference book of good management and other documents that attempt to regulate the activity of civil associations themselves and to demonstrate the desire of civil society to be more involved in management.⁶

One of the most famous events of recent times carried out by the initiative of citizens was the project “Let’s do it!”, first was held in 2008 and repeated in 2010, 2011, 2012. In the event worked tens of thousands of people in different parts of Estonia who voluntarily participated in the general garbage collection. Historically, in Estonia was a tradition of participation in volunteer activity. For centuries was the custom at the time of harvest to help each other by the whole village.

⁶ Network of Estonian Nonprofit Organizations, NENO (or EMSL in Estonian) official website,” - <http://www.ngo.ee/>

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After the success of the project "Let's do it!" many people all over the world were inspired by the idea and decided to carry out the similar large-scale actions on garbage collection in their regions and countries. As an example can be the carried out events:

- The 24th of April 2009 – Latvia. In the action took part more than 60,000 people.
- The 24th of April 2009 – Lithuania. In the action took part more than 110 000 people.
- The 20th of April 2010 – Portugal.
- The 17th of April 2010 – Slovenia. In the action took part more than 246 000 people.
- The 24th of April 2012 - Tunisia joined to the action. Altogether in the world garbage collection within six months will take part more than eighty countries. ⁷

The campaign of garbage collection "Let's do it!" currently has acquired an international character. By 2012 the similar actions were held in 17 states, in them took part more than 3 million of people. ⁸

Over the past decade the economic situation of civil associations has generally improved, although the majority of organizations operate with a very small budget and subsidies on the part of government and various funds are short-term. The most part of funding of free associations comes from local sources, first of all from the local government and funds. Such funds as the Center of Environment Investments (KIK), Tax council on gambling, capital of culture, fund of integration and migration "Our people" (MISA) support the projects and organizations in their field. Established in 2008, the target capital of support of development of civil society (KÜSK) annually receives a certain amount to support non-governmental organizations, civil education and development of democracy then and there. Still retains its value the government – sponsored fund of Norway and Switzerland. The fund manager of civil associations in Estonia is the Fund of Open Estonia (AEF). The major associations first of all can get money through funds and EU projects. The recipients of money from the state budget are primarily are target institutions with the state participation.

Acting in the interests of society the non-profit associations and target institutions under the certain conditions may be added to the list of associations that receive tax remissions. At the same time the concept "public interest" was not clearly defined not by any law and therefore the tax remissions are used only a small part of organizations that actually operate in the interests of society. In recent years the leaders of civil society are fighting for the principles of simplifying of getting tax remissions.

The variety of sources of funding of civil associations makes a difference. It is important that the civil associations don't become dependent on one source whether it is foreign money or government support. It can be said that the range of sources of funding in comparison with 1990 has grown considerably. The researches of the second half of 1990

⁷ official web page of Ministry of the Interior of the Republic of Estonia
<http://www.sisemin.gov.ee/atp/index.php?id=5637>

⁸ official web page of Youth Association "Open Republic" - <http://www.or.ee/1082>

showed that the most part in funding of associations of citizens were the membership dues then followed the subsidies of local self – government authorities and state authorities.⁹

In the last decade the situation has changed. An economic crisis had a significant influence on funding that began in 2008. In comparison with 2009, in 2004 significant were both funds allocated from the state budget and support on the part of Estonian entrepreneurs. Much less in 2009 were mentioned the subsidies from the foreign organizations, foreign entrepreneurs and private individuals. But in 2009 more is mentioned the funding of public funds. On the other hand, the share of the EU programme has increased twice. It is obvious that it is a consequence of entrance of Estonia to the European Union and opening for it the structural funds of EU. The membership dues as the sources of funding of non-profit organizations are mentioned quite often, although their share in the budgets of associations is not significant.¹⁰

Comparing the sources of finance of target associations in 2004 and 2009 it should be noted that their funding from the means of state budget has also been reduced and at the same time has increased the value of public funds. On the other hand, if for the nonprofit organizations seriously has increased the support through EU programs then for the target associations the growth of this funding has remained extremely moderate. However, for the target associations the funding at the expense of EU programs is still remained more affordable than for non-profit organizations.

With the funding is tied also one trend in the development of the Estonian civil society, namely, the provision of public services to free civil associations. The provision of public services primarily occurs at the local level. A great advantage of the implementation of services is the resources saving, the improvement of quality of provided services and proximity to the target group. However, there is a danger that as a result of this the civil associations are excessively professionalized, set forth their goals in accordance with the state priorities, thus turning into a kind of state organization. The problem of financing of rendering of services on a project basis becomes the impossibility to continue the activity, in the case if the project money is running out or state financing is reduced as it has happened during the recent economic crisis. Furthermore, the role of responsible for the interests of the target group has become uncertain and depending on to whom this service has been rendered this year. On the basis of the law, the ultimate responsibility and control over the provision of public services is still attached to the public sector. The excessive focus on the provision of public services reduces the possibility of civil associations to be truly the channel of representing the interests of marginalized groups of population. The last mentioned, in its turn is one of the priorities of “Concept of development of civil society of Estonia” (EKAK)”.

One of the important issues related to the poor organization of people. As it was mentioned above, approximately 70% of residents does not belong to the civil organizations, although in the last decade the number of non-for-profit associations has

⁹ The official web page of the Integration and Migration Foundation Our People (MISA) - <http://www.meis.ee/rus-avaleht>

¹⁰ Official web page of the project "Let's do it 2009" - <http://www.darom09.lt/>

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increase twice, from 15 thousand to 30 thousand. A narrow circle of active members in the organization leads to the fact that appears so-called elite and weakens the contact with the ordinary citizens. Experts repeatedly noted that, although the associations are developing steadily, it is possible to note the stratification among the members of the organization on the level of possibilities. The professional leaders appear a group of enthusiasts are increased. This means that the coming to a society the marginal classes remain weak. Increase the possibility of combination of a comprehensive manner to formulate the public interest and because of this suffers the involvement in the public affairs of various minorities.

The studies have shown that the social activity in Estonia to a greater extent depends on the availability of personal resources. In the public activity, actively took part Estonians, provided people with higher education, mostly young people. The carried out researches in recent years have shown that for example, in volunteer activity, first of all are engaged people at the age of 35- 49 years old (~ 34%), then follow 15 -24 years old (28%) and 50 – 64 years old (24%). People at the age of 65 years old and older are engaged in volunteer work the least. Let's represent data visually in the form of a structural diagram (See. Fig. 3).

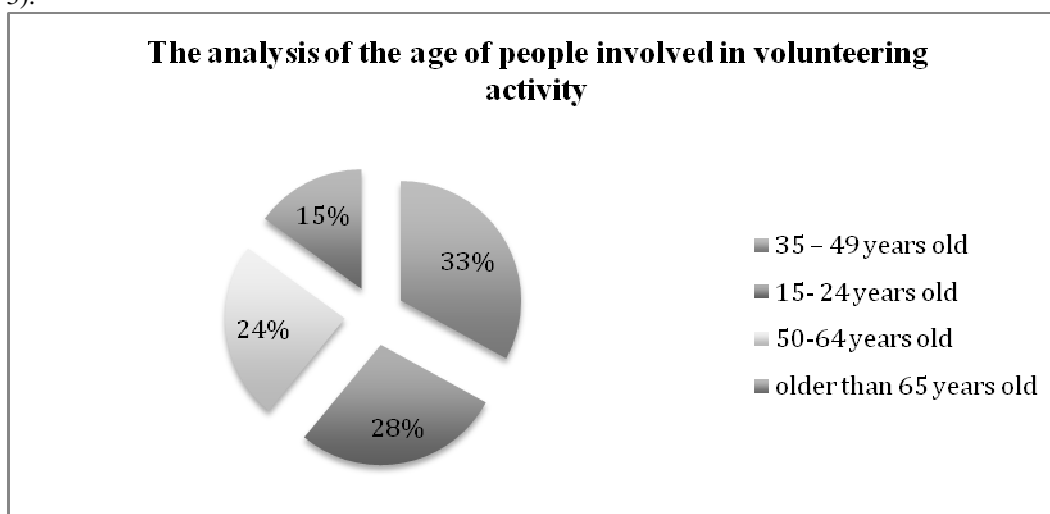


Figure 3. The analysis of the age of people involved in volunteering activity¹¹

The personal well-being for the majority of population is more important than the social welfare and it reduces people's wishes to contribute to the solution of problems that are not directly related to the personal life, private interests. Even the unemployed people socially are very passive, although it would seem that they have enough free time. It is also one of the reasons why in the last decade experts stressed the necessity of social

¹¹ Website Estonica - created by the Estonian Institute and supplemented them online edition of Estonia -

http://www.estonica.org/ru/Общество/Некоммерческий_сектор_Эстонии:_краткий_обзор/Сегодняшний_день/

guarantees for the volunteers and pointed to the difficulties of compensating the expenses on volunteering activity in Estonia.

And finally, as in 1990 the ethnic isolation of Estonian society is preserved. Although in the last decade the Russian – speaking and Estonian – speaking people began to perceive the importance of the civil society equally, the attitude towards the state and the understanding of their place in the society in the Russian-speaking people is different from what Estonian feel. The existing language barrier complicates both the successful functioning of the Russians associations and the communication between the operating in one and the same field of Russian and Estonian organizations. The Russian –speaking inhabitants pessimistically evaluate the possibilities of cooperation between the different ethnic groups, their attitudes and behaviour are still determined by the Russian – speaking information space. It is believed that the internal political crisis in Estonia (including the riots in April 2007 or Bronze night) is related to the real weakness of the civil society in the promotion of dialogue between communities.

According to the data of monitoring of 2014 (2014. aasta Integratsiooni monitooringu) there are the significant differences in the political activity of people with the different status of citizenship. In the measurement of political activity were taken into the consideration such events as the collection of signatures under the proclamations and petitions, the participation in the public meetings, appealing to the state officials and etc. The political activity of Estonian citizens, regardless of nationality is the same; approximately one third of them took part in the above mentioned activities. But among the persons without the citizenship in the political actions took part only one-fifth and among the citizens of Russia only every sixth person. Similarly looks the belonging to the civil associations.¹²

Continuing the topic of cooperation with the state institutions, it should be noted that the third sector of Estonia as any integral part of democratic state has undergone for 20 years of independence the significant changes, rising through the ranks from a spontaneous civil activity to institutionalized partially professional environment. Today the cooperation of the first and third sectors of Estonia takes place on mutually agreed terms on a constant basis. The political analyst Nigel Ashford believes that the “enemy of the civil society is not an individual freedom, but the government” which collects power and resources by requiring from people time and money. However, in the scientific community there are another point of views. For example, Rein Ruutsoo convinced that in democratic countries, even with the government funding, civil associations are still implement their own goals, in particular, for the control over the public authority.

Of course, not every criticism can be seen constructively and therefore the public opinion can be met with fierce oppositions.

¹² Website Estonica - created by the Estonian Institute and supplemented them online edition of Estonia -

http://www.estonica.org/ru/Общество/Некоммерческий_сектор_Эстонии:_краткий_обзор/Сегодняшний_день/

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However, with this opinion cannot be agreed and according to the opinions of authors the government can be a partner of the third sector, passing some of its powers and implementing the support of their activity as well as their execution through the structures of ministries and local self-government authorities.

As at the beginning of 2014 the 62 % of local governments has delegated the provision of public services to non-profit organizations. The most popular areas: the organization of the cultural activity, the offering of social services, the development of local life.

The state allocates funds for the activity of NCOs both through the target institutions and directly. For the allocation of funding, funds and/or ministries carry out the project tenders in which take part the organizations of an appropriate direction. For example, the union of youth organizations of Estonia applies for the base financing along with the other youth organizations in the Ministry of Education and Science and NCOs "Estonian society of NATO", is engaged in the cooperation in the field of development and increase of awareness of the activity of alliance and receives the financial support of its projects, including from the Ministry of Defence. About the other methods of state funding of activity of the third sector.

NCOs are attracted by almost all ministries of an appropriate field as partners and/or consultants. The civil associations have the possibility to keep their grounds, taking part in the work of various round tables and commissions. The cooperation of umbrella organizations such as EMSL (the union of non-profit organizations and funds of Estonia) occurs first of all with the Ministry of Regional Affairs, operating in the Ministry of Internal Affairs.¹³

All the presidents, restoring the independence of Estonia emphasized the importance of civil society in whole and non-profit sector in particular.

Thus, summing up for the carried out research it is possible to claim that to the non-profit organizations in Estonia are of great importance and their role in the formation and democratization of the civil society is great. And gained experienced in the establishment of non-profit organizations from the day, when the country acquire the independence, Estonia could be an example for the other countries of the Baltic States.

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