



## ESTONIA

# Work ability reform: A way to enhance employment opportunities for people with long-term health problems or disabilities

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Until 2016, only a very limited number of persons with work restrictions in connection with health problems or disabilities registered with the PES as jobseekers. The work ability reform aimed for the systematic activation of this target group.

44% of newly registered jobseekers with reduced work ability now find a job within 12 months after registration.

This and other positive results were achieved via:

- (a) a new form for assessing the ability to work;
- (b) the payment of workability allowance according to the individual degree of working capability;
- (c) mandatory activation measures;
- (d) specific employment measures and schemes for activation.

Name of the PES	Estonian Unemployment Insurance Fund (EUIF).
Scope of measure	Legislation at national level, initiated in 2012, adopted in 2014 and implemented in January 2016.
When was the practice implemented?	Preparation started in 2012 and the EUIF was assigned the mandate for implementing the work ability reform in 2016. The results of the reform are constantly monitored. Depending on monitoring results, measures are implemented for improving the delivery of services and their effectiveness.
What was the driver for introducing the practice? Was it internal or external?	External, determined by the political wish to increase employment opportunities and participation of persons that so far were not integrated adequately in the labour market.
Which organisation was involved in its implementation?	Head office and regional offices of the PES, service providers, employers and customers.
Which groups were targeted by the practice?	People with reduced work capacities, staff, employers, and partners such as service providers.
What were the practice's main objectives?	To increase the labour participation of persons with reduced work capacities through targeted support for their labour market integration.
What activities were carried out?	<p>The Estonian PES developed and implemented a specific work ability assessment and introduced specific support measures for persons with reduced work ability and for employers willing to offer jobs for the target group. This included:</p> <ul style="list-style-type: none"> <li>▶ the design, conceptualisation, implementation and follow-up of the work ability assessment concept;</li> <li>▶ the introduction of benefit payments based on individual work ability;</li> <li>▶ the design and implementation of support mechanisms to employers and to persons with reduced work ability;</li> <li>▶ the introduction of disability employment counsellors as new specialised staff along with staff training.</li> </ul>

What resources and other relevant organisational aspects were involved?	The project was organised by the PES, integrating all organisational and regional levels. The new services were first tested in a pilot project before implementation throughout the entire organisation.
What were the source(s) of funding?	Costs are covered by the state budget, PES budget and ESF.
What were the outputs of the practice: people reached and products?	<ul style="list-style-type: none"> <li>▶ Implementation of a new work ability assessment and a series of support mechanisms for target groups and employers.</li> <li>▶ Identification of jobseekers with reduced work capacity (10,400 on 1 April 2019).</li> <li>▶ 130 disability employment counsellors currently supporting the target group.</li> </ul>
What outcomes have been identified?	The share of persons with reduced work ability in the labour market among all persons with reduced work ability has increased (from 59% in 2017 to 61% in 2018) and 44% of newly registered jobseekers with reduced work ability find a job within 12 months.
What are the lessons learnt and success factors?	<p>Despite the positive outcomes since the start of the reform, some challenges still have to be met:</p> <ul style="list-style-type: none"> <li>▶ skills gaps as a result of limited choices in education for disabled people remain an important obstacle for labour market integration;</li> <li>▶ positive results also depend on the availability of social services and support for networks at the local level;</li> <li>▶ there is a considerable wage gap for persons with restricted work ability, who receive a 25% lower income from work;</li> <li>▶ a successful placement does not automatically lead to sustainable employment;</li> <li>▶ there are still prejudices against people with reduced work ability and reservations in society and among employers.</li> </ul>



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