

Annual Report 2010



POLIITIKAUURINGUTE KESKUS



PRAXIS

CENTER FOR POLICY STUDIES

ANNUAL REPORT

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Achievement of Strategic Goals

In 2010, Praxis celebrated its 10th year of activity. Motivated by its vision, Praxis set out to become the most influential think tank in Estonia by 2010. Its aim was to become a body whose activities and their impact on the Estonian as well as the European public sector policies would be recognized. This vision has come to life: Praxis is considered with both in policy-making as well as discussions. After significant reorganisations, Praxis has achieved both organizational and financial stability.

The year 2010 marked the end of Praxis's previous strategy period (2008–2010). The strategic goals that were agreed upon within the organization have largely been achieved. Thus, it can be said that Praxis is an integrated and complete body, whose members undertake to realize the goals of the organization.

By late 2010, Praxis employed 27 people, and by the time of preparing this report, the number of employees had increased to 31. The organization has a clear structure. It also employs mechanisms for carrying out both well-established subject-based tasks as well as work integrating several different areas of politics.

The aforementioned is closely tied to Praxis being recognized as a reliable key partner by all the major public, private and nonprofit organizations operating in our areas of activity. It is also supported by the fact that in Estonian society, Praxis and its experts are acknowledged opinion leaders in all their areas of competence. This means that in addition to its main activity, research, the organization has acknowledged that proactive communication is also a necessary and valuable tool (see Section 2 of the Activity Report – Creation and Knowledge Brokering).



In summary – by 2010, this has led to the current situation, where Praxis has an important and noticeable influence on Estonian policy-making in all areas of its main activities. The latter is indicated by the fact that the organization is being quoted more and more, but also by the trust and anticipation that the media and the public have clearly expressed towards the opinions of Praxis, as they did, for example, over the course of debates on the 2011 Riigikogu elections. What is also remarkable is the participation of Praxis experts in important discussions in the Riigikogu and at the cabinet meetings of the Government of the Republic. Another positive sign concerning the work of Praxis is that different ministries, authorities and stakeholders have started to turn to Praxis more and more with specific cooperation proposals or to simply get their stand on vital decisions.

Praxis has partially achieved the ambition formulated in its 2008 strategy – to be an acknowledged analysis and competence centre and meet European standards in all its main activities. Health and Labour and Social Policy programmes actively participate in international research projects. Praxis experts are involved on the international arena as specialists in all activity areas: as consultants in planning reforms in other countries or mediating the events in Estonia to the outside world. In the Baltic Sea region and Europe in general, Praxis is known among the organization's main cooperation partners, but less so among decision-makers

and different stakeholders. Thus, the purposeful expansion of its influence to include areas further away from Estonian borders is one of the tasks to be tackled during the next strategy period.

After the year 2010, it can be said that Praxis has a well-functioning foundation capital, statutes, primary collected resources and experiences gained with different partners from the private sector, enabling cooperation in such a form. However, the resources of the foundation capital are still modest and do not allow financing Praxis's activities from accumulated interests. Hence, goals for the next strategy period include the achievement of institutional financial independence, similar to what Praxis experienced during its first years of activity thanks to the Open Society Institute grant.

During the period that saw the rapid increase of Praxis's key personnel (doubled between 2008–2010), less attention was paid to the so-called visiting researchers' programme. Developing Praxis as an attractive location of field training for students from Estonia and abroad as well as

Long-term cooperation relationships have been developed with ministries and universities operating in all Praxis's areas of activity.



for visiting scientists was not in focus either. This strategic course of action, however, is a logical continuation of Praxis's previous activities into the next strategy period.

The institutional cooperation goals set in 2008 – at least one long-term cooperation agreement with a partner from the public sector for all programmes and a strategic cooperation agreement between Praxis and at least one university in Estonia – were not fully achieved. In practice, long-term cooperation relationships have been developed with all responsible ministries and universities operating in Praxis's areas of activity. The main format used in Estonia to regulate cooperation relationships is a specific project-based contract, not a framework contract. Thus, the meaning and topicality of institutional cooperation goals must be discussed within the new strategy.

It can be concluded from the previous strategy period that after 10 years of activity, the mission and values of Praxis formulated upon its birth in 2000 are still relevant and up-to-date, and there is no need to rethink them.

In 2011, we will continue to strive towards the half-completed goals of the previous strategy period and will also finish renewing Praxis's strategy. The aim is to approve the new strategy in autumn 2011, after discussing it within the team, determining more specific courses of action, considering what to focus on in the coming years and addressing relevant aspects with Praxis's supervisory board and partners.



Three main courses of action have developed in Praxis – analysis and research activities; generating new ideas and finding solutions: active knowledge brokering and training (see figure below). Politically independent, methodically high-quality applied research and analysis still constitute the core activity of Praxis the think tank. In practice, these activities support us in making more evidence-based decisions. Praxis's active communication with different stakeholders helps us to be innovative and open, and highlight neglected or new challenges – that means we actively initiate discussions and shape the political agenda. However, such a role also demands a great sense of responsibility and trust. The latter is created and maintained with the help of the abovementioned evidence-based approach, which is in turn based on research. Praxis is expected to contribute to the utilization of important knowledge in everyday practice to an ever-increasing extent. This means we need to deliver knowledge to stakeholders purposefully and skilfully, and among other things, provide different forms of training.

These courses of action are represented in all areas of politics which Praxis is involved in, although their scope may differ by programmes. All courses of action also complement each other, and strategic development is synchronized

Connection between the three courses of action



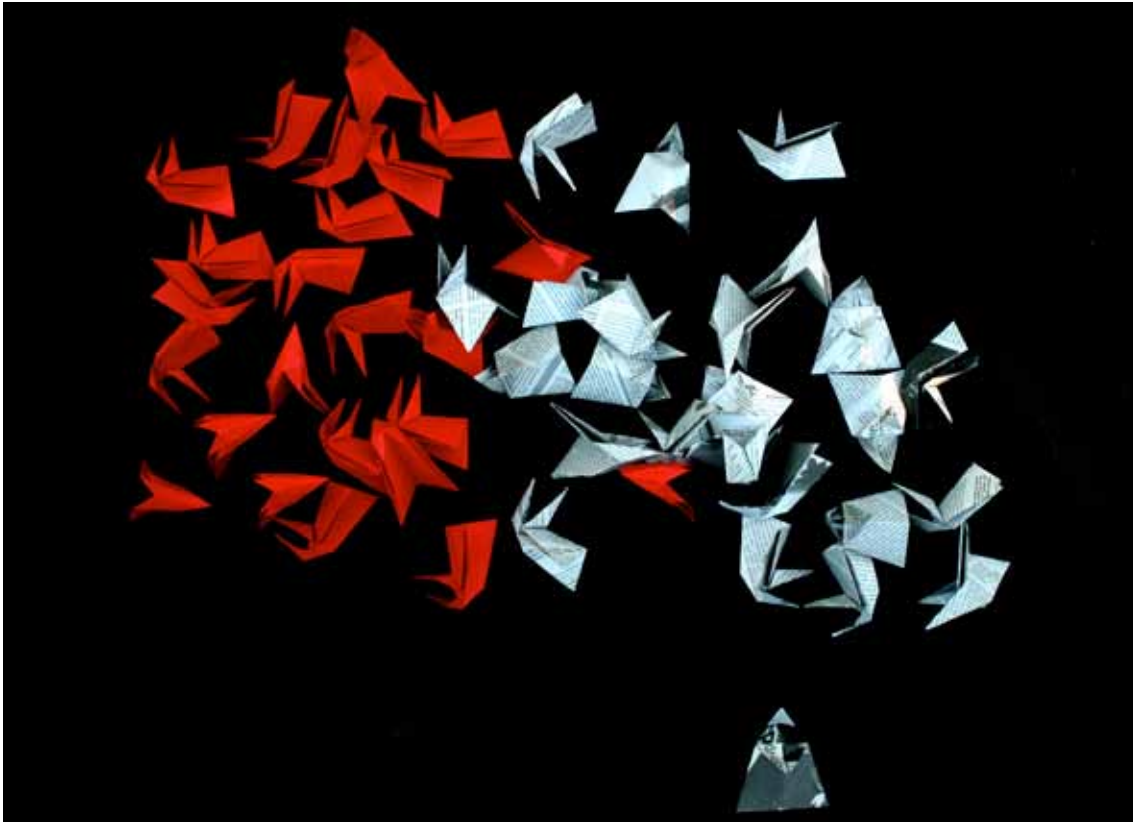
Praxis is expected to continuously contribute to the utilization of important knowledge in everyday practice.



within inter-programme cooperation.

In 2010, the volume of activities in the whole organization increased significantly and reached the highest level in the history of Praxis. The total revenue of its main activities in 2010 and 2009 was 12,055 thousand and 8,587 thousand kroons, respectively (in comparison, the total revenue of 2008 was 9,590 thousand kroons). The number of projects also increased considerably: approximately 90 projects of different volumes were in progress in the course of 2010 (see also Creation and Knowledge Brokering and the list of 2010 projects at the end of the Activity Report). The total operating profit for the 2010 fiscal year amounted to 359,587 kroons (accumulated profit with previous periods: 804,518 kroons, i.e. 51,418 euros).

Considering the increase in the organization's personnel, the even growth of development potential of all programmes (see also Activities by Areas) and several important strategic innovations (see also Praxis as an Organization), a slight increase in the volume of activities is expected for 2011.



was carried out successfully and a three-year youth monitoring project was also launched. This is the first project of its kind – a substantial, specifically area-oriented monitoring system is created within the project to implement knowledge-based policy-making.

The think tank's main cooperation partners in Estonia were: the Open Estonia Foundation, the Ministry of Social Affairs, the Government Office, the Ministry of Finance, the Ministry of Education and Research, the Estonian Health Foundation, the Estonian Cooperation Assembly, the Estonian Health Insurance Fund, the Estonian Development Fund, the Network of Estonian Nonprofit Organizations, the Integration and Migration Foundation Our People, the National Audit Office of Estonia, the Ministry of Economic Affairs and Communications, the Federation of Estonian Student Unions, Archimedes Foundation, Enterprise Estonia and larger public universities. A summarized overview of the projects and commissioning parties can be found at the end of the Activity Report.

With more than 50 entries made in 2010, Praxis's blog served as a good channel for distributing information.



Distribution of Analysis Results

In order to distribute analysis results and initiate public discussions, Praxis carried on with the activities set out in the strategy. A series of seminars (Policy Dialogues) was organized for different target groups to offer them a chance to participate in the early stages of shaping the social visions and policies of the future in a focused way. Training courses and workshops were organized with the aim of promoting the skills related to professional, responsible and evidence-based policy-making. Praxis experts

also participated in field seminars and conferences, where they presented research results or moderated discussions. Publications, policy reviews and media coverage also contributed to communication.

Praxis was mentioned in the media (daily newspapers, TV and radio channels and special publications on a total of some hundred occasions. Experts of the think tank wrote opinion articles, gave interviews and participated in television debates. Writing entries in Praxis's blog was a good way for analysts and experts to explain the (intermediate) results of their research and initiate discussions. More than 50 entries were published in the blog in 2010. In order to get its message across to the Russian-speaking population of Estonia and to develop its ability to shape policies for this target group, work began on translating the Praxis website into Russian.

Supporting Discussions

Active and regular communication with target groups and subject-based discussions are strategically as important to Praxis as brokering expert information and distributing analysis results. In this field, a good example from 2010 is the preparation of the implementation plan of the Estonian Integration Strategy. The course of the activity, Praxis organized citizen discussion groups and met up with more than 100 target group members in different regions of Estonia to map an important area of integration. Target groups were engaged and discussions were successfully initiated over the course of the project directed at young people. In the project, youngsters and politicians were brought together in an innovative forum-like format, in participatory cafes and simulation. The project entailed the creation of a website (www.valitsejad.eu) to help the young to better understand what is going on in politics and in the society, initiate discussions and exchange thoughts on subjects of social importance.



Engaging target groups and initiating discussion was also successful in the project directed at young people.

Policy Dialogue

The project "Dialogue between Citizens and Policymakers" continued in 2010. Its aim was to promote active public discussion and citizens' participation in policy-making. By actively introducing research results, the project increased the awareness of different stakeholders, enlivened public discussion and increased the possibilities of stakeholders to have their say in shaping policies.

In order to achieve the goals set, Praxis continued to organize its Policy Dialogues events, which have proved very successful. Praxis Policy Dialogues are a series of political semi-

Policy Dialogues organized in 2010:

- "Estonian Tax System: Whose Burden is the Heaviest?" (In April);
- "How to Accelerate Estonian Healthcare into Information Age?" (In May);
- "Sanatorium Schools – to Whom and Why?" (In October);
- "How to Achieve Actual Participation in Policy-Making?" (In December).



PRAXISE
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nars directed at policymakers and civil society organizations. Their aim is to inspire public discussion and help it to become more argument-based. The seminars conducted within the series of Policy Dialogues in 2010 dealt with various areas of politics, introducing recently finished and still unpublished political analyses and the more significant conclusions. Discussions with area experts, civil society organizations and policymakers also took place.

Training and Knowledge Brokering

In addition to analytical work and policy-making, training activities constitute an important part of the operating mechanism of Praxis. Like in 2009, dozens of training days were organized both in Estonia as well as abroad. A significant training

project worth highlighting was “Developing the Quality of Public Services”, a development programme for top public service executives. A total of 33 top executives participated over the course of a 10-day training. In addition to trainings in Estonia, training visits, meetings and training activities were also organized in Helsinki, Paris and London. In cooperation with healthcare experts from other organizations, the experts of Praxis’s Health Policy programme organized educational visits to Estonia for delegations from Mongolia, China and Vietnam. The main aim of the educational visits was to introduce Estonian healthcare reforms related to developing the health insurance system and ensuring sustainability.

The engagement trainings launched in 2009 continued in 2010, when five training courses were organized on the order of the Ministry

Extracts from feedback given to engagement trainings:

- “A very good and systematic overview of engagement and its legal bases. Informative, with good examples. I received basic knowledge and skills, which will help me carry on with my daily work.”
- “The provided summarizing schemes will certainly find their place on the information stand next to my desk and will encourage me to communicate more than I have so far.”
- “I think the knowledge I received will be easy to implement in practice, because the theoretical part of the lecture was very well tied to the practical side.”



of Finance. The training in question is a basic training on engagement, directed at the public servants/partners who are employed in the central government, local governments or the nonprofit sector and deal with issues of engagement on a daily basis.

The ability of Praxis experts to broker knowledge, their competence, and the way they organize work in brokering knowledge has always been highly rated by participants and partners.

Developing Professional Cooperation

In late 2010, Praxis became one of the founders of the Estonian Evaluation Society ESTES. The aim of the society is to facilitate knowledge- and engagement-based policy-making and strategy-shaping through evaluation terminology, developing methods and operating standards, increasing the professional and ethical level of evaluation, promoting the awareness and culture of evaluation and tightening cooperation between the organizations and people operating in the area of evaluating. There were three founding members: Praxis, Technopolis Group and CPD OÜ. According to plans, the actual work of the society will commence in 2011.

Praxis's practices of active knowledge brokering in the area of health care are used as an example in Europe.



The European Observatory on Health Systems and Policies (<http://www.euro.who.int/en/home/projects/observatory>) is implementing the project BRIDGE (Scoping study of approaches to Brokering knowledge and Research Information to support the Development and Governance of health systems in Europe) in 2009–2011. As the result of thorough Pan-European mapping, Praxis was chosen within the project as one of the five institutions whose practices for active knowledge brokering in the area of health care will be used as examples for developing the corresponding principles and know-how in Europe. The project will conclude in 2011 with a conference and recommendations. Two Directorates-General of the European Commission – DG SANCO and DG Research – have actively started to implement the results of the project.

Activities by Areas

Education Policy

The aim of the Education Policy programme (EP) is to support the Estonian Education Policy in increasing the knowledge of all members of society and promoting their learning opportunities. For Estonia, it is important to move towards a knowledge-based society in which the knowledge and skills of all people would be advanced throughout their lives. Furthermore, responding to the challenges and opportunities of the modern world quickly is also important. Keeping in mind the goals of increasing social welfare and coherence, EP strives to improve the quality of education, promoting fair access, openness of the education system and better utilization of resources. The programme also focuses on the issues of stratification and “hidden markets” in education.

The topics of the Higher Education Policy (e.g. equitable access, students combining study and work, quality of education)



In 2010, EP mainly focused on Higher Education Policy issues. The project “Equitable Access to Higher Education in Estonia”, which was supported by the ESF programme Primus and carried out with the Federation of Estonian Student Unions, dealt with equal opportunities in Estonian higher education. It also pointed to the



factors facilitating and hindering students from different socio-economic backgrounds. Policy recommendations to promote the issue and ensure the regular monitoring of access to higher education in Estonia were also formulated. In addition, the international survey EUROSTUDENT IV was carried out among Estonian higher education students. The project “Phenomenon of Student Working in Estonian Higher Education”, funded by the ESF programme Primus and implemented in cooperation with the Faculty of Economics of the University of Tartu, focused on the combination of studies and work. The issue of the quality of higher education was also addressed.

The issue of young people and the Youth Policy was another important theme for the programme. “Development and Implementation of Youth Work Monitoring System”, an extensive multiannual (2010–2013) project commissioned by the Estonian Youth Work Centre, was launched in 2010. The aim of the project is to develop a monitoring system that could provide relevant information for policy- and decision-makers who deal with young people at local and central levels. Up-to-date information enables decision-makers and specialists to make informed policy choices regarding the youth and their activities.

An international research project on private tutoring, funded by the Network of Education Policy Centres (NEPC) and involving six Central and Eastern European countries, addressed strategically important issues of the Education



The topic of young people also had an important role in the programme's activities.

Policy while also touching upon issues of educational inequality, effective use of resources, and quality.

In conclusion, it can be said that all the projects implemented dealt with the issues highlighted in the strategy, pointed to problems in the area and made policy recommendations to overcome deficiencies. In contrast to 2009, there were more discussions with policy-makers. This intensified the dialogue between decision-makers and experts in the field. The analysts of the programme were also more active than before in commenting on various education-related subjects in the media.

A total of 10 research projects were in progress in 2010, four of those international. Projects in other Praxis's programmes were also contributed to. The most significant of those contributions was the evaluation of the project “Increasing the Supply of Qualified Labour Force 2007–2013” implemented in cooperation with the Economic Policy and Labour and Social Policy programmes. EP's contribution involved analyzing the work practices of the unemployed. In 2010, the Education Policy programme produced a total of five analysis reports, while also collaborating on the publications of other programmes.

EP analyst Laura Kirss became the Head of the EP programme in 2010. In addition to her, another analyst was working in the programme. Almost all projects involved cooperation with various visiting researchers or partners. The most important contributors were Maarja Beerkens, Liis Lill and Dominic Orr. The most important institutional partners in 2010 were the Federation of Estonian Student Unions and the Faculty of Economics of the University of Tartu.



Economic Policy

The aim of the Economic Policy programme (EcP) is to contribute to promoting knowledge-intensiveness and innovation in Estonian economy and to raise its international competitiveness. This should be achieved by analyzing the key issues affecting the economic environment, initiating discussions and dialogues on the Economic Policy and making proposals regarding the improvement of the economic environment to the government and companies. The subjects dealt with within the framework of the programme constitute an input for developing and shaping Estonian policies on business, industry and innovation.

Various evaluation-related works still played a relatively major role in 2010. For example, Praxis took part in assessing the selection criteria for EU Structural Funds. This also involved evaluating support measures for entrepreneurship and innovation. Interim evaluations were also conducted on the Estonian/Latvian cooperation programme and the business start-up subsidy directed at the unemployed. One of the most

substantial works, however, concerned taxation, namely examining the effect that the non-taxation of companies' retained earnings has on investments and economic development. The issues of innovation policy were covered to a lesser extent than before.

A total of six more large-scale research projects were implemented in 2010. The programme participated in four international research projects. Two of the projects launched in 2010 continue in 2011. In essence, all projects were analyses. The largest commissioning/funding partners were the Ministry of Finance, the Ministry of Social Affairs, the Ministry of Justice, the Open Estonia Foundation and the European Commission.

Effect of the non-taxation of companies' retained earnings on investments and economic development was examined.





The programme involved four full-time or part-time analysts, who cooperated with other institutions and experts in the course of the projects. In 2010, Praxis hosted four visiting researchers. Anne Jürgenson performed the duties of the Head of the programme. Praxis experts published a total of six analysis reports, one policy analysis and several articles in Estonian media and Praxis's blog.

Evaluation-related works probably had the greatest impact in 2010. Evaluations, carried out with the aim of gathering knowledge on the activities so far, provide good feedback on whether the goals set have been achieved or whether activities need to be adjusted. Thus, the commissioning parties have been highly interested in research results and are willing to implement justified amendment proposals so as to achieve the best effect.

The analysis of the corporate income tax reform sparked the most active public discussion. The results of this research were introduced and covered by the media in the beginning of 2011.



Health Policy

The aim of the Health Policy programme (HP) is to improve the health condition of Estonian residents and offer solutions for developing the health system corresponding to the needs and expectations of the people. We are guided by the viewpoint of the World Health Organization – the most important characteristics of a good health care system are the residents' best possible health condition, satisfaction with the system and protection from financial risk. We analyze all policy options pursuant to these three principles and consider the effect of different alternatives on the efficiency, quality and accessibility of services. By offering solutions to important health care challenges, we analyze the viewpoints and needs of different stakeholders, but also international developments and their impact on Estonia.

The main key word of the 2010 Health Policy programme was growth: by the end of the year, the number of employees had reached seven, and by the time of preparing this report, eight people were involved with HP on a permanent basis, some of them part-time. The Head of the programme is Ain Aaviksoo. Five employees have a master's degree, three are in the middle of their doctoral studies and one in the middle of master's studies. Almost all projects have involved outside experts from Estonia and abroad: in addition to numerous agreements within educational trips, contractual relationships were entered into with a total of nine experts from Estonia and four experts from



The main key word of the 2010 Health Policy programme was growth.



HP's strategic courses of action that have received the most attention in the recent years:

- Sustainable funding for the health care system;
- Using information and communication technologies in developing the health care system;
- Analysis and forecast of important health problems and the solutions thereof (including an HIV epidemic, alcohol abuse, tobacco addiction etc);
- Evidence-based organization of health (including the evaluation of policies, programmes and health technologies).

Praxis has been one of the first to initiate public discussions on the following challenges in the development of the health care system:

- Possibilities of providing patient-centred and quality-oriented health care services in Estonia;
- The effect and possibilities that the policies of the European Union have on Estonia, primarily the directive on the free movement of patients.



foreign countries (see the list of projects at the end of the Activity Report).

The volume of the programme's activities increased to 3.32 million kroons in 2010 (annual growth 65%). No expansive growth is forecasted for 2011 – the focus will be on strategic choices in health policy subjects, developing the quality of existing capabilities and increasing work efficiency.

Seventeen projects were actively developed under the Health Policy programme during 2010. The projects produced seven research reports and two policy analyses. Two Policy Dialogues were also carried out. Over the course of the year, representatives of Praxis participated in fifteen seminars and conferences, five of which were international.

The sustainable health care funding project (in cooperation with LSP), the research on the export possibilities of health care services, the evaluation of the impact of the health care information system and Chapter 1 of the Estonian

Human Development Report (in cooperation with EP) garnered the most attention.

For years, the work of the Health Policy programme has been directed at tight and high-level international cooperation. In 2010, more than half of the activities of the programme were carried out with the support of foreign financing, i.e. export. This mainly concerns educational visits for health care specialists from Mongolia, China and Vietnam – the visits were carried out with financing from the World Bank, but also via the science and development projects financed under the Seventh Framework Programme of the European Commission.

For years, the work of the programme has been directed at international cooperation – more than half of the activities are carried out with foreign funding.



Labour and Social Policy

The aim of the Labour and Social Policy programme (LSP) is to analyze labour market development trends and the social situation, and to evaluate the impact of the decisions made and legislation passed in these areas.

During the period, LSP was constantly monitoring trends, doing so within the framework of different international projects, including for the European Foundation for the Improvement of Living and Working Conditions (since 2006), for the European Employment Observatory (since 2003), since 2008 in cooperation with the Network on Employment and Gender Equality Issues (EGGE), and for the Network on Social Inclusion, Health and Long Term Care (EGGSI). Many single projects also focused on other subjects mentioned. The LSP did not deal with the issues of workforce migration in 2008–2010.

The main research topics of the Labour and Social Policy programme in 2008–2010 were:

- Labour market trends and the Employment and Social Policy;
- Impact of tax/benefit systems on work incentives, distribution of income, poverty reduction and redistribution within and between generations;
- Success and accessibility of labour market and social services;
- Sustainability of the social insurance system;
- Combining work and family life and the impact of the Family Policy;
- Industrial relations and social dialogue;
- Workforce migration.

The main international projects were long-term monitoring projects.



At different moments during 2010, LSP was carrying out fourteen analysis projects, related to both the labour market and the Taxation Policy. Nine of those projects were funded by international organizations, including the International Training Centre of the ILO in Italy, the European Foundation for the Improvement of Living and Working Conditions, GHK Consulting Ltd and Fondazione Giacomo Brodolini and Istituto per la Ricerca Sociale from Italy. The main international projects were the abovementioned longer-term monitoring projects in the area of Employment and Social Policy and the analytical work conducted in the course of these projects. In 2010, cooperation partners and financers from Estonia included the Ministry of Social Affairs, SOS Children's Village Estonia and the Estonian Trade Union Confederation. Research subjects included industrial relations in state and local government authorities, gender pay gap, orphanage children starting their independent lives and flexicurity.

Six analysts and one assistant worked in the programme on a full- or part-time basis. Four visiting researchers were involved with projects over the course of 2010. As the Head of the





programme Reelika Leetmaa was on maternity leave, the duties of the Head of the programme were performed by Andres Vörk from January 1st to September 31st. Since October 1st, 2010, Kirsti Nurmela has performed the duties of the Head of the programme.

The experts of LSP published a total of 21 articles and 9 research reports in 2010. In addition, a policy analysis by the authors of the programme was published in 2010. The results of two projects funded by the Fund of Wise Decisions were given the most extensive media coverage. Together, the projects formed an integral analysis: "Flexicurity Pathways in Estonia: Current Situation and Development Perspective". In cooperation with researchers from the University of Tartu, the results of the project were presented to the press and in the Riigikogu. The Praxis Policy Dialogue "Estonian Tax System: Whose Burden is the Heaviest?" also received significant media coverage.

Governance and Civil Society Policy

The aim of the Governance and Civil Society Policy programme (GCSP) is to implement

The Praxis Policy Dialogue "Estonian Tax System: Whose Burden is the Heaviest?" received significant media coverage.



modern governance principles and empower the civil society in organizing public life. The programme tried to implementing all courses of action formulated in the strategy for 2008–2010. The development of civil society mainly involved the issues of improving the funding of civil society associations, expanding volunteering activities, contracting out public services to associations and developing the system of charitable giving. Although in the strategy formulated in 2008, a lot of attention was paid to the development of civil society, GCSP has started working more on the subjects of good governance. In the last few years, significant emphasis has been put on making public engagement more effective and promoting public dialogue, supporting the preparation of development plans and strategy documents,

increasing the competence of civil servants, improving the quality of public services and contributing to the development of the state's performance management.

Since 2007, Praxis has also been concerned with Integration Policy, which in recent years has been covered by the Governance and Civil Society Policy programme. While in 2007, Praxis helped to prepare the Estonian Integration Programme up to the year 2013, then in 2010, GCSP led the development of the new implementation plan for the integration programme. In conclusion, the points highlighted in Praxis's strategy were successfully achieved and even more activities were initiated in the area of governance than initially planned.

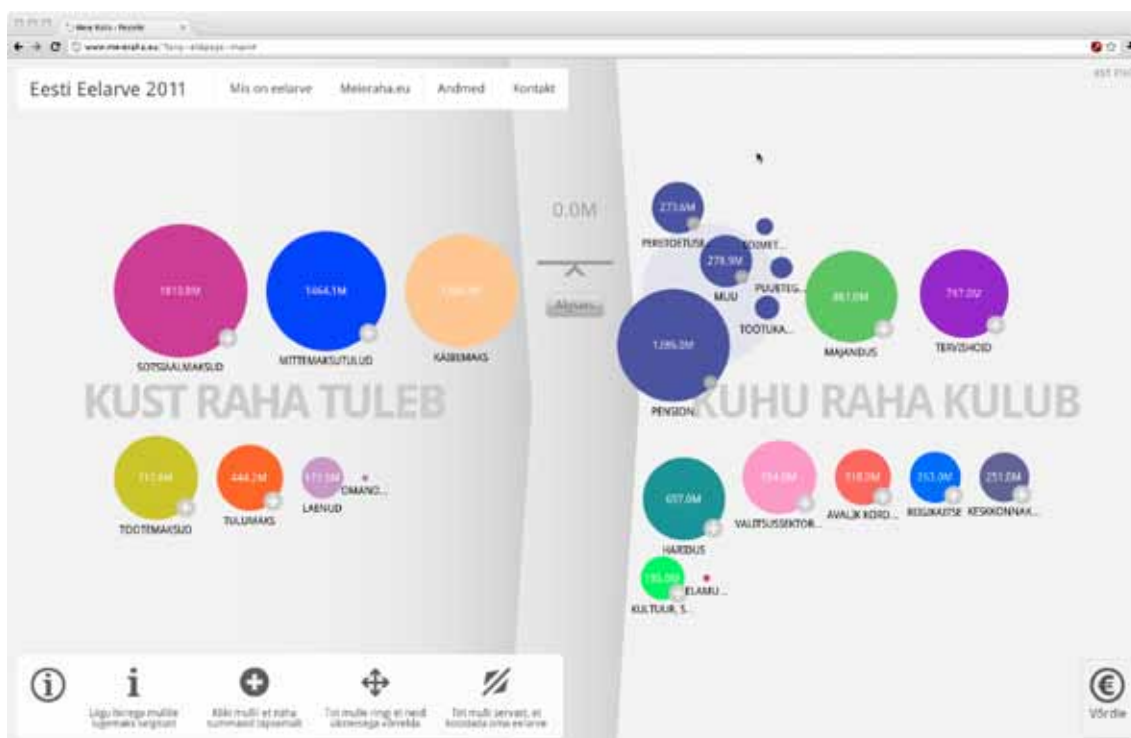
The year 2010 was very intensive for the programme. The volume of projects and the diversity of activities increased compared to 2009. The fiscal year saw a total of 30 active projects as well as numerous smaller presentations, training courses and consultations. Approximately 50% of the projects were analysis projects and 50% training and consultation

In recent years, Praxis has vigorously increased its visibility and influence in the issues of governance and civil society.



projects. Six analysis reports were published and a Policy Dialogue event was organized on the subject of public engagement. In addition, a policy brief ("How to Achieve Actual Participation in Policy-Making?") was published.

Over the recent years, Praxis has increased its visibility and influence in the subjects of governance and civil society. The number of its cooperation partners in both public and nonprofit sectors has also grown. The team of the programme have supported the work of many civil society organizations with seminars, trainings and consultations and contributed to a more substantial discussion on the issues of governance and civil society.



The Head of the programme, two analysts and an assistant worked in the programme during the fiscal year. The programme was led by Annika Uudelepp, who is also a member of the Praxis Executive Board. Active cooperation with visiting researchers and other analysis institutions continued. The Institute of Baltic Studies, OÜ Geomedia, NENO and the eGovernance Academy were the closest cooperation partners. However, the most important partners commissioning/financing projects in the area of governance and civil society were the Ministry of the Interior, Government Office, the Ministry of Finance, the Open Estonia Foundation,



the Ministry of Culture, the Integration and Migration Foundation Our People and the Ministry of Social Affairs.

The most important activities in 2010 were:

- Promoting public engagement: conducting an extensive analysis of the engagement practices of governmental authorities, preparing an in-depth analysis of three cases of engagement (to be published in 2011) and continuing public engagement trainings. On a positive note, it is important to highlight that engagement and Policy Dialogues are increasingly becoming a natural part of policy-making and the preparedness and skills of public engagement have improved on the part of both partners and civil servants;
- In order to strengthen the dialogue related to policy-making, the programme continued to organize Policy Dialogue events, prepared a societal dialogue on the 2011 Riigikogu elections (analyses of election platforms, commenting on election pledges, etc), carried out a project supporting the participation of young people in politics – “Enhancing the Dialogue Between Youth and Politicians”. All dialogue activities continue in the year 2011, whether within a relevant project or as a part of new activities;
- Three courses of action were worked on in terms of developing public services: 1) knowledge was actively brokered contracting out public services to civil society organizations and contributions were made to preparing the new Civil Society Development Plan (KODAR); 2) a development programme regarding public services and meant for Estonian top executives was elaborated on and implemented (a total of 33 top executives participated in the development programme); 3) an analysis was conducted and policy recommendations were prepared on using mobile communication and digital TV for developing innovative public services;
- Supporting the implementation of integration policy: an analysis report and recommendations for the engagement of local governments in integration activities were prepared, as well as the working draft of the implementation plan covering the years 2011–13 of the Integration Programme for 2008–13. The implementation plan was updated in close cooperation with the area’s target groups, stakeholders and responsible institutions (six discussion seminars, three regional round table discussions and a survey of target groups were carried out). In order to ensure that the activities of Praxis reach the Russian-speaking population better, Praxis’s website was also translated into Russian and a communication plan was prepared for reaching Russian-speaking target groups (continued in 2011).

Praxis as an Organization

Employees and Management

The team of Praxis continued to grow in 2010. By the end of the year, Praxis had 27 employees (20 at the end of 2009) and as of June 2011, the number of employees had reached 31. The growth of personnel means efficient programme teams, where the analysts are able to complement each other's competencies. The growth of personnel has also been caused by an increase in the volume of work done at Praxis. No rapid growth of personnel is planned for the coming years; instead, there are plans to improve the qualification levels of the existing employees by academic degree defences (mainly doctorate degrees – there were 9 doctoral candidates at Praxis as of May 2011). We have also started to involve trainees and volunteers more systematically than before, continued to involve visiting researchers on project-based contracts to support the core team of our organization and to expand the possibilities of field training. The total staff

costs of 2010 amounted to 7,450 thousand kroons (5,224 thousand kroons in 2009).

In 2010, the Executive Board of Praxis consisted of two members – Ain Aaviksoo and Annika Uudelepp. Until August 2010, Ain Aaviksoo performed the duties of the Chairman of the Executive Board. In August 2010, Annika Uudelepp was elected the Chairman of the Executive Board, while Ain Aaviksoo continues to act as a member of the Executive Board. The staff costs of the Executive Board members amounted to 144 thousand kroons in the fiscal year (196 thousand kroons in 2009).

Considering the growth the organization has experienced in recent years, it was also necessary to review the management of programmes. In the past, the Chairman of the Executive Board also performed the duties of managing the programmes without a separate programme director (Education Policy and Economic



Policy programmes). In 2010, deputy directors were appointed for both programmes and the following people were made responsible for the management of the programmes:

- **Ain Aaviksoo** – Health Policy programme director;
- **Anne Jürgenson** – deputy director of the Economic Policy programme;
- **Annika Uudelepp** – Governance and Civil Society programme director;
- **Kirsti Nurmela** – deputy director of the Labour and Social Policy programme;
- **Laura Kirss** – deputy director of the Education Policy programme.

There were no changes in the membership of the Supervisory Board in 2010: the Chairman of the Supervisory Board was Daniel Vaarik and the members of the Supervisory Board were Ene-Margit Tiit, Kadi Lambot and Sten Tamkivi.

Partners and Target Groups

Pursuant to its mission, Praxis operates to serve public interests. All parties of the society from public, private and nonprofit sectors are represented among our partners. Since its founding, the circle of Praxis’s active partners has involved organizations from both Estonia and abroad. In 2010, Praxis had contractual relationships with approximately 60 organizations, including six ministries, the Government Office and important organizations from the Estonian nonprofit sector. In addition, Praxis cooperated with the European Commission, the World Bank, the Open Society Institute and several leading research institutions from Europe (see the list of projects of 2010 at the end of the Activity Report).

The figure expresses the percentage of different types of cooperation partners in our 2010 activities as a tag cloud. It shows that cooperation mainly takes place in the public sector and in the area of applied research. The main focus is on shaping Estonian policies. Cooperation on the international stage and with the nonprofit

sector also plays a very important roles, as does Praxis’s developing in the field of science.

The greatest change in partnership in 2010 probably happened when “charitable givers” from the Estonian business sector admitted that the Estonian political landscape needs to be balanced in favour of the nonprofit sector. Cooperation with Praxis was seen as one of the ways to achieve that goal. The concern that some undertakings displayed in connection with the insufficient quality of the pre-election debate of the Riigikogu elections was certainly another motivating aspect. However – successful cooperation allows us to believe that the philanthropist George Soros, who had a significant role in financing the founding of Praxis and its early operating years, is about to have worthy successors in Estonia.

Funding

Praxis became considerably more active in 2010 – the organization achieved the largest turnover in its history, indicating that the temporary difficult situation caused by economic depression and the cessation of direct foreign support has been overcome once and for all. It is important to note that the activities of all programmes have

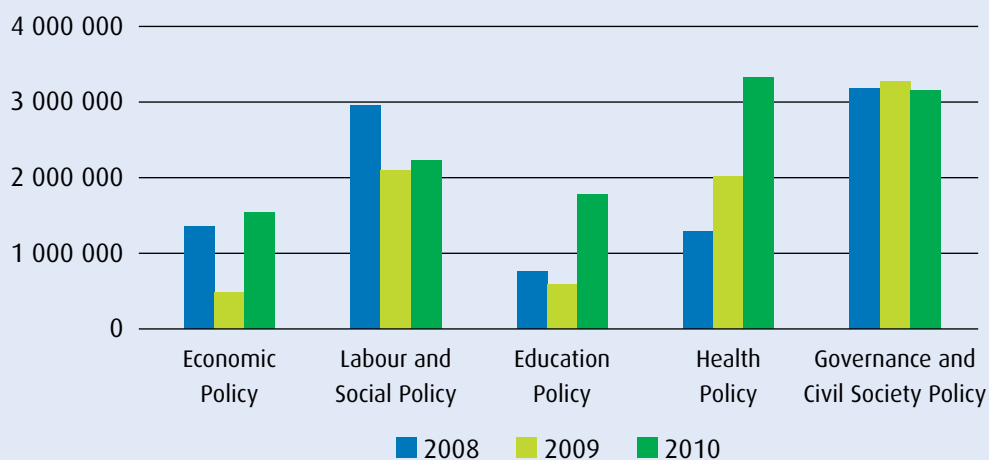
George Soros is about to have worthy successors in Estonia.



Cooperation partners as a tag cloud



Change in the volume of activities by programmes



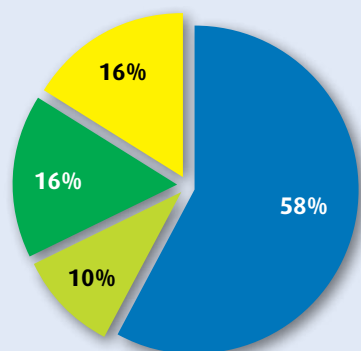
achieved a stable volume, which enables us to invest in quality and make strategic choices in planning activities. The volumes of programmes and the changes in the 2008–2010 period are shown graphically in the figure on the next page. More detailed information about the funding of Praxis in 2010 can be found in the annexes of the Annual Report.

The peculiarity of public sector funding in Estonia in the case of applied research is mainly illustrated by public procurements. This means that a

large share of Praxis’s activities qualifies as “business” in terms of accounting, i.e. turnover, on which Praxis needs to pay value added tax. Similarly, business activities also include work done for various umbrella organisations. Projects, which are funded from the so-called allocations intended for specific purposes, are considered to fall under the organization’s main activity. Thus, no value added tax is paid on them.

The volume of projects carried out with foreign funding, i.e. the volume of export projects, is vital in ensuring Praxis’s financial stability and independence (see figure on the side). Of the funding of the whole organization, 32% comes from other countries, and half of this sum is in turn made up of various outsourced tasks (i.e. business) and projects related to the main activity of the other party (mainly the activity funded through the EU Research and Development Programme). The Health Policy programme (66%) and the Labour and Social Policy programme (58%) have the largest export turnovers.

Financers by types of activity



- Business, Estonian financers
- Support, charitable giving, Estonian financers
- Support, charitable givers, foreign financers
- Business, foreign financers

The activities have reached a stable volume, enabling Praxis to make strategic choices and invest in quality.



Employees

Health Policy Programme



Ain Aaviksoo
Programme Director,
Member of the
Executive Board



Gerli Paat-Ahi
Analyst



Heli Laarmann
Project Manager



Janek Saluse
Analyst



Priit Kruus
Analyst



Vootele Veldre
Analyst



Reelika Ermel
Assistant

Economic Policy Programme



Anne Jürgenson
Analyst/Programme
Director



Katrin Pihor
Evaluation Expert/
Project Manager



Risto Kaarna
Analyst



Valentina Batueva
Assistant



Helena Rozeik
Analyst

Labour and Social Policy Programme



Kirsti Nurmela
Analyst/Programme
Director



Marre Karu
Analyst



Pirjo Turk
Analyst



Andres Võrk
Analyst



Liina Osila
Assistant



Reelika Leetmaa
Member of the
Executive Board

Governance and Civil Society Programme



Annika Uudelepp
Programme Director,
Chairman of the
Executive Board



Külvi Noor
Analyst



Maiu Uus
Analyst



Hille Hinsberg
Expert



Katariina Rebane
Assistant

Educational Policy Programme



Laura Kirss
Programme
Director/Analyst



Eve Mägi
Analyst

Office



Irina Putškova
Office Manager

List of projects in the year 2010

No.	Name of the project	Commissioning party
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Education Policy

1	Divided Education - Divided Citizens?	Institute for Social Research, Zagreb, Network of Educational Policy Centers (NEPC), Croatia
2	Analysis of the Role of Creativity and Innovation in School Curricula in the EU 27	Empricia Gesellschaft für Kommunikationsund Technologieforschung mbH, Germany
3	The Development and Implementation of Youth Monitoring System	Estonian Youth Work Centre
4	International Students' Survey EUROSTUDENT IV	Archimedes Foundation
5	Interim Evaluation of the European Lifelong Learning Programme in Estonia	Archimedes Foundation
6	Equitable Access to Higher Education in Estonia	Federation of Estonian Student Unions
7	Principles of Monitoring Access to Higher Education	Federation of Estonian Student Unions
8	Private Tutoring: Developing Policy Options	Network of Education Policy Centers (NEPC), Croatia
9	Phenomenon of Student Working in Estonian Higher Education	University of Tartu - Faculty of Economics and Business Administration, Program Primus
10	Educational Counselling Services: Access and Satisfaction	The National Examinations and Qualifications Centre
11	From Unemployed to an Entrepreneur -right/ good choice	Open Estonia Foundation
12	Study on the Efficiency of Public Services Provided to Businesses	Ministry of Justice (lead by Price Waterhouse Coopers Advisors)

Economic Policy

13	Opportunities of Internationalisation of SMEs in Third Countries	EIM, The Netherlands
14	Study on Labour Force in Energy Sector	Estonian Electricity Industry Union
15	Mid term Evaluation of Estonia-Latvia Programme 2007-2013 in cooperation with Institute of Baltic Studies)	Enterprise Estonia
16	Research intensive high-tech SMEs in high-risk multidisciplinary ICT research	KMU forschung Austria Austrian Institute for SME Research, Austria
17	Preparation and implementation of a training module "Sustainability of local governments and long-term resource management" for the members of Union of Harju county municipalities"	Tallinn University of Technology
18	Europe INNOVA -Sectoral Innovation Watch	Netherlands Organization for Applied Scientific Research, The Netherlands
19	Local governments policies and practises in charging users and/or their families for local social services)	Ministry of Social Affairs
20	Business Dynamics - analyses of the situation of start-up procedures, business transfers, bankruptcy and second chance and their impact on entrepreneurship in Estonia	UAB EuroParama, Lithuania
21	Evaluation of the programme "Increasing the supply of qualified labour force 2007-2013"	Ministry of Social Affairs
22	Zero tax rate on corporate retained earnings – the impact on investment and economic development (in cooperation with University of Tartu and AB-ga Glimstedt)	Ministry of Finance of the Republic of Estonia
23	Evaluation of the selection criteria of structural funds,in cooperation with AS Ernst & Young Baltic and Institute of Baltic Studies)	Ministry of Finance of the Republic of Estonia
24	Evaluation of policies and practicies in relation to the adaption of E-invoicing in the European Union	EIM bv, The Netherlands
25	Provision of economic study elements/Data Supply Services for MICREF Database of microeconomic reform	EIM, The Netherlands

Health Policy

26	ANCIEN - Assessing Needs of Care in European Nations	"European Commission (FP7); leadpartner -Centre for European Policy Studies, Belgium
27	International Health Policy & Reform Network	Bertelsmann Stiftung, Germany
28	Study tour for the delegation of The People's of Republic of China	Health Partners International (United Kingdom)
29	Assessing the Economic Impact/Net Benefits of the Estonian Electronic Health Record System (digimpact)	Estonian E-Health Foundation, Fund of Wise Decisions
30	Evaluating Care Across Borders	European Commission (FP7); leadpartner - London School for Economics, United Kingdom
31	Estonian Human Development Report 2009, I chapter	Estonian Cooperation Assembly
32	Sanatorium schools - to whom and why?	Estonian Ministry of Education and Research, Lions Club, State Real Estate Ltd
33	EuroDRG: Diagnosis-Related Groups in Europe - towards Efficiency and Quality	European Commission (FP7); leadpartner - Technische Universitaet Berlin, Germany
34	Influence of HIV/AIDS epidemic on Estonian economic and employers	Foundation Healthy Estonia
35	Evaluation of national prevention programmes (breast cancer and osteoporosis)	Estonian Healthcare Insurance Fund
36	Study tour for the health care delegation of Republic of Mongolia	Third Health Sector Development Project, Ministry of Health (Mongolia)
37	Possibilities for Sustainable Financing of Estonian Social Security System	Ministry of Finance of the Republic of Estonia
38	The efficiency of Estonian social protection system	Ministry of Social Affairs (contractor), Ministry of Justice (financier)
39	Strengthening Engagement in Public Health Research	European Commission, United Kingdom
40	Study tour to health care delegation of the Socialist Republic of Vietnam	Mekong Health Support Project
41	Attractive Finland- Promotion of Professional Mobility in Health Care	Tha National Institute for Health and Welfare, Finland
42	Health and Wellness Services Export Plan	Estonian Development Fund

Labor and social policy

43	Sub-consultancy agreement for national labour market experts of the European Employment Observatory	GHK Consulting LTD
44	Sub-consultancy agreement for national labour market experts of the European Employment Observatory	GHK Consulting LTD
45	Service contract for the provision of service for creating a network of experts on employment and gender equality issues	Fondazione Giacomo Brodolini
46	Service Contract for the Establishment and maintenance of a network of experts in gender equality, social inclusion, health and long term care VT 2007/010	Fondazione Giacomo Brodolini
47	Provision of Information Reporting Services: quality of work and employment, industrial relations and restructuring and management of change European Foundation For the Improvement of Living and Working Conditions	European Foundation for the Improvement of Living and Working Conditions, Ireland
48	Development of EUROMOD – microsimulation tool for modelling the impact of policy measures	University of Essex
49	Sustainability of health care financing	Estonian Healthcare Insurance Fund
50	Social dialogue and recession in the banking sektor	IRES Emilia-Romagna
51	Study of Industrial Relations in Estonian State and Local Government Institutions	Ministry of Social Affairs
52	The impact of economic downturn on local government: what can we do about it?	OSI Europe Foundation
53	The analysis of tax measures to promote research and development activities in Estonia	Ministry of Economic Affairs and Communications
54	Restructuring in Europe - 27 national seminars	The International Training Centre of the ILO
55	The preparedness of leaving foster care among adolescents	SOS Children's Village Estonia, The Gambling Tax Council
56	Role of Social Protection System in Shaping Flexicurity in Estonia	Estonian Trade Union Confederation
57	Study on indirect measurement methods for undeclared work in the EU	GHK Consulting LTD
58	Study on gender pay gap	Ministry of Social Affairs
59	The role of active labour market policies and lifelong learning in shaping the flexicurity in Estonia	Tarkade Otsuste Fond (Fund of Wise Decisions)

Governance and Civil Society

60	Leading the expert team and writing of the report on Governance during the preparation of Estonian „Growth Vision 2018“	Estonian Development Fund
61	Usage potential of digital-TV and mobile phones in provision of public services	Estonian Ministry of Economic Affairs and Communications
62	Advice on elaboration of analysis methodology and preparation of policy recommendations in the area of e-engagement	e-Governance Academy
63	Civil society representative organisations as equitable partners in government policy elaboration and implementation	Estonian Government Office (munder the measure „Enhancing Administrative Capacity“)
64	Engagement trainings for civil servants and civil society organisations: 2010-2011	Estonian Ministry of Finance
65	Organising public consultation seminars during preparation of Implementation plan 2011-13 of “Estonian Integration Strategy 2008-2013”	Integration and Migration Foundation Our People
66	Managing and advising the process of preparation of Implementation plan 2011-13 of “Estonian Integration Strategy 2008-2013”	Estonian Ministry of Culture
67	Analysing and outlining the roles of local governments in the implementation of “Estonian Integration Strategy 2008-2013”	Integration Foundation
68	Outlining the national performance areas.	Estonian Ministry of Finance
69	Participation in the preparation of the Qualification Framework for Auditing the Public Sector and carrying out relevant trainings for National Audit Office	National Audit Office of Estonia
70	Advising the renewal of Estonian Senior Civil Service Competency Framework	Government Office
71	Trainings for the local government officials of Rapla County: cooperation as a key for local government development	Association of Local Authorities of Rapla County
72	Analysis of stakeholder involvement practices in Estonian ministries 2007-2009	Estonian Ministry of the Interior
73	Elaboration of the Competency Framework for the Ministry of Social Affairs	Estonian Ministry of Social Affairs
74	Training on knowledge-based policy making	Estonian Ministry of Social Affairs
75	Elaboration and implementation of the training programme on public services for Estonian Senior Civil Servants	Government Office
76	Smart Voter 2015	Various donors
77	Volunteering Across Europe	SPES Associazione Promozione e Solidarieta
78	Elaborating of the methodology of evaluation of the economic and social value of volunteering	Estonian Ministry of the Interior
79	The dialogue of citizens and policymakers	NGO Fund (EEA/ Norway grants)
80	Enhancing dialogue between youth and politicians	Open Estonian Foundation’s NGO Fund
81	Enhancing the policy-making capacity in Estonian Russian-speaking population through better dissemination of Praxis’ policy analysis	Fund for Non-Governmental Organisations – support to Estonian civil society organisations financed by the EEA and Norwegian Financial Mechanisms 2004-2009
82	Charitable giving: analysis and recommendations for Estonia	National Foundation of Civil Society
83	Fighting populism and promoting political accountability in Estonia	Open Society Foundtions
84	Training on Effective Advocacy and Engagement	Federation of Estonian Student Unions
85	Training on contracting out public services for county development centers.	Enterprise Estonia
86	Workshop about the developments in governance and public services	Acricultural Board
87	Training on contracting out public services for cultural professionals	Estonian Folk Culture Development and Training Centre
88	Contributing to the preparation of the Civil Society Development Strategy	Estonian Ministry of the Interior
89	Workshop on developments in governance and on challenges in public service	Estonian Ministry of Finance

Annual accounts

Balance sheet

(In kroons)

	31.12.2010	31.12.2009	Annex No.
Assets			
Current assets			
Cash	2 587 321	2 014 342	2
Receivables and prepayments	2 294 638	1 617 533	3
Total current assets	4 881 959	3 631 875	
Fixed assets			
Tangible assets	220 452		6
Total fixed assets	220 452		
Total assets	5 102 411	3 631 875	
Obligations and net assets			
Obligations			
Current liabilities			
Loan liabilities	14 994	6 377	8
Debts and prepayments	1 487 060	1 486 356	9
Fees, charitable giving, support for specific purposes	2 795 639	1 694 011	20
Total current liabilities	4 297 693	3 186 744	
Total obligations	4 297 693	3 186 744	
Net assets			
Foundation capital	200	200	
Retained accumulated profit	444 931	402 138	
Net profit/loss for fiscal year	359 587	42 793	
Total net assets	804 718	445 131	
Total obligations and net assets	5 102 411	3 631 875	

Income Statement

(In kroons)

	2010	2009	Annex No.
Revenue			
Charitable giving and support	3 186 534	2 296 829	19
Business revenue	8 827 375	6 172 955	19
Other revenue	41 115	116 801	
Total revenue	12 055 024	8 586 585	
Charges			
Direct expenses of projects financed for specific purposes	-2 891 483	-1 941 587	11
Distributed charitable giving and support	-21 000	-157 001	
Other operating expenses	-1 315 258	-1 204 264	12
Staff costs	-7 450 615	-5 224 371	13
Write-downs of fixed assets	-4 256	-1 279	6
Other charges	-23 190	-20 678	
Total charges	-11 705 802	-8 549 180	
Total operating profit/loss	349 222	37 405	
Financial revenue and charges	10 365	5 388	
Net profit/loss for fiscal year	359 587	42 793	

