
6 Estonia

Rita Kaša

6.1 THE NATIONAL AND HIGHER EDUCATION CONTEXTS

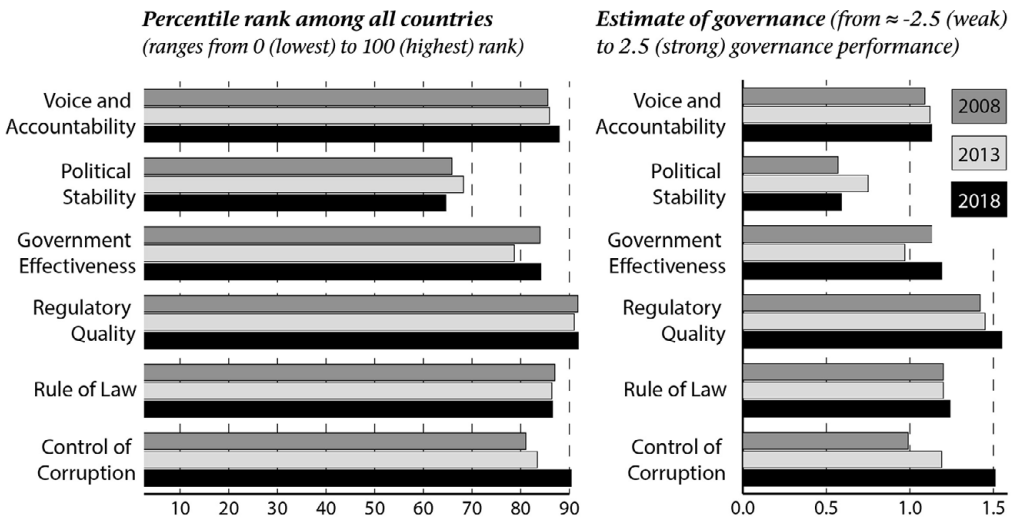
National Context

Estonia is one of the Baltic countries in Northern Europe. The Baltic Sea to its north, and shares a maritime border with Finland; it borders Russia to its East and Latvia to its South. The Estonian language, which is the official language in Estonia, belongs to the Finno-Ugric group of languages unlike Latvian and Lithuanian, which are two Baltic languages that belong to the group of Indo-European languages. Since 2004, Estonia has been a member of European Union (EU) and NATO. Estonia was the first of the three Baltic countries to become a member of OECD in 2010 and to join the Euro zone in 2011.

Estonia is a high-income country (World Bank, 2020c). The percentage of people at risk of poverty and social exclusion was slightly below 25 percent of population in 2019 (Eurostat, 2020). It is above the average poverty level in the EU (21 percent). Trade in goods and services contribute 73 percent of Estonian GDP (OECD, 2020). Estonia is one of the most digitally advanced countries in the world in e-government services (OECD, 2019b).

Every four years, Estonian citizens, using conventional as well as e-voting, elect their parliament, called the Riigikogu (Aichholzer & Rose, 2020). Estonia has a multiparty system and parties elected to the parliament approve the prime minister, who is the head of the government. The parliament also elects the president of the country. As Estonia is a parliamentary republic, the president serves as the highest representative of the state with limited participation and veto rights in the legislative process.

Figure 6.1 Worldwide governance indicators for Estonia



The Global Competitiveness Index of the World Economic Forum (WEF) ranks Estonia 26th out of 141 countries regarding public sector performance with a score of 66.3 out of 100 and the burden of regulations ranked 24th with a score of 52 for 2018–2019¹ (Schwab, 2019). It scored the future orientation of the government at 67.2, ranked 23rd. Related to corporate governance, WEF indicated a score of 62.8 and a comparative rank of 54th. For the Skills pillar, most closely related to higher education quality, WEF scored Estonia 76.7 out of 100 for the skillset of graduates and a score of 42.2 on the ease of finding skilled employees indicators. This ranked the country 15th and 122nd respectively on those indicators out of a total of 141.

University governance takes place within a larger country governing context. According to the World Bank's Governance Indicators project that context is as follows, showing trends over time associated with a set of country-level data. The country compares very favorably in the global context across all five dimensions. It has stability within each dimension as well (Figure 6.1).

¹ The prior competitive framework included a higher education pillar and a quality score. These no longer are included in the 4.0 version of the WEF framework.

Shape and Structure of Higher Education

The Higher Education Act (Riigikogu, 2020) in Estonia distinguishes between universities and professional higher education institutions. Universities offer study programs, including doctoral level studies. Professional higher education institutions include study programs of higher and also vocational education. There are nineteen public and private universities and professional higher education institutions in Estonia. Six are public universities; one is a privately owned University; seven are professional higher education institutions; and five are private professional higher education institutions (Ministry of Education and Research, 2020; studyinestonia.ee, 2020).

The total number of students in Estonia has been declining for the past ten years due to negative birth rates as well as emigration and Estonians pursuing higher education abroad. In 2019, there were slightly more than 45,000 students pursuing higher education in Estonia (HaridusSlim, 2020). About 20 percent pay tuition fees while 80 percent study free of charge (HaridusSlim, 2020; Platonova, 2018).

Higher Education Governing Context

The management structure is set out by a laws governing each public University (Riigikogu, 2020). Thus, each public University in Estonia is governed by its own special law, passed by the national parliament. The parliament decides the foundation, merger, division, and closure of a public University. University of Tartu is the oldest and the largest University in Estonia. It was the first University to have its own law (Saar & Roosalu, 2018). The laws of other major public universities were adopted later on. Laws on the University of Tartu, Tallinn University, and Tallinn University of Technology inform the general description of the University governance in Estonia.

Estonia scores highly in the European University Association's (2016) University Autonomy Scorecard. It ranks fifth in organizational autonomy, which refers to a University's capacity to determine its internal organization and decision-making processes; fourth in terms of financial autonomy, which refers to a University's ability to manage its funds and allocate its budget independently; first in staffing autonomy, which refers to a University's ability to recruit and manage its human resources as it sees fit; and first in academic autonomy, which refers to a University's capacity to manage its internal academic affairs independently.

6.2 GOVERNING BODY PROFILE

Governance Overview

The law of each University defines the mission of the higher education institution in question. In the mission statements, the laws refer to the historic legacy of each University, since their beginnings date back to the early twentieth century and in the case of the University of Tartu to seventeenth century (Riigikogu, 1995, 2014, 2019). The management bodies of all these public universities are the University Council, the Senate, and the rector.

The University Council

The University Council is responsible for the long-term and sustainable development of the University as well as for making important economic, financial, and assets-related decisions, ensuring the achievement of the objectives of the University. It consists of eleven members where five are appointed by the University Senate according to the statutes of the University, one is appointed by the Estonian Academy of Sciences, and five are appointed by the minister of education and research from qualified candidates with expertise in the area of the University's focus, economy, or entrepreneurship. These Council members appointed by the minister contribute by linking the University to society, that is, by contributing to the social relevance of the University's activities. These members cannot be affiliated with this or some other University. The law of Tallinn University of Technology (Riigikogu, 2014) states that members of professional associations need to be represented among those nominated by the minister. The members of the Council are appointed for five years by the government of Estonia based on the proposal of the minister of education and research. In case the Council member resigns or is recalled on some justified bases, a new Council member needs to be appointed for the remaining duration.

The University Council is responsible for adopting the development plan and budget of the University. It weighs in on the adoption of the statutes of the University. There are some variations on how the laws of these different universities stipulate the veto powers of the Council in its interactions with the decisions passed by the Senate. In each case, these norms represent a model of checks and balances in strategic decision-making at the University.

The Senate

The Senate is the academic decision-making body of the University. The Senate is responsible for all academic activities, which include research and teaching, ensuring that these activities meet high quality standards. The members of the Senate include the rector, who is the chairman of the Senate, vice-rectors, and other members of the University among which at least one-fifth are students. The specific procedures of electing the Senate are specified by the statutes of each University. Responsibilities of the Senate include adopting the statutes of the University and weighing in on the decisions of the Council.

The Rector

The rector is the head of the University and directs the everyday activity of the University based on the development plan, budget, and other strategic documents of the University. The rector is elected for a term of up to five years. The exact procedure of the election is stipulated in the statutes of each University but in all instances only individuals at the rank of professor can apply for the position of rector; and it is the chairman of the University Council who signs the contract with the rector. This contract sets out the rights and obligations of the rector, the remuneration payable to the rector, and stipulates other relevant conditions. The contract specifies the term until which the rector will stay in the position. The position can be terminated prior to the date set in the contract if the rector resigns from the office or is asked to resign. Once the appointment is terminated, the rector has the right to return to the position he or she occupied at the University prior to becoming rector.

The Case of the University of Tartu

The University of Tartu is governed by the statutes of the University (Senate of the University of Tartu, 2014) adopted by the University Senate. To adopt the statutes at least two-thirds of the twenty-two Senate members need to vote in favor of this move. Once the Senate has voted in favor of the statutes, the University Council must either approve the corresponding resolution or exercise its right of veto within thirty days from the Senate's decision. To approve the statutes in the Council, at least six of eleven Council members must vote in favor. If the Council decides to veto the statutes, it must state its

reasons for doing so. The veto is effective only if at least two-thirds of the Council members vote for it. In the case of the Council's veto, the Senate must, within thirty days after the declaration of the veto, pass a new resolution regarding the adoption of the University statutes. The statutes become effective upon their approval in the Council unless a later date is specified. These statutes stipulate the governance procedures at the University of Tartu presented further in this chapter.

The University Council

As mentioned before, the University Council is the highest decision-making body of the University. In addition to its responsibility for the long-term development of the University and ensuring that the objectives of the University are achieved, the Council determines the procedures of electing the rector of the University of Tartu.

Eleven members of the Council are selected by the University and through appointments from the Estonian Academy of Sciences and the minister of education and research as earlier described. The five Council members from the University are nominated in the following procedure. There are four faculties or schools at the University of Tartu and the Council of each school nominates a candidate for the seat on the University Council. The candidate nominated by each school needs to have the support of at least one more school. Members of the University Senate put forward candidates for the fifth University seat on the Council. The five representatives of the University on its Council are nominated via secret ballot with a separate competition for the nomination of each of the five Council members. A Council member nominated by the Senate may not hold the position of the rector or vice rector, director of the area of studies, dean, head of an institute, director of a college or director of an institution, or serve as a Senate member. If a Council member nominated by the Senate is elected or appointed to any of the positions incompatible with the status of a Council member, the Senate recommends the government to revoke this member's mandate to the Council and nominates a new Council member through the aforementioned procedure.

The Council is chaired by the chair who is elected from among the members of the Council. The chair convenes the sessions of the Council either on his own initiative or based on a motion brought by at least six Council members or by the Senate. The Council meets at least four times a year in regular sessions and may hold extraordinary sessions as well. At least

once a year, the Council needs to hold a joint session with the Senate. While students do not elect a member to the Council, the president of the student body may request the permission to participate in the sessions of the Council with the right to speak. The Council members are entitled to receive any information necessary for carrying out their duties from the rector, vice rectors, and area directors. The work of the Council members is compensated on a monthly basis. For members, it is one-third and for the chair it is one-half of the average monthly salary at the University for the previous calendar year.

The Senate

The work of the Senate at the University of Tartu as in other universities concerns academic and research matters. The Senate determines the University's academic structure, determines curriculum, sets student admission policies, and other teaching and research process related procedures. The Senate is responsible for approving the action plan for addressing shortcomings described in the assessment report for the institutional accreditation. The Senate weighs in on the decisions of the University Council in various ways. It has a single right of veto on the Council's decision to adopt the budget of the University. The Senate also forms an opinion on candidates to the position of the rector and on other matters raised by the Council.

The Senate at the University of Tartu consists of the rector as its chair, sixteen members elected by the University's academic staff and five representatives from among its students. The representatives of the University's academic staff are elected for a term of three years; four members from each school. Candidates to the Senate are nominated by faculty from among full-time academic staff. In each school, a candidate to the Senate must be endorsed by at least ten voting members of the school's academic staff. A voting member who can vote for the nominees to the Senate is any staff whose academic workload at the University is at least twenty hours per week. Elections are held by a secret ballot and each voter may vote for any candidate, regardless of the school from which the candidate has been nominated. The four candidates per each school who receive the largest number of votes are elected to the Senate. Student representatives to the Senate are appointed by the Student Council for a term of one year, ensuring the representation of students from all schools and of all levels of study.

The University of Tartu Senate meets at least ten times a year in regular sessions and may also hold extraordinary sessions. The meeting is called

either by the rector, who is also the chair of the Senate, on a motion brought by at least twelve Senate members, or by the Council. If the Senate chair is absent, the vice rector acting for the rector serves as acting chair. The Senate is competent to act if at least fifteen Senate members attend the session. Decisions in the Senate are passed by a simple majority vote of 50 percent +1, unless the decision requires a larger majority vote. The Senate may convene standing committees or ad hoc committees and its members are entitled to receive any information necessary for carrying out their duties from the rector, vice rectors, and area directors.

The Rector

According to the law and statutes of the University of Tartu, the rector is the head of the University who is responsible for the lawful and expedient use of the assets of the University and who, within their competence and pursuant to the resolutions of the University Council and of the Senate, exercises the highest administrative and disciplinary authority at the University. The rector reports to the Council and the Senate, ensures the drafting and implementation of the University budget, establishes the University of Tartu Work Rules, Internal Accounting Rules, and other operations. The rector approves the Statutes of the Student Body, decides on the number of student places per curriculum, and sets the rates of tuition fees in degree studies. In accordance with the principles established by the Council, the rector decides on the acquisition, encumbrance with limited real right, and transfer of immovable property. The rector may set up a think tank as an advisory body to discuss and analyze matters regarding the development of the University, may repeal any decision made by a dean, head of an institute, director of a college or director of an institution or the Council of a faculty, institute, college or institution that breaches the law or is harmful to the University. In these instances, the rector refers the decision for a review back to the official or body who adopted it.

The Council of the Tartu University is in charge of organizing the election of the rector. It must adopt the procedures of the election at least six months before the end of the term of the incumbent rector. The election procedures are carried out by an election committee formed by the Council. The chair of this election committee publicly announces the upcoming election of the rector in at least two major Estonian daily newspapers at least four months before the end of the term of office of the incumbent rector. Councils of schools at the University of Tartu and other Estonian universities, the board

of the Estonian Academy of Sciences, a group of fifteen professors, and the Student Council of the University of Tartu can all nominate candidates for the position of the rector at University of Tartu. The elections take place at least three months before the end of the term of office of the incumbent rector. The rector is elected for a term of five years by an Electoral College, which consists of the members of the University Council, Senate, school Councils, the Student Council, and all professors and research professors whose workload at the University is at least twenty hours per week.

The elections of the rector take place in an election meeting. The election meeting can hold a vote if more than 50 percent of the members of the Electoral College is present. The election meeting is chaired by the chair of the election committee. The rector is elected with a simple majority of votes, that is, a candidate who receives the votes of more than 50 percent of the members of the Electoral College is elected rector. The rector can be elected for no more than two consecutive terms. If no candidate is elected, the term of office of the incumbent rector is extended by one year. If no candidate is elected again and the office of the rector is vacant at the time of the election, the Senate appoints an acting rector for a term of up to one year.

The University of Tartu statutes stipulate a procedure for a motion of no confidence in the rector on the basis of breaching the law or the statutes of the University. The motion of no confidence can be initiated by a joint declaration of the Councils of at least two schools. To express no confidence in the rector, a two-thirds majority of the members of both the University Council and the Senate must support this decision. This decision takes place in the session of the Senate chaired by the most senior Senate member. If the Council and the Senate pass a no confidence vote, the rector is relieved of their duties before the term in office ends.

Commentary

University governance structure in Estonia reflects the position that the engagement with the external environment is important for the University's development. This point is demonstrated through the composition of the University Council, where 45 percent of the members need to be experts in the areas of the University's focus, economy, or entrepreneurship, and who should work in organizations that are not higher education institutions. These members of the University Council are appointed externally by the government based on the recommendation of the minister of education and research. They are not identified by academics from the University.

The Estonian Academy of Sciences, another actor external to the University, appoints its one member to the Council of the University. The remaining Council members are appointed by the University Senate through a university-initiated process.

Each University has its own procedure for electing the Senate, the body responsible for all academic activities. However, in all cases, the Senate needs to include student representatives, faculty members, and the rector. In fact, the University Senate and the rector in Estonia are conjoined because the rector is also the chair of the Senate.

There are clear checks and balances in decision-making between the University Council, the Senate, and the rector and other units at the University. For instance, the rector may repeal any decision made by a University unit if it breaches the law or harms the University. The Senate has a single right of veto on the Council's decision on budget. The Council, on the other hand, can veto decisions passed by the Senate. All in all, the University governance in Estonia acknowledges the possibility of decisions that need to be reviewed and provides a process for doing that in transparent ways, enabling organizational learning.