



FOR INTERNAL USE

European Network of Public Employment Services

PES Capacity Questionnaire
Country Factsheet

Estonia

Estonian Unemployment Insurance Fund (EUIF)
2019



EUROPEAN COMMISSION

Directorate-General for Employment, Social Affairs and Inclusion
Directorate B — Employment
Unit B1 — Employment Strategy

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The European Network of Public Employment Services was created following a Decision of the European Parliament and Council in June 2014¹. Its objective is to reinforce PES capacity, effectiveness and efficiency. This activity has been developed within the work programme of the European PES Network. For further information: <http://ec.europa.eu/social/PESNetwork>.

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¹ DECISION No 573/2014/EU

About the Estonian Unemployment Insurance Fund (EUIF)

Name of PES	Eesti Töötukassa - Estonian Unemployment Insurance Fund
PES Website address	https://www.tootukassa.ee/
PES contact person and email address	Karolin Kõrreveski karolin.korreveski@tootukassa.ee

1. Background

1.1. Status of the national PES

The EUIF (the Estonian PES) is a quasi-governmental organisation and a legal entity in public law. It performs its activities independently from government in the framework of its mission and its operational rules defined by law. The highest body of EUIF is the tripartite Supervisory Board with equal representation from trade unions, employers and the government. The Supervisory Board is responsible for approving the EUIF's annual Action Plans, preparing the Employment Programme and setting out the objectives and targets. It also decides on the budget and monitors performance.

The daily management of EUIF is the responsibility of the Management Board composed of four members (the Chair of the Board, one Member of the Board in charge of benefits and information systems, one Member of the Board in charge of employment services and work ability assessment, and one Member of the Board in charge of labour market analysis, unemployment prevention measures, labour market trainings and career counselling services).

The mission of the EUIF is to help jobseekers find a job and employers find suitable employees. The overall objective is achieving high levels of employment by minimising the duration of unemployment, providing unemployed individuals with suitable labour market services and measures and with income replacement during the job search period, supporting the continuation of the working lives of today's employees who are at risk of losing their jobs by providing possibilities of obtaining education and new skills in the areas of workforce shortages, compensating workers made redundant and securing employees' outstanding claims in the event of insolvency.

1.2. Geographical organisation

The PES is organised according to the following structure:

Level	Description
National	<i>Head Office</i> - has six core departments: <ol style="list-style-type: none"> 1. Unemployment Benefits Department, 2. Workability Benefit Department, 3. Business Start-up Support Department, 4. Unemployment Prevention and Skills Development Department, 5. Jobseekers and Employers Services Department, 6. Workability Assessment and Support Services Department
Regional	<i>Regional Offices (15) with 29 client service points</i> - managed by Regional Managers who report to the Head of the Management Board, composed of staff directly servicing jobseekers and employers, and of staff responsible for administering training and other service contracts

1.3. Relationships and cooperation with other organisations

The PES operates and cooperates with a range of organisations and with different types of relationships, of which the principal ones are as follows:

- The PES tripartite Supervisory Board has equal representation in trade unions, employers and the government.
- The PES works closely with different disability organisations and medical institutions about the provision of work ability assessment and special employment measures provided to the people with reduced capacity to work.
- The PES has close cooperation with youth organisations and schools in relation to providing services under the Youth Guarantee programme and providing career counselling services to young people from the age of 7.
- In general, the PES cooperates closely with different service providers as the majority of PES services are outsourced.

1.4. Key PES responsibilities








The key activities and tasks and the PES responsibilities within them are set out in the table below:

Activity/Task	PES Responsibility
Implementation of services of individualised assistance (e.g. intensive counselling and guidance, job-search assistance) and follow-up for unemployed people provided as part of a planned path towards durable (re-)employment (cf. services as in Eurostat LMP database Category 1.1.2)	Fully responsible
Implementation of ALMP (Active Labour Market Policies) measures (any measures within Eurostat LMP database cat. 2-7) financed by national funds or ESF (the European Social Fund) co-funding	Fully responsible
Administration of national unemployment benefit (UB) scheme (handling of UB claims, payments, financial planning and reporting, etc.)	Fully responsible
Administration of social types of allowances (e.g. child allowances for UB recipients), please specify each allowance separately:	Not responsible
Administration of benefits for people with disabilities or handicapped people, please specify which exact group(s) are covered:	Partly responsible - PES is responsible for the payment of workability benefit for people with reduced capacity to work (people from age 16 to pension age) while the Social Insurance Board is responsible for the payment of disability benefit
Approval of layoffs by employers. Please specify if this only concerns specific conditions or situations:	Partly responsible - employers are obliged to notify PES about collective redundancies

Activity/Task	PES Responsibility
Licensing and supervising private employment agencies (PrES), please specify whether this covers PrES, temporary work agencies, or another type of service provision by private companies:	Not responsible
Notification of apprenticeship places and placement of apprenticeship candidates	Not responsible
Careers advice and guidance for adults and young people still in education	Fully responsible
Acting as Managing Authority for the ESF	Not responsible
Managing training centres for jobseekers (that are an integral part of the PES)	Not responsible
Issuing work permits for third country nationals (e.g. dealing with applications, approving and issuing, keeping records, reporting, etc.)	Partly responsible – where the reasons for a request to stay is for employment, the prospective employer must have the permission from the PES. Only then can the person apply for a residence permit (from the Police and Border Guard).
Other – please specify: Workability assessment	Fully responsible

1.5. PES good practice

Examples of good practice in the Estonian PES identified by the European Network of PES are listed below:

EN		PES Practice: Active learning groups System (CMS)	2016
EN		PES Practice: Strategy Days with employees	2016
EN		PES Practice: X-Road platform	2017
EN		PES Practice: Quality assessment of Individual Action Plans (IAP)	2016
EN		PES Practice: Coaching for working life	2015
EN		PES Practice: Wage subsidy	2015
EN		PES Practice: Work practice	2015

Source: EC DG EMPL, PES Practices: <http://ec.europa.eu/social/main.jsp?catId=1206&langId=en>.

2. Annual expenditure

Total PES expenditure increased by EUR 288 million or by 228% between 2013 and 2018, reaching EUR 415 million by the end of the period. Within this total, expenditure on all types of benefit increased by 303% and expenditure on ALMPs (Active Labour Market Policies) increased by 53%.

Other types of expenditure developed in a similar fashion as can be seen in Table 1.

The principal sources of funding for PES activities are Social Security Contributions, the Government Budget and ESF.

Table 1. Annual expenditure summary (EUR million)

Expenditure category	2013	2014	2015	2016	2017	2018
Total PES	127	116	131	164	262	415
All types of benefits	83	77	87	112	194	333
ALMPs	30	23	26	28	35	46
Staff costs	9	10	11	13	16	19
Staff training costs	0.3	0.3	0.4	0.4	0.5	0.6
Budget intended for other institutions	N/A	N/A	N/A	N/A	N/A	N/A
Other expenditure	5	6	8	10	16	17

Source: The Annual PES Benchmarking Data Collection.

3. Human resources

The total number of PES staff increased over the period 2016-2019 by 250 or 40%, reaching 868 FTE (Full Time Equivalent) at the end of April 2019. Staff numbers increased by 43 or by around 5% between 2018 and 2019, mostly due to careers services reform, under which the PES took additional responsibilities. The proportion of total staff directly and exclusively servicing jobseekers was approximately 56% at the end of April 2019, and the proportion of total staff directly and exclusively servicing employers was around 3%.

The expectation is that there will be further increases in PES staff numbers, especially on the number of careers counsellors.

Overall staff turnover in 2019 was 16%.

Table 2. Staffing summary (FTE, as at 30 April each year)

Staff category	2016	2017	2018	2019
Total PES staff	618	745	825	868
Of which (absolute and in % of total PES staff):				
Exclusively servicing jobseekers	365	375	473	489
% exclusively servicing jobseekers	59%	50%	57%	56%
Exclusively servicing employers	24	20	34	26
% exclusively servicing employers	4%	3%	4%	3%
Staff turnover (for all reasons – figure for calendar year)	10%	13%	N/A	16%

Source: Responses to PES Capacity Questionnaire.

4. Registered unemployed

The number of registered unemployed jobseekers fell by 6 882 or 21% between 2013 and 2018, ending the period at 26 641. Over the same period, participants in ALMPs (Active Labour Market Policies) increased by 645 or 22%, with 3 584 in ALMP measures in 2018.

Table 3. Registered unemployed jobseekers and participants in ALMPs (average monthly stock each year)

Client Group	2013	2014	2015	2016	2017	2018
Registered unemployed jobseekers*	33 523	26 841	25 391	26 064	26 623	26 641
Participants in ALMPs**	2 939	2 249	2 352	2 495	2 916	3 584

*The number of people registered with the PES, who are available for the labour market and who are, or who should be, looking for a job, excluding those on any active labour market policy (ALMP) measures.

** The number of people participating in ALMP measures in the following categories (according to the LMP database): Training (Category 2); Job rotation and job sharing (Category 4.3); Sheltered and supported employment and rehabilitation (Category 5); Direct job creation (Category 6).

Source: The Annual PES Benchlearning Data Collection.

5. Job Vacancies

The monthly average of job vacancies notified to the PES increased by 720 or 19% between 2013 and 2018, reaching 4 541 in 2018. There is no information available on the monthly average job vacancies notified to the PES that were filled.

The share of the job finders who found their present job with PES involvement at any point has increased between 2013 and 2018, ending the period at 5.6%.

Table 4. PES Job vacancies

Vacancy measure	2013	2014	2015	2016	2017	2018
Vacancies notified to the PES (monthly average inflow) *	3 821	3 823	3 520	4 550	4 408	4 541
Vacancies notified to the PES that were filled (monthly average outflow at the end of the month) *	N/A	N/A	N/A	N/A	N/A	1 847
Vacancies notified to the PES that were filled within 60 days of notification (monthly average outflow at end of month) *	N/A	N/A	N/A	N/A	N/A	N/A
Share of the formerly unemployed who stated in Eurostat's Labour Force Survey (LFS) that the PES was involved at any moment in finding the present job (proxy for vacancies filled with PES assistance) **	3.9%	4.9%	7.1%	6.6%	6.5%	5.6%

Source:

* The Annual PES Benchlearning Data Collection.

6. Active Labour Market Policy (ALMP) Measures

No new employment measures were introduced in 2018. One amendment was made to existing measures last year (see Table 6).

Table 5. New ALMPs introduced in 2018

Intervention name	Target group(s)	Type
No new ALMPs introduced in 2018	N/A	N/A

Table 6. ALMPs modified in 2018

Intervention name	Target groups	Type	Main modifications
Unemployment prevention measures for people in employment and for employers (training measures) called Work and Study were launched in 2017.	For people in employment who are at risk of losing their job due to having outdated qualifications or who are lacking skills and for employers who can apply for recruitment training grants and training grants upon changing circumstances in the company.	2	<p>Since summer 2018, the employers can also apply for training grant for the development of employees' Estonian language proficiency within Work and Study programme.</p> <p>For people in employment applying for a labour market training with a training card, eligibility requirements were adjusted.</p> <p>For employed people applying for a training, the income average wage limit was raised. Additionally, people working on the basis of a contract under the law of obligations can apply for training.</p>

* Classification of ALMPs according to the EU LMP database: Training (Category 2); Employment incentives (including job rotation and job sharing) (Category 4); Sheltered and supported employment and rehabilitation (Category 5); Direct job creation (Category 6); and Start-up incentives (Category 7).

Source: Responses to PES Capacity Questionnaire.

The following table shows the types of ALMPs that are primarily used for each of the client sub-groups listed in the table.

Table 7. Types of ALMP for specific client groups

Target group Type of ALMPs	Young people (aged under 25)	Long-term unemployed	Older workers	Disabled	Refugees*
2: Training	✓	✓	✓	✓	✓
4: Employment incentives	✓	✓	✓	✓	✓
5: Supported employment and rehabilitation		✓		✓	
6: Direct job creation	✓	✓			
7: Start-up incentives	✓	✓	✓		

*Applies only to those with a temporary or permanent resident permit (status).

Source: Responses to PES Capacity Questionnaire.

7. Main strategic targets for 2018

Table 8 lists the main strategic targets set by the PES in 2018 for all clients and for sub-groups. The first column describes the indicators used, while the second column contains the actual targets set.

Table 8. Targets for all clients in 2018

Indicator, including target group and time frame where applicable	Target(s) set for 2018
The rate of entry to employment for the new recipients of unemployment insurance benefit within 12 months	≥74.3%
The rate of entry to employment for the newly registered unemployed (excluding new recipients of unemployment insurance benefit and people with reduced ability to work) within 12 months	≥67.7%
The rate of entry to employment for the newly registered unemployed with reduced ability to work (excluding recipients of unemployment insurance benefit) within 12 months	≥34.2%
The rate of entry to employment for the long-term unemployed (excluding the unemployed with reduced ability to work) within 12 months	≥46.2%
The rate of entry to employment, education or labour market training or work practice of newly unemployed young people (aged 16-29) within six months of registration	≥68.6%
The rate of entry to employment for people aged 55+ within 12 months of registration* (NEW in 2018)	Target level to be set
The rate of entry to employment of non-Estonian speakers within 12 months of registration* (NEW in 2018)	Target level to be set
The rate of entry to employment of registered unemployed (excl. clients with reduced ability to work) within 6 months and who are still employed after 180 days* (NEW in 2018)	≥72.6%
Average monthly percentage of the unemployed (except the unemployed with a reduced ability to work) participating in labour market services	≥30%
Average monthly percentage of the unemployed with reduced ability to work participating in labour market services	≥30%
Percentage of the long-term unemployed (registered as unemployed for 12 months or more) participating in labour market services	≥90%
General satisfaction index of jobseekers	≥80
General satisfaction index of employers	≥80
General satisfaction index of employees	≥85

Note: These are the indicators and targets of the PES development plan which is a strategic document that serves as the basis for the preparation of the Annual Action Plan. The Annual Action Plan lays down the performance indicators' sub-indicators and their targets as set in the development plan.

Source: Responses to PES Capacity Questionnaire.

Supporting Youth

Implementing the Youth Guarantee

Responsibilities for the Youth Guarantee

The PES is not in charge of managing the Youth Guarantee (YG). Two ministries are responsible for the implementation the Youth Guarantee Action Plan (YGAP), namely the Ministry of Social Affairs (responsible for implementing labour market policies) and the Ministry of Education and Research (responsible for implementing education and youth policies). The PES is just one of the implementers of the national YG scheme.

Other areas of PES responsibility for implementing the YG are the following:

- Registration of young unemployed people
- Provision of PES services including YG services to young people

Other actors involved in the YG include the Estonian Youth Centre, the Estonian National Youth Council, the Association of Municipalities of Estonia, the Estonian Employers' Confederation, the Estonian Association of Open Youth Centres and the Work Inspectorate.

The main task of the PES is to provide labour market services for young people according to their individual needs. In addition, early intervention measures are implemented such as those targeting young people not registered with the PES. These measures involve the provision of 'mobile counselling' and workshops about working life and the labour market in schools and youth centres.

Involving young people and youth organisations

In the past, the design and implementation of the YG involved youth organisations and by extension young people, but there has been no such involvement over the past 24 months (April 2017-April 2019)

Partnerships in place and main developments

The PES has three types of partnerships in place for the implementation of the YG:

- *Partnerships to ensure that young people have full information and support available* – Cooperation with Youth Prop Up centres, located across Estonia, continued over the past 24 months. In 2019, Estonian PES took over the responsibility of providing careers counselling services at schools for pupils from the age of seven.
- *Partnerships aimed at increasing employment, apprenticeship and traineeship opportunities* – the PES has Cooperation Agreements with larger employers who are willing to give young people a chance to learn skills on the job and gain (first) work experience. There have been no further developments of partnerships of this type in the past 24 months.
- *Partnerships aimed at supporting transitions from unemployment, inactivity or education into work* – cooperation continued with the 'Step programme' and with the 'Skill Mill'. These programmes provide support for employers who have hired young people released from prison or who have a criminal record, during the first 6 months of employment. PES has also developed cooperation with local governments who have information about the NEETs and who do outreach activities. They refer the NEETs to the PES services.

New projects focusing on young people

Over the period April 2017-April 2019 no new projects were introduced targeting youth.

Resources for implementing the Youth Guarantee

Human resources

With the career's services reform, the profile of PES careers information specialists and careers counsellors changed. Under the new circumstances, they all provide specific services (counselling) for all target groups, including young people. Job mediation consultants and case managers also work with *all* jobseekers, including young people. The YG coordinator in the Head Office of PES is responsible for YG services coordination. At the end of April 2019 only one person, the YG coordinator, was exclusively dedicated to the YG.

During the April 2017 to April 2019 period, over 75% of PES staff working on the implementation of the YG received training. The main topics of the training were: counselling, careers guidance, specific services and ALMPs for youth, interviewing techniques and drafting individual action plans.

Funding for youth programmes (planned)

Specific YG measures are principally funded from the ESF. The PES budget is also used to support implementation of the YG.

Reaching out to young people, including NEETs

The PES reaches out to young people (including NEETs) through the following activities:

- *Proactive work with schools* – the PES has established cooperation with all general education schools;
- *Cooperation with NGOs and youth organisations* – formal cooperation with youth centres, Youth Prop Ups, NGOs who organise activities for young people, Youth Departments of municipal authorities and the STEP programme;
- *Employing or working with designated youth outreach workers* – informal cooperation with mobile youth workers, NEET outreach workers and Youth Prop Ups;
- *Mobile PES services* – informal cooperation with schools, municipalities and youth camps;
- *Awareness-raising events and campaigns* – informal cooperation with the Ministry of Social Affairs and other related actors involved in implementation of the YG. PES takes part in the events in youth camps, educational fairs etc.

Information management

The PES has access to the following sources to support implementation of the YG:

- PES database for training and apprenticeship courses
- Estonian Education Register
- Employment Register

Timing in the provision of PES services

- Young people who register with the PES enter the YG scheme directly. Registration can be made in person following an initial first face-to-face meeting or online via the PES self-service portal. For online registration, the first appointment with a PES counsellor usually occurs within 3-5 working days following registration.
- Young people are referred to specific services or measures based on their individual needs as identified in the face-to-face counselling. An IAP determines

the activities appropriate for the jobseeker which are agreed within 30 days of initial registration.

- The average time for making a job offer after registration on the YG is within 2 months.

Monitoring and evaluation

Specific targets for youth-oriented services are used within the framework of the YG:

Numerical targets

- The number of clients receiving a service or likely to benefit from it, according to a policy in place:
 - Workshops carried out at schools – 2 150;
 - Entries into the measure 'My first job' – 1008.

Combined targets

- The rate of entry to employment, education or labour market training or work practice of newly unemployed young people (aged 16-29) within 6 months of registration:
 - 2019 \geq 67.7%

Monitoring and evaluation activities

- *Satisfaction surveys of all (including young) jobseekers;*
- *Satisfaction surveys of employers;*
- *Follow-up of young people once they have entered employment or training - in the case of training, the follow-up is done if participants remain unemployed or if they enter the measure 'My First Job';*
- *Follow-up of young people referred to education or training providers – this only applies to the training of young people who continue to be registered as unemployed; young people do not remain registered with PES when entering formal education system and engaged in full time studies.*

Mutual learning activities

During the period April 2017-April 2019, PES staff took part in the following mutual learning or technical assistance activities:

Name of event or activity	Location and Host	Date
S2W – Knowledge Platform Integrate NEETs	Denmark	28.02 – 01.03
S2W – Knowledge Platform Integrate NEETs	Estonia	20.03 – 21.03