



Youth employment policies in Estonia

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- i. to advance the knowledge base that underpins the formulation and implementation of relevant policies in Europe with the aim of enhancing the employment of young people and improving the social situation of young people who face labour market insecurities, and
- ii. to engage with relevant communities, stakeholders and practitioners in the research with a view to supporting relevant policies in Europe. Contributions to a dialogue about these results can be made through the project website <http://www.except-project.eu/>, or by following us on twitter @except_eu.

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Responsibility for all conclusions drawn from the data lies entirely with the author.



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National labour market developments

Between 1997 and 2015, the population of Estonia decreased from 1 567 749 in 1991 to 1 315 944 (-16%). However, different age groups have been contributing to this change differently. Over the period 1991-2016, the age group 75+ years olds increased from 78 974 to 122 268 people (+55%) and the number of 50-74 years olds did not change. To balance this, the size of all younger age groups decreased, especially 0-14 year olds (-39%) and 15-24 year olds (-38%). The number of 25-49 year olds decreased by 15%.

From 1997 to 2015, employment rate increased notably only in the age group 50-74 years old. In the age group 15-24 year olds, employment rate shows some change too – a decrease – but in other age groups, no group-specific changes can be seen.

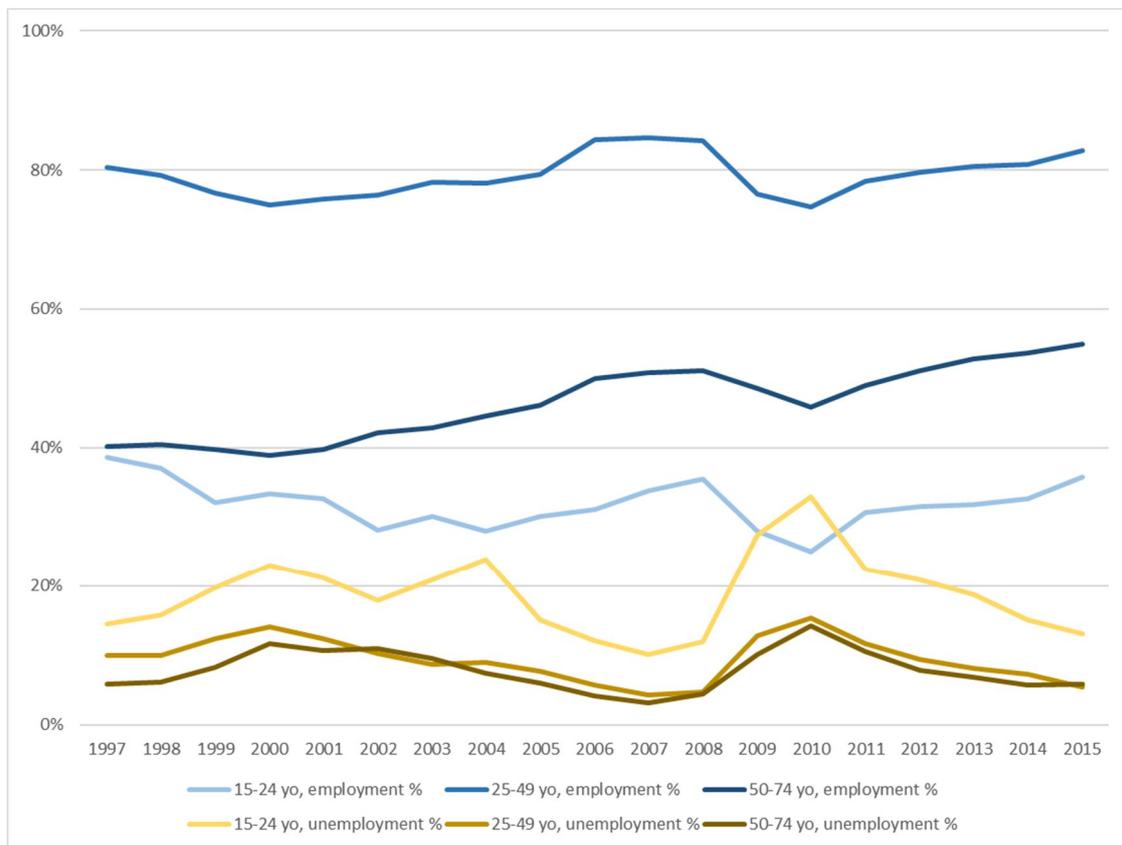


Figure 1 Employment and unemployment rates by age. Source: Statistics Estonia

The situation of young people differs from that of 25-49 years olds and 50-74 years olds. Employment rate of the young is lower, compared to the group of seniors, and unemployment rate continues to be higher. The graph also shows that the unemployment rate of young people is more sensitive to changes in economic environment than that of the two other age groups.

Since restoration of independence in 1991, the number of jobs in the country decreased by 21%. The number of jobs in the 15-24 year olds category has decreased even 52%



or 2,5 times more than in total population. The number of jobs in age group 15-24 year olds fluctuated three times as much as in total population.

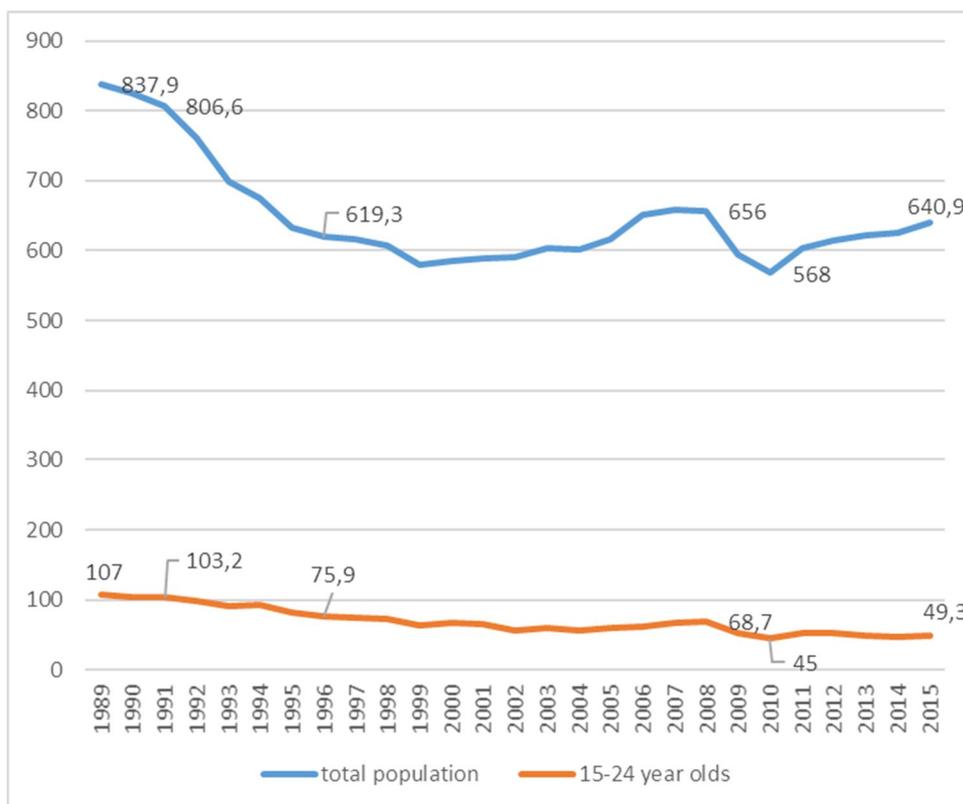


Figure 2. The number of employed persons, total population and 15-24 year olds, in thousands. Source: Statistics Estonia

Trends in labour remuneration/wages

After Estonia joined the European Union (EU) in 2004, wages rose steadily until 2008. The following year, the recession that had set in led to a fall in wages. The wage level of 2008 was exceeded again in 2011, when Estonia joined the euro area. By now, wages and salaries have been rising already for five years in succession. In 2015, the average monthly gross wages and salaries increased 6.0% compared to 2014. The rise in real wages was even larger - real wages, which take into account the influence of the change in the consumer price index, increased 6.5% in 2015 compared to the previous year¹. In the age group 25 years old or younger, the average income is the lowest. It is close to the age group 63 or older but still 64 eur-s lower.

Cost of living, measured by consumer price index, has been rising 3,6% per year on the average since 1999; the magnitude of CPI change varied from -0,5% in 2015 to 10,4% in 2008. Wages in general have increased at a faster pace than CPI.

¹ Elings, M. (2016). Wages and Salaries. In: *STATISTICAL YEARBOOK OF ESTONIA 2016*.

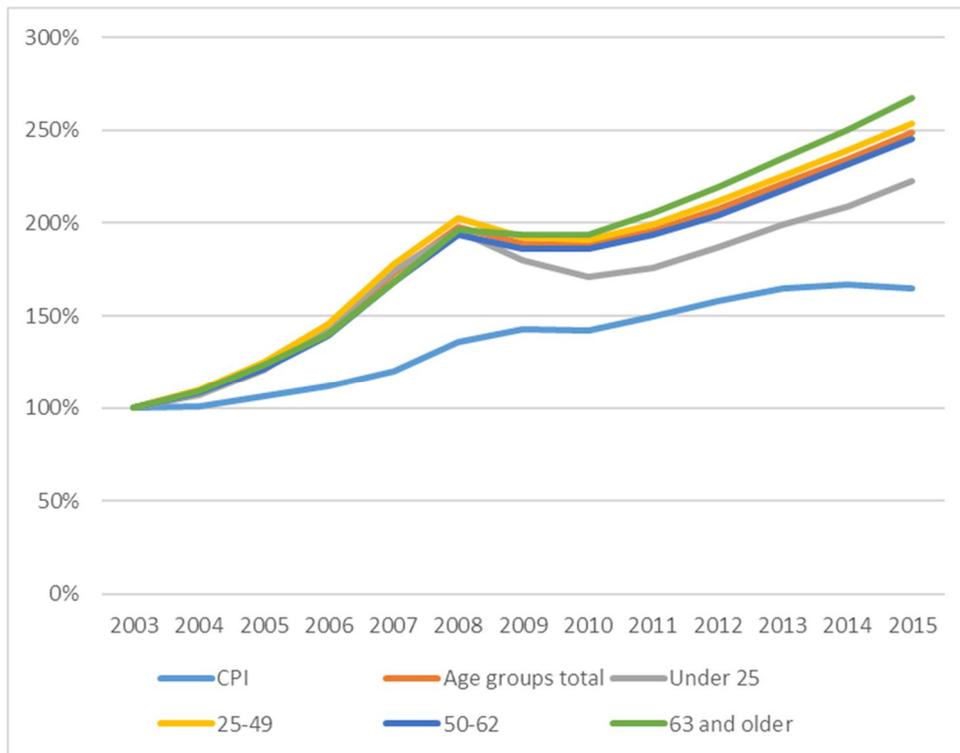


Figure 3. Percentage increase of CPI and wages in different age groups, 2003 = 100%. Source: Statistics Estonia, author's computations

Level of labour market in/security and changes over the last two decades

A significant change in labor market protection took place in July 2009 when the new Employment Contracts Act (ECA) came into force. A key change was the reduction in the cost of terminating an employment relationship through a reduction in the notice period and the amount paid in severance payments². After this reform, induced by the Great Recession, it can be said that labor in Estonia does not enjoy a high level of protection. Traditional institutions of protection against labor market risks – trade unions, employment contracts law, social security system – are weak³.

Discussions over the mismatch between education system and labor market have been going on for years if not permanently since restoration of independence. The main problems have been:

² Malk, L. (2013). Relaxation of Employment Protection and its Effects on Labour Reallocation. Tallinn: Eesti Pank. Working Paper Series, ISSN 1406-7161; 4/2013.

³ Eamets, R. (2013). Labour market and labour market policies during great recession: the case of Estonia. IZA Journal of European Labor Studies 20132:4 DOI: 10.1186/2193-9012-2-4, <https://izajoels.springeropen.com/articles/10.1186/2193-9012-2-4>.



- overproduction of humanitarian and business graduates and underproduction of engineering professionals. In few last years, the lack of IT engineers has received lively attention.
- Inadequate and incomplete skills of young people with vocational education.

In 2016, a new cooperation format was launched by the Estonian Qualifications Authority⁴ jointly with the Ministry of Education and Research: OSKA. OSKA is an ongoing initiative to develop a system of labour market monitoring and future skills forecasting. OSKA analyses the needs for labour and skills necessary for Estonia's economic development over the next 10 years. The implementation of OSKA is funded from the European Social Fund. In October 2016, analysis of three sectoral reports were finalised – accounting, ICT and forestry and timber industry.⁵

⁴ Homepage of the foundation, <http://kutsekoda.ee/en/kutsekoda/tutvustus>

⁵ Homepage of the foundation, <http://oska.kutsekoda.ee/en/>



The key risk groups in the labour market in Estonia

Several analysis of Estonian labor market identify young people as a risk group.^{6, 7, 8, 9, 10, 11, 12} Also strategic policy documents see young people, in particular NEET-youth, as a risk group in labor market contexts^{13, 14, 15} and 16-24 year olds are considered a distinct group also in the context of providing labor market services.^{16, 17} Indeed, as the previous section shows, labor market situation of young people has been less favourable than that on older age groups. Estonia is similar with many other countries where registered unemployment rate exceeds unemployment rate of older age groups (**Error! Reference source not found.**). Also, unemployment and employment rates of youth are notably more sensitive changes in economic performance than those of adults.

Among young people, there is a group which receives special attention. The group of NEET youth receives attention in national statistics, in policy documents, in youth work and youth policy field, and also in mass media. As such, it can be considered to be perhaps the most clearly defined target group in the youth and labor market contexts. According to Statistics Estonia, the number of NEETs has changed considerably over the period of last 15 years.

⁶ Leetmaa, R., Võrk, A., Eamets, R., Sõstra, K. (2003). AKTIIVSE TÖÖPOLIITIKA TULEMUSLIKKUSE ANALÜÜS EESTIS, Poliitikauuringute Keskus PRAXIS, Tallinn, http://www.praxis.ee/fileadmin/tarmo/Publikatsioonid/ATP_28nov.pdf.

⁷ Võrk, A. Kaarna, R., Nurmela, K., Osila, L., Leetmaa, R. (2010). Aktiivse tööturupoliitika roll turvalise paindlikkuse kujundamisel Eestis, Praxis, Tallinn, https://riigikantselei.ee/sites/default/files/content-editors/TOF/TOF_uuringud/00_aktiivse_tooturupoliitika_roll_uuring.pdf.

⁸ Purju, A. (2013). Majandus- ja sotsiaalsed arengud Balti riikides: Eesti, Euroopa Ekonomikas un sociālo lietu komiteja, Belgium, <http://www.eesc.europa.eu/resources/docs/qe-30-12-149-et-c.pdf>.

⁹ Espenberg, K. (2013). Inequalities on the labour market in Estonia during the Great Recession, DISSERTATIONES RERUM OECONOMICARUM UNIVERSITATIS TARTUENSIS, 47, p. 241.

¹⁰ Kerem, K., Randveer, M. (2008). Assessment Of The Estonian Labor Market Development, International Business & Economics Research Journal, Volume 7, Number 2, p. 85-94.

¹¹ Põldis, E. (2012). Riskirühmad tööturul. Kogumikus Töövaldkonna areng 2010-2011. Sotsiaalministeeriumi toimetised 2/2012, Tallinn: Sotsiaalministeerium, p. 30-33. http://sm.ee/sites/default/files/content-editors/Ministeerium_kontaktid/Uuringu_ja_analuusid/Toovaldkond/toovaldkonna_areng_2010-2011.pdf.

¹² Kasearu, K., Trumm, A. (2013). MITTETÖÖTAVATE JA MITTEÕPPIVATE NOORTE SOTSIAALNE TÕRJUTUS, in Noorteseire aastaraamat 2013, p. 37-53.

¹³ Government of the Republic of Estonia, (2014). Competitiveness Plan „Estonia 2020“, p.14, <https://valitsus.ee/sites/default/files/content-editors/arengukavad/eesti2020.pdf>

¹⁴ The Ministry of Education and Research, (2014). Noortevaldkonna arengukava / Youth Field Development Plan 2014-2020, p. 7, https://valitsus.ee/sites/default/files/content-editors/arengukavad/noortevaldkonna_arengukava_2014-2020.pdf.

¹⁵ The Ministry of Social Affairs, <http://www.sm.ee/et/noortegarantii>

¹⁶ State Gazette 2005, 54, 430, Labour Market Services and Benefits Act, par.10. <https://www.riigiteataja.ee/en/eli/ee/520062016005/consolide/current>

¹⁷ Tööturuteenuste seadus, par. 19, <https://www.riigiteataja.ee/akt/72157>

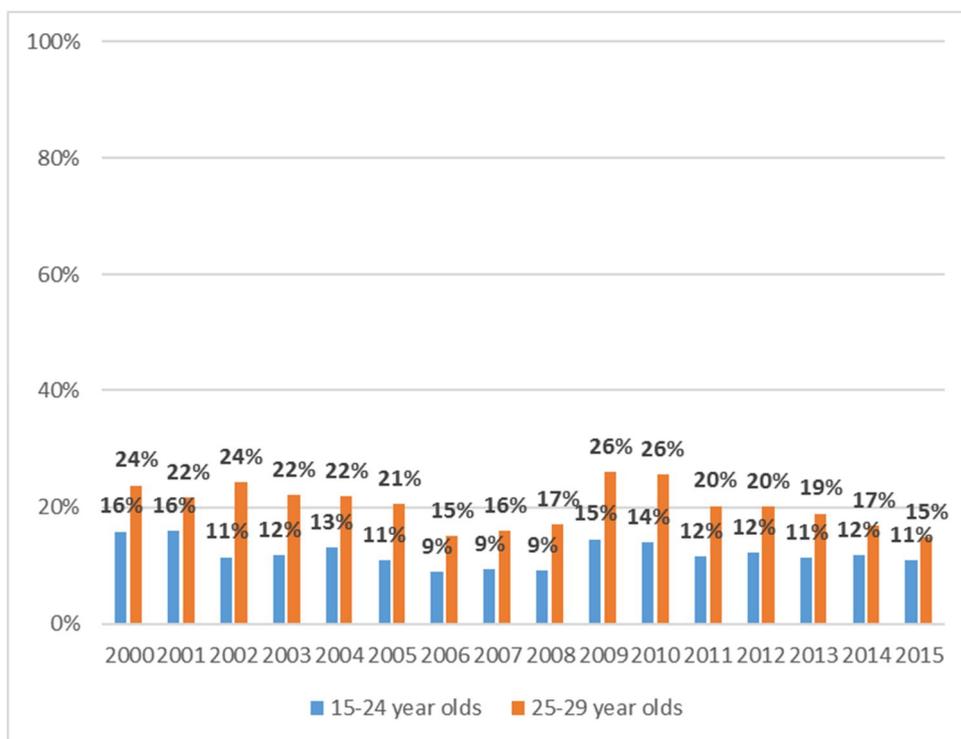


Figure 4. NEETs as a percentage of the age group. Source: Statistics Estonia

Policy measures addressing youth labor market situation

In Estonia, both compensatory and social investment expenditures, which carry special relevance for youth, are comparatively low.¹⁸ Only few youth specific active labor market measures have been developed since the beginning of 1990s. In 2009, a measure named “**Job club**” was introduced; in 2010 it was seen as a measure specifically addressing, or at least more suitable for young people¹⁹ but in 2016, this measure no longer is not seen as a youth specific measure.²⁰ The EC programme **Youth Guarantee** is being implemented in Estonia. The programme has three hands:

- sheltered job programme **My First Job**,
- labor market information provision and counselling to young people and
- **Youth Prop-Up** programme, initiated by Estonian Youth Work Centre²¹.

Several activities, which aim to support youth at labor market, are supported by Youth Department at the Ministry of Education and Research together with Estonian Youth Work Centre.

¹⁸ See Lauri, T., Toots, A. (2015). Paradigmatic shift in welfare state theory and policy responses: Does Estonia fit in? In Estonian Human Development Report 2014/2015, p.20-25, <http://www.kogu.ee/tegevus/olemus-ja-roll/eesti-inimarengu-aruanne/eesti-inimarengu-aruanne-20142015/>.

¹⁹ Siimer, K., Malk, L. (2010). Noored töötud Eesti tööturul. Teemaleht Sotsiaalministeeriumi toimetised nr 4/2010, Tallinn: Sotsiaalministeerium, https://www.entk.ee/sites/default/files/toimetised_20104.pdf

²⁰ An overview of the Job Club at EUIF homepage, <https://www.tootukassa.ee/content/teenused/tooklubi>.

²¹ Homepage of the programm, <https://tuqila.ee/>



Summer work and leisure camps/brigades where mostly (13)15...18(19) year olds voluntarily participate in brigades organised by individuals and organisations which receive financial and organisational support from the Youth Department and EYWC. The number of participants has been several thousands per summer.

Youth counselling service since late 1990s. However, counselling services have gone through several reforms and starting from 2019, all labor market related counselling services will be provided by Unemployment Insurance Fund.

Estonian Youth Work Centre encouraged youth centres to offer young people **volunteering and voluntary work** opportunities.²²

There is no impact analysis of any of the policy measures mentioned above.

²² Siimer, K., Malk, L. (2010). Noored töötud Eesti tööturul. Teemaleht Sotsiaalministeeriumi toimetised nr 4/2010, Tallinn: Sotsiaalministeerium, https://www.entk.ee/sites/default/files/toimetised_20104.pdf



Labour market policies

Over the period 2003 to 2014, the total volume of labor market policy spendings increased. All measures, but especially income maintenance, “jump” between 2008 and 2013, the years of economic crises and its aftermath.

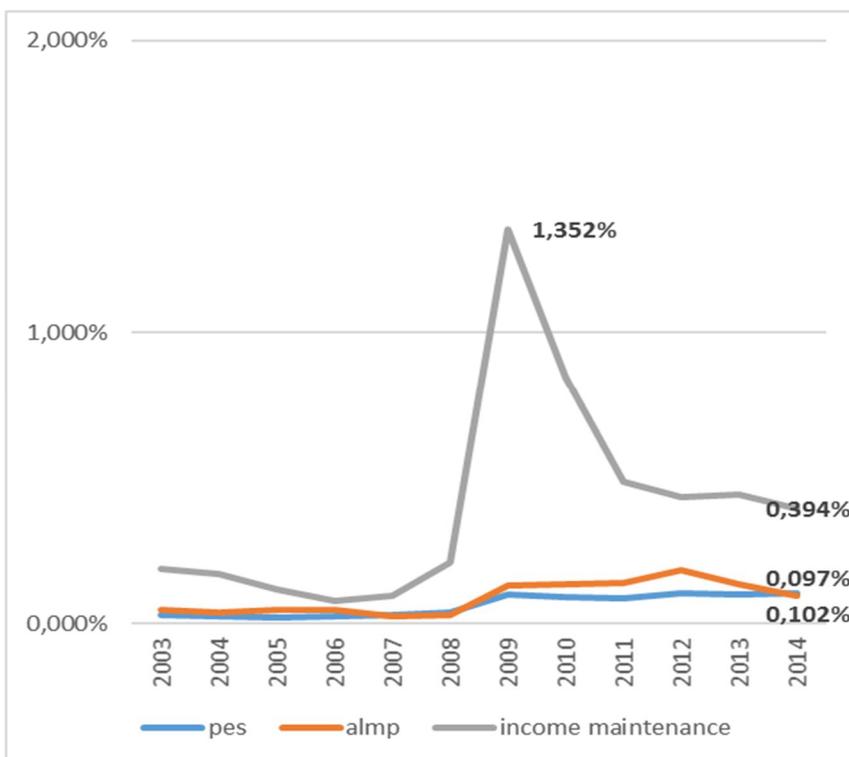


Figure 5. Public expenditure on labour market policies, by type of action, % of GDP. Source: Eurostat, DG EMPL

Under 25 year olds constitute 5% to 15% of all ALMP-s participants, the concrete number depending on the measure. Between 2004 and 2015, the percentage young people among entrants into ALMPs decreased, except for the direct job creation measure.

The spectrum of active labor market policies provided by the EUIF has expanded notably over last years. While in 2003 the number of different services equalled to 5, in the first half of 2018 the number of different services offered by Estonian Unemployment Insurance Fund was 44. Total expenses on the measures increased from 6,2 Mio eur to 44,2 Mio eur in 2015.²³

Active Labor Market Programs are implemented by Estonian Unemployment Insurance Fund (Töötukassa), which is a quasi-governmental organisation, and a legal person in public law. It performs its activities independently from government, but on the basis of a mission and of operational rules defined by law. Töötukassa is directed by a Supervisory Board in which the government is an equal stakeholder together with

²³ Homepage of Töötukassa, <https://www.tootukassa.ee/content/tootukassast/peamised-statistilised-naitajad>, accessed 27.6.2018.



representatives of employers and of employees. Labor market **policy processes**, like other public policy processes, aims to include opinions of all significant stakeholder groups. Policy formulation processes are complex and lengthy and involve a range of factors, actors, activities:

- Earlier policy initiatives,
- Background analysis,
- Success of implementation of a particular policy measure,
- Strategic objectives of a particular ministry and/or public agency,
- Strategic objectives of other related ministries and/or public agency,
- Budgeting and financing opportunities, availability of resources,
- EU level strategic objectives and development plans,
- Opinion of stakeholder groups which are influenced by the policy measure,
- Contacts, exchange of information and cooperation with municipalities and other organisations involved in implementing a policy measure,
- Contacts, exchange of information and cooperation with partners in other countries.

In general Estonian public administration system is comprised of relatively independent and strong ministries which possess financial and administrative resources to carry out policy measures within their area of responsibility. Horizontal coordination is based on exchange of information and collaboration between ministries and other public agencies. The role of central coordination of ministries is relatively weak. Vertical coordination of policy implementation is strong, ministerial departments have public agencies subordinate to them for carrying out public policy measures. This means that Estonian public administration in general has been characterised by a relative strong and independent, “silo” like units, which add up into a relatively fragmented system lacking common goal and coordinated action.²⁴ For implementing concrete policy measures, subcontracting of NGO and business organisations is used widely by municipalities, ministerial agencies and other public or semi-public agencies. Some of the contractual relationships may be of more permanent nature while others are more temporary.

Currently a major reform is being carried out – the State Reform.²⁵ This is a comprehensive reform which includes all public sector institutions – ministries, local governments and related organisations. The reform includes a reduction of the public sector and making it more efficient in delivering services, strengthening the autonomy and capabilities of local governments and municipalities in delivering public services. Until June 2018, implementation of the reform has received mainly grades 3 and 2 (also 1 and 4) on five-point scale, where 1 is the poorest and 5 the best grade.²⁶

²⁴ Sarapuu, K. (2012) Avalik haldus. In Vetik, R. (ed.) Eesti poliitika ja valitsemine 1991-2011, Acta Universitatis Talliniensis, Tallinn. OECD (2011). Public Governance Reviews. Estonia. Towards a Single Government Approach. Assessment and Recommendations, mitteametlik tõlge, https://riigikantselei.ee/sites/default/files/content-editors/Failid/oecd_hindamisdokument_eesti_keeles.pdf.

²⁵ <https://valitsus.ee/en/state-reform>

²⁶ State Reform Radar, <http://www.reformiradar.ee/hinnangud/>



Youth employment policies: a general overview

As mentioned earlier, there are only few recently started programmes that address specifically young people's labor market situation. In general, youth labor market situation is addressed by general labor market measures, both passive (unemployment insurance and unemployment allowance) and active (a range of services and financial supports). It is appropriate to take a look at general unemployment measures, which is given in the table below.

Table 1 An overview of active labour market programmes at national level (2005-2015)

	Year	2005	2010	2015
1	Total number of active labour market programmes	6	18	29
1.1	including youth-targeted (only specifically designed for youth)	0	0	1
2	Number of participants (stock) in active labour market programmes:			
2.1	Total number of participations in all measures (not the number of unique participants) ²⁷	29604	68710	94128
2.2	% of the labour force (15-64)	In 2002, 2,2% of labor force participated in the measures. The measure is obtained using similar participations/participants ratio as in 2014, which might be a bit inadequate however.	In 2010, 5% of labor force participated in the measures (based on unique participants)	In 2014, 6% of labor force participated in the measures
4	Expenditures on active labour market programmes:			

²⁷ In 2013, there were 92356 total participations and 45449 unique participants ie 49,2% of the total number of participations. This means that on the average, each person participated in two services. In 2010, unique participants constituted 48,5% of all participations.



4.1	Total amount (EUR) Unemployment Insurance Fund	13 242 493 eur in 2005 14 939 347 eur in 2006	32 788 039 eur	38 949 129 eur in 2014
4.2	Eurostat, cat 2-7	6 430 000 eur in 2006 0,048%	19 650 000 eur 0,118%	19 000 000 eur in 2014 0,095%
4.3	Eurostat, cat 1	3 200 000 eur in 2006 0,024%	13 460 000 eur 0,081%	19 900 000 eur in 2014 0,100%
4.4	% of GDP ²⁸	GDP: 13 503 300 000 eur in 2006 0,11%	16 661 700 000 eur 0,20%	19 955 300 000 eur in 2014 0,20%

Comments on Table 1

The number of young people in all ALMPs is not available. Likewise, expenditures on youth in ALMPs is not available. The program “My First Job” and youth counselling program together receive 21 303 822 euros for the period 01.11.2014-31.12.2020.^{29,30}

Table 2 Overview of types of measures and schemas against youth unemployment in the last years (both running and finished ones; time horizon – last 5-6 years, 2011-2017)

Type of measure	Importance ³¹	Youth specific	Target groups ³²	Main source of funding ³³	Linked to EU initiatives ³⁴	Main actors of delivery ³⁵	Evaluation present
(Re-)orientation courses, preparation for training or employment		No					
vocational guidance, career counselling	2 Career counselling, career education are considered important. However, there is no research describing its effectiveness,	Yes, partly	Young people 7-26, pupils, unemployed young people	National, European	No	Counselling centres under administrative authority of Ministry of Social Affairs, Foundation Innove, Estonian Youth Work Centre	No evaluation conducted

²⁸ Bank of Estonia, key economic indicators, GDP (current prices, adjusted seasonally)

²⁹ <http://www.sm.ee/et/struktuurivahendid-sotsiaalvaldkonnas-2014-2020>

³⁰ Minister of Health and Labour directive no. 222, 04.12.2014 Tööturuteenuste osutamine tagamaks paremaid võimalusi hõives osalemiseks, <https://www.tootukassa.ee/sites/tootukassa.ee/files/Tooturuteenused%20TAT%202015-2020.pdf>

³¹ Importance depends on the comparative scale of the program (coverage & expenditure) -> Does not exist = 0; Not relevant = 1; Quite important = 2; Very important = 3

³² targeted youth = 1, universal = 2, targeted risk group =3, targeted to youth risk group = 4

³³ EU = 1; national = 2, regional = 3, local = 4; other -5

³⁴ Youth Guarantee =1; Youth Employment Initiative =2; Framework for Quality traineeships and apprenticeship =3; Eures =4; Support to youth entrepreneurship =5; Other - 6

³⁵ state = 1, region = 2, municipality = 3, church = 4, foundations, NGOs = 5, private sector = 6, educational institutions=7 Other, please specify=8 If several, please list all



	so it is hard to tell objectively how effective it is.						
Training (with certificates)		No	All unemployed	National		Estonian Unemployment Insurance Fund	
Training (without certificates)		No	All unemployed				
Employment incentives, subsidies for employer	0 the measure was established only recently and there is no understanding of its effectiveness in terms of its direct effect on youth unemployment	My First Job	16-29 year old unemployed	EU	Yes, European Youth Guarantee	Estonian Unemployment Insurance Fund	No
Direct job creation	0 No such measure						
Start-up incentives, self-employment programmes	2 It is effective but available to relatively few persons	No	All potential entrepreneurs	National	No	Estonian Unemployment Insurance Fund	Yes
Other		Youth prop-up centres	Unemployed and youth not enrolled to education or training	EU	Yes, Youth Guarantee	Association of youth centres	No

Comments on Table 2

There are both preventive and reactive measures. By 2018, the Unemployment Insurance Fund has determined to increase the role of preventive measures. However, the measures that have been proved to be efficient and which have received positive evaluation results are all meant for already unemployed people, hence they belong to the category of reactive measures.

Preventive measures include youth work and youth policy related measures, also various youth interventions carried out by different ministries. Effectiveness of these measures, which are claimed to have value as preventive measures, is not researched hence proven. Consequently, it is questionable whether they can be categorized as preventive measures; classification of them as preventive measures is based on expected outcomes only, not on proved impacts.



Predominantly policy measures are directed toward empowering (unemployed) people through teaching them concrete skills and general competences which are deemed necessary at labor market.

Counselling centres provide inactive (still studying) and unemployed young people with information they need for making informed educational choices and informed choices at labor market.

Unemployment Insurance Foundation local offices offer work practice and training opportunities to registered unemployed people. The centres also offer career counselling services and perform the task of matching registered unemployed people to available jobs.

A range of youth work activities, environments and youth organisations provide children and young people with personal development opportunities. For a long time since restoration of independence youth work has been a fully universal measure not targeting any particular group among young people (with the exception of special youth work targeting juvenile delinquency). In recent years, more targeted measures have been adopted in addition to universal provision. These targeted measures consist of “imported formats”³⁶ – programs which have been implemented in other countries successfully. However, there is no evidence on if and – what would be a more valuable knowledge – how participation in all these activities – universal and targeted – translates into educational or labor market success. In general, there is no solid evidence that youth work activities translate into labor market success. There is some evidence that certain specific youth work measures might translate into educational success.

There are only three evaluation studies, which describe the effects of three concrete active labor market policy measures. However, when it comes to youth unemployment, we can not know if they “work” ie bring about similar positive outcomes also for young people. For instance, in the case of start-up subsidies, which is an effective measure for adults, there are reasons to believe that effects for youth might be significantly different because among young people there are not much individuals ready to start their own company. Hence, the impact of the measure on youth might be weaker for the reason that smaller percentage enrolls to the program, not because effectiveness of the program for participants is weaker. However, we have no evidence that the program is similarly effective for young people as it is for experienced people who have also more social capital, neither is there direct evidence of its direct impact on youth (un)employment.

³⁶ E.g. SPIN from UK, VEPA from USA, STEP from Denmark, MARAC from UK, EXPECT-RESPECT from USA, KIVA from Finland



Youth employment policies: focus on selected interventions

Table 3 A brief overview of selected youth employment interventions

No	Name	Level	Main target group ³⁷	Type ³⁸	Starting year; end year	Funding source	Part of EU initiatives	Evaluation	“Good practice” ³⁹ example
1	My first job ^{40, 41}	National	D	4	2014 - 2020	EU + national	Yes, Youth Guarantee	No evaluation	Effects not known yet → hard to tell if it is a good practice
2	Apprenticeship / Work practice ^{42, 43, 44, 45}	National	C, all unemployed	1 or 2	2010, ongoing	National	No	Yes, positive	Yes
3	Business start-up subsidy ^{46, 47}	National	C, all unemployed	5	2003, ongoing	National	No	Yes, positive	Yes, it has been evaluated to be the most effective measure. However, its usefulness for young people is not at all clear because of only small percentage of young

³⁷ a. targeted youth, b.universal, c.targeted risk group, d.targeted to youth risk group;

³⁸ (re-)orientation courses, preparation for training or employment = 1; vocational guidance, career counselling = 2; training (with or without certificates) = 3; Employment incentives, subsidies for employer = 4, direct job creation = 5, and start-up incentives, self-employment programmes =6

³⁹ EU Database of national labour market ‘good practices’ definition: “A specific policy or measure that has proven to be **effective** and **sustainable** in the field of employment, **demonstrated** by evaluation **evidence** and/or monitoring and assessment methods using process data and showing the **potential for replication**. It can cover both the formulation and the implementation of the policy or measure, which has led to **positive labour market outcomes** over an extended **period of time**.”

⁴⁰ Minister of Health and Labor, käskkiri nr.222, 04.12.2014, Tööturuteenuste osutamine tagamaks paremaid võimalusi hõives osalemiseks,

<https://www.tootukassa.ee/sites/tootukassa.ee/files/Tooturuteenused%20TAT%202015-2020.pdf>

⁴¹ Ministry of Social Affairs, <https://www.sm.ee/et/struktuurivahendid-sotsiaalvaldkonnas-2014-2020>.

⁴² Description of Apprenticeship/Work Practice, Estonian Unemployment Insurance Fund, <https://www.tootukassa.ee/eng/content/services/apprenticeships>, <https://www.tootukassa.ee/content/teenused/toopraktika-0>

⁴³ Villsaar, K., Lauringson, A., Tammik, L., Luhavee, T. (2012). IMPACT EVALUATION OF WORK PRACTICE, Tallinn: Estonian Unemployment Insurance Fund.

⁴⁴ Villsaar, K., Lauringson, A., Tammik, L., Luhavee, T. (2012). Impact Evaluation of Work Practice, Tallinn: Estonian Unemployment Insurance Fund, p. 14.

⁴⁵ https://www.tootukassa.ee/sites/tootukassa.ee/files/Work_Practice_Evaluation.pdf

⁴⁶ Villsaar, K., Tammik, L., Luhavee, T., Lauringson, A. (2014). Business Start-Up Subsidy. Impact Analysis of the Business Start-Up Subsidy.

⁴⁷ Leetmaa, R., Võrk, A. (2003). Evaluation of Active Labour Market Programmes in Estonia, a manuscript, draft of an article.



									start their own business
4	Labor market training ⁴⁸	National	C, all unemployed	1 or 2	2010, ongoing	National	No	Yes, positive	Yes Probably "works" for young people
5	Psychological, debt and addiction counselling ⁴⁹	National	C, all unemployed	2	Ongoing	National	No	An overview of participants' work careers. The analysis did not use appropriate data and methods to draw conclusions about effects of counselling.	Effects not known, hard to tell if it is good or bad practice
6	Youth prop-up programme ⁵⁰	National	A	None of the categories	2015	National, European ESF	Yes, Youth Guarantee	No	Outcomes and impacts not evaluated

Comments on Table 3

Because of lack of analysis and evaluations, there is not enough knowledge to rank current ALMP measures according to their effectiveness.

⁴⁸ Lauringson, A., Villsaar, K., Tammik, L., Luhavee, T. (2011). Impact evaluation of labor market training. Tallinn: Estonian Unemployment Insurance Fund.

⁴⁹ Villsaar, K., Tammik, L., Luhavee, T., Poolakese, A., Lauringson, A. (2015). Ülevaade nõustamisteenusel osalejatest ja nende edasisest käekäigust tööturul. Tallinn: Eesti Töötukassa analüüsiosakond. / An overview of labor market participation of people who received counselling. Tallinn: Estonian Unemployment Insurance Fund, analysis department

⁵⁰ <https://tugila.ee/support-program-youth-prop/>



Diffusion of EU youth employment initiatives

Table 4. Diffusion of inclusion policies for youth

EU initiatives	When adopted by a policy document?	Date of regulation if available	Start of implementation	Presence in basic relevant national documents like NRP, CSR, National Employment Strategies	Number of young people involved (absolute number and as a share of all young people concerned),	Envisaged expenses (in absolute terms and as a share of employment programs; as a share of GDP, etc.).
Youth Guarantee Schemes	Implementation plan was adopted in 2014. It is implemented in connection with a range of public policies which have been adopted at different times.	-	2015	No. Relevant policy documents currently in force were adopted before it.	NA; the measure only is in the beginning phase	For the period 2015-2020: PES workshops introducing labour market and working life - 1,18 Mio Eur Supporting young people at entering the labour market - 3,25 Mio Eur Supportive measures for NEET youth - 7,79 Mio Eur My First Job - 18,9 Mio Eur
Quality traineeships and apprenticeships						
Eures Job	2011	13.04.2016	2011	na	na	National budget (non-EU granted) Staff: 120 000 EUR/annually Activities: 85 500 EUR/annually
Supported young entrepreneurs	There are no entrepreneurship support measures that would target specifically young people ⁵¹ However, there have been and still are running various entrepreneurship education programs, like www.ja.ee , www.entrum.ee , others. These are not directly				From public information sources one can not infer if involvement of youth in running policy measures is known or not.	

⁵¹ Financing a start-up company, Gateway to eEstonia, https://www.eesti.ee/eng/alustava_ettevotte_rahastamine.



	national policy programs although might be supported by ministries from national budget.					
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Importance of EU initiatives for the implementation of youth labour market inclusion in Estonia

Strictly speaking, Youth Guarantee is the first labor market program addressing specifically young people in Estonia. Its impact on youth labor market situation has not been evaluated so that it is not possible to describe its effects. Following the European Youth Strategy, also youth work has been attributed the function of supporting and developing youth labor market readiness and competitiveness. No impact evaluation of youth work as a set of public policy measures has been carried out. Therefore it is impossible to provide an empirical description of its impact on youth labor market situation.



Consistency of the policies for youth inclusion

Relationship of youth employment policies to universal labour market policies

Except the measures linked with Youth Guarantee (My First Job, Youth Prop-Up program and some labor market information and counselling activities) there are no other programmes targeting specifically youth unemployment. Young people searching for job using the EUIF services are supported by general ALMPs. In general, Estonian labor market programmes are universal programmes, open to all people. Offering labor market services focuses around an individual unemployed – using case management method, Unemployment Insurance Fund’s consultants aim to support each person individually. Case management method is used also when addressing the needs and situation of each young unemployed person individually. Though some programmes are more appropriate for people with certain backgrounds eg for young people, the UIF puts effort into providing each registered unemployed with services that match needs and circumstances of that individual. Hence, youth unemployment measures overlap nearly entirely with universal labor market policies.

Coordination of youth, youth employment, educational, universal labour market, social welfare policies in Estonia

In general, ministerial and sectoral development plans are interlinked with each other as well as with national development strategy Estonia 2020.^{52, 53, 54} The programme sets development objectives for the period 2015-2020 to improve international competitiveness of the country; it also describes main activities required to achieve the goals. Two main objectives of the Programme are:

- increasing the productivity and
- increasing employment in Estonia.

The main focus in the coming years is on education and employment, with an emphasis on integration of long-term and young unemployed people in the labour market and on the development of their skills.⁵⁵ In the national public administration system, sectorial and ministerial development plans are the “tools” for achieving overall goals of the programme “Estonia 2020”. Hence, objectives and priorities of the “Estonia 2020” are taken into account and spelled out in sectorial development plans and strategies.

⁵² <https://riigikantselei.ee/en/supporting-government/national-reform-programme-estonia-2020>

⁵³ State Gazette I, 14.10.2014, 10, Types of strategic development plans. The order of drafting, updating, implementing, evaluation and reporting on development plans, <https://www.riigiteataja.ee/akt/114102014010?leiaKehtiv>; only in Estonian, translation by the author.

⁵⁴ Programme homepage, <https://riigikantselei.ee/en/supporting-government/national-reform-programme-estonia-2020>.

⁵⁵ National Reform Programme “ESTONIA 2020”. (Approved by Government on 8th of May 2014), https://riigikantselei.ee/sites/default/files/riigikantselei/strateegiaburoo/eesti2020/estonia_2020_nrp2014_en.pdf.



Implementation plan of the Estonia 2020 competitiveness strategy⁵⁶ shows that education and labor market measures are interlinked with each other, and that responsibilities are shared between the Ministry of Social Affairs (labor market issues) and the Ministry of Education and Research (education issues). Concrete distribution of responsibilities depends on a concrete policy measure. There are of course also educational and labor market measures which are implemented independently.

The institution responsible for implementing ALMP measures is the EUIF.

Youth work, including non-formal learning is the responsibility of Ministry of Education and Research, Youth Department. In practice, youth work is carried out by a range of organisations at the municipal level, often subcontracted by municipality.

Formal education is the responsibility of Ministry of Education and Research where several departments are responsible for different levels and aspects of formal education.

Social transfers and social services is the responsibility of Ministry of Social Affairs. Social services are delivered by municipalities, not by local offices of the ministry, so that municipalities carry important role here.

At central administration level, it is coordinated through legislative decisions, including sectoral development plans and legislative acts. Another coordination mechanism is joint working groups for implementation concrete programs; in the working groups, representatives of different ministries and ministerial departments meet. Developing implementation plans and budgeting is still another mechanisms of coordination where both ministerial level and subunit level are involved. Horizontal coordination may take place also at a lower level than ministerial departments, eg between municipal organisation (youth centre) and local office of a central institution (the EUIF). At the level of grassroots activities, partners are subcontracted to carry out certain activities. Partnerships may take place at different levels – between ministries and umbrella organisations, between municipalities and service providers, between municipal organisations and other service providers.

Currently state reform is being implemented. Changes induced by this reform should influence also youth and unemployment policies.

⁵⁶ https://riigikantselei.ee/sites/default/files/content-editors/Failid/eesti2020/eesti2020_tegevuskava_2016-2020_5.05.2016.pdf



Estimation of effectiveness of policy measures

In general, the entire Estonian public administration system uses the same framework of evidence based policy making, and evaluation of policy effectiveness is part of this general framework. There is no separate framework for active labor market policy. Assuring that policy making is to a possibly high extent based on quality evidence, is the responsibility of Ministry of Justice. The ministry has developed regulations and recommendation to support evidence based policy making. Evaluation of (expected) impact of a legislative act constitutes the backbone of evidence based policy processes, though this is not the only aspect, which needs be taken into account.⁵⁷ The following documents have been adopted to support evaluation and evidence based policy making in general:

- Rules for Good Legislative Practice and Legislative Drafting⁵⁸,
- A form to initiate a discussion on drafting a legislative act,
- Guidelines for impact evaluation⁵⁹.

Despite of high hopes and the general framework, real life is a far cry from the ideals.^{60, 61, 62} In 2012, Nõmm and Randma⁶³ concluded that public administration system of Estonia in general was characterized by poor strategic planning and policy analysis skills, which hamper notably its effectiveness. In 2016, the main conclusions on the

⁵⁷ Ministry of Justice, Impact evaluation and quality in legislation, <http://www.just.ee/et/eesmargid-tegevused/oiguspoliitika/mojude-analuus-ja-hea-oigusloome>.

⁵⁸ Rules for Good Legislative Practice and Legislative Drafting, passed on 22.12.2011 Annex 180, established on the basis of subsection 27 (3) of the Government of the Republic Act, <https://www.riigiteataja.ee/en/eli/508012015003/consolide>

⁵⁹ Ministry of Justice and Republic of Estonia Government Office (2012). Guidelines of impact evaluation, http://www.just.ee/sites/www.just.ee/files/elfinder/article_files/mojude_hindamise_metoodika.pdf. The evaluation guidelines are accompanied by Check-box questionnaire for (express) evaluation, http://www.just.ee/sites/www.just.ee/files/elfinder/article_files/kontrollkusimustik.pdf and Guidelines for (express) evaluation, http://www.just.ee/sites/www.just.ee/files/eelnou_seletuskirja_mojude_osa_koostamise_juhend.pdf.

⁶⁰ National Audit Office of Estonia. 2015. Riigi tegevus uuringute tellimisel. Kas uuringuid tellitakse läbipaistvalt ning tellitud uuringud on kättesaadavad ja neid kasutatakse poliitikakujundamisel? / Activities of the state in commissioning research. If research projects are commissioned transparently, are the accessible and are they used for policy-making? Tallinn, <http://www.riigikontroll.ee/tabid/206/Audit/2345/Area/1/language/en-US/Default.aspx>

⁶¹ National Audit Office of Estonia. 2012. Vabariigi Valitsuse tegevus oma töö mõjude hindamisel ja tulemustest aruandmisel. Kas Vabariigi Valitsus juhib enda seatud eesmärkide saavutamist? / Activities of Government of the Republic in assessing impact of its work and performance reporting. Tallinn. <http://www.riigikontroll.ee/Riigikontrollipublikatsioonid/Auditiaruanded/tabid/206/Audit/2265/Institution/3/language/en-US/Default.aspx>

⁶² National Audit Office of Estonia. 2011. Õigusaktide mõju hindamise korraldus. Kas õigusakti vastuvõtja teab, millised tagajärjed on tema otsusel? / Organisation of evaluation of impact of legislative acts. Do we know the consequences of adoption of a legislative act? Tallinn, <http://www.riigikontroll.ee/tabid/206/Audit/2200/Area/1/language/et-EE/Default.aspx>

⁶³ Nõmm, K., Randma, T. (2012). Performance measurement and performance information in new democracies. A study of Estonian central government. Public Management Review, 14(7), p.2-21.



analysis and planning capacity of Estonian public administration system remained still the same.⁶⁴

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Because of the lack of research on effectiveness also on labor market policy measures, it is virtually impossible to describe effectiveness of active labor market policy. Though employment and unemployment rates have changed significantly over time (**Error! Reference source not found.**), there is no research, which would tell how much of this can be attributed to ALMPs and how much to the performance of economy in general. Though implementation of policy programs is monitored permanently, impact analysis has been carried out only for 3 labor market measures (see **Error! Reference source not found.**). However, the number of ALMPs has increased from 5 in 2003 to 44 in 2018. This shift can be interpreted differently. On the one hand, this can be seen as an indication of general (political) satisfaction with activities of EUIF in addressing unemployment in general. Hence, effectiveness of active labor market policy is considered at least satisfactory. On the other hand, this can be seen as an indication of lack of analytical capacity in Estonian public administration system. This prevents from evaluation of effectiveness of policies and, consequently, one can only conclude that because of lack of quality knowledge on policy outcomes, their effectiveness can not be assessed.

⁶⁴ Taro (formerly Nõmm), K. (2016). The Attribution Problem in Performance Measurement in the Public Sector: Lessons from Performance Audits in Estonia. Tallinn University of Technology Doctoral Theses Series I: Social Sciences, No. 25.

⁶⁵ National Audit Office of Estonia. 2015. Riigi tegevus uuringute tellimisel. Kas uuringuid tellitakse läbipaistvalt ning tellitud uuringud on kättesaadavad ja neid kasutatakse poliitikakujundamisel? / Activities of the state in commissioning research. If research projects are commissioned transparently, are the accessible and are they used for policy-making? Tallinn, <http://www.riigikontroll.ee/tabid/206/Audit/2345/Area/1/language/en-US/Default.aspx>

⁶⁶ National Audit Office of Estonia. 2012. Vabariigi Valitsuse tegevus oma töö mõjude hindamisel ja tulemustest aruandmisel. Kas Vabariigi Valitsus juhib enda seatud eesmärkide saavutamist? / Activities of Government of the Republic in assessing impact of its work and performance reporting. Tallinn. <http://www.riigikontroll.ee/Riigikontrollipublikatsioonid/Auditaruanded/tabid/206/Audit/2265/Institution/3/language/en-US/Default.aspx>

⁶⁷ National Audit Office of Estonia. 2011. Õigusaktide mõju hindamise korraldus. Kas õigusakti vastuvõtja teab, millised tagajärjed on tema otsusel? / Organisation of evaluation of impact of legislative acts. Do we know the consequences of adoption of a legislative act? Tallinn, <http://www.riigikontroll.ee/tabid/206/Audit/2200/Area/1/language/et-EE/Default.aspx>

⁶⁸ Nõmm, K., Randma, T. (2012). Performance measurement and performance information in new democracies. A study of Estonian central government. Public Management Review, 14(7), p.2-21.

⁶⁹ Taro (formerly Nõmm), K. (2016). The Attribution Problem in Performance Measurement in the Public Sector: Lessons from Performance Audits in Estonia. Tallinn University of Technology Doctoral Theses Series I: Social Sciences, No. 25.



Labor market policies addressing young people are in no different situation. On the contrary, perhaps even less is known about their effects because there are no studies specifically on youth and conclusions on general population might not hold similarly for young people because of specific characteristics of the group of young people.