COUNTRY FICHE: ESTONIA

PES NAME: Estonian Unemployment Insurance Fund (EUIF)

Basic organisational model

Type of organisation/relation to government

Independent public body, not subordinate to any Ministries.

Structure and organisational levels

- Head Office in Tallinn;
- 15 Regional Offices;
- 26 client service points.

Management structures and the role of social partners

- Management: daily management is the responsibility of a Management Board composed of three members. Regional Offices are managed by Regional Managers who respond directly to the Head of the Management Board.
- Supervision: The Management Board is accountable to the Supervisory Board, which approves the EUIF's Strategy and annual Action Plans, sets out the objectives and targets, decides on the budget and investment rules, and monitors performance.
- Social partners: the Supervisory Board operates on the tripartite principle – the employers, the unions and the Government have two representatives each. The Government is always represented by the Minister of Social Affairs (which is appointed by position and whose involvement is required by law).

Financing model

PES financing by source, Euro (million)

	Expenditure (EUR million)						**Change 2010-2011 (%)**		
	2010			**2011** (forecast)					
Source of funding (%)	Total Budget	Operating costs	ALMP	Total Budget	Operating costs	ALMP	Total Budget	Operating costs	ALMP
Total	218,6 (100%)	12,5 (100%)	22,2 (100%)	256,1 (100%)	14,1 (100%)	36,2 (100%)	17%	13%	63%
Social security contributions	158,4 (72,5%)	12,5 (100%)		185,5 (72,4%)	14,1 (100%)				
Government and other public funding	41,2 (18,8%)		3,2 (14,3%	39,1 (15,3%)		4,8 (13,2%)			
ESF	18,9 (8,7%)		18,9 (85,3%)	31,3 (12,2%)		31,3 (86,6%)			
Other EU Funding									
EURES	0,09 (0,0%)		0,09 (0,0%)	0,09 (0,0%)		0,09 (0,0%)			
PES own revenues									
Other									

Note: Total Budget and the sum of operational costs and ALMP costs do not coincide, as total budget includes also unemployment benefits. Particularly, government and other public funding and Social security services mainly cover expenditure on unemployment benefits (in 2010 – EUR 38,0 million and EUR 128 million, respectively, and in 2011 – EUR 34,4 million and EUR 68,1 million). Until 1 January 2010 social security contributions could only be used to finance unemployment benefits and EUIF operational costs. Total budget includes also annual surplus and reserves.

Human resources

PES human resources. Date of observation: January 2011

	Number of staff	% directly servicing clients
Total	**494**	62%
Head office	109	3%
Regional offices	385	79%
Local offices		

Note: 324 out of 524 employees service clients directly (4 working in the head office and 320 working in local offices).

Integration of employment services and benefit payments

Unemployment and related benefits:

- EUIF is responsible both for the payment of unemployment benefits and for the provision of employment services to recipients.

Other social benefits:

- Other social benefits are paid by other institutions: social assistance benefits are paid by municipalities, disability benefits by the Social Insurance Board. Municipalities often request social assistance claimants who are capable to work to register with EUIF and actively look for a job. EUIF provides employment services and ALMPs for all registered job-seekers regardless of their benefit status.

Clients/Customers

Jobseekers.

Clients are categorised into 'registered unemployed' and 'jobseekers' (the latter are persons who are looking for a job and who are either employed and want to change a job or they have received notice of dismissal). At the end of 2010, only 134 persons were registered as jobseekers, whereas the registered unemployed were 65,260. Further breakdowns are typically applied to monitored unemployed persons:

- Gender;
- Age;
- Education;
- Last occupation;
- Risk groups (older and young jobseekers, caregivers, long-term unemployed, disabled, ex-offenders);
- Duration of unemployment;
- Duration of registered unemployment;
- County of origin;
- Previous activity (employed, studies, caregiver, national service, raised children, housewife or househusband, in prison, in hospital, disability).

Employers.

Employers are only classified for the purposes of job-mediation services. The level and type of job-mediation and pre-selection services varies according to the size of the enterprise, the number and type of vacancies. Job-mediation services vary from advertising vacancies to running multi-stage pre-selection processes (review of CVs, assessment, group tasks).

Date of observation: 2010

Employer client groups	Numbers	%
Total	10.000	
Job Mediation	9.331	
Wage subsidy	5.569	
On-the-job-training/practice	1.866	

Other clients

- Employees with disabilities or long-term health problems – services include support to workplace adaptation, technical aids, other specific solutions;
- Business start-ups – mentor clubs, individual counselling and training within two years of receiving financial support.

Types and methods of service provision

Services for jobseekers

- Individual counselling;
- Job search workshops;
- Job clubs;
- Career counselling (individual and group counselling).

Jobseekers' service needs are assessed through work-focused interviews. No multi-channelling method was applied, since 1 May 2011, when work-focussed interviews have started to be carried out via self-service portal (e-diary), and phone in the case of newly registered jobseekers (during the first 3 months of unemployment) or jobseekers participating in active labour market measures. Services are provided according to individual needs and on the basis of individual job-search plans drawn up for all jobseekers. EUIF has a two-level client service that is divided into job mediation and case management. Job mediation clients are the unemployed who first and foremost need assistance with job-search, counselling and guidance. If a need for further training and skills development arises, support to this end will be offered by job mediation consultants. Case management clients are people who need more extensive and tailored help.

Services for employers

- Job-mediation (advertising vacancies, organizing meetings with potential candidates, setting-up work trials);
- Subsidies for employers hiring vulnerable job-seekers (long-term unemployed, ex-offenders) and/or providing training and guidance in the workplace;
- Employer-driven training (training organised for the unemployed based on information about concrete new vacancies and specific skills that are required).

Job vacancies and market share

Collecting information on job vacancies

EUIF mostly relies on employers volunteering information on vacancies (via the EUIF website and, from January 2011, through a self-service portal). However information is also actively sought out by contacting individual employers as well as by organising meetings with employers at regional and local level. EUIF is constantly in touch with Enterprise Estonia, which shares information on potential investors and jobs to be created. EUIF, in turn, helps to fill vacancies, if needed, with the support of ALMPs (training, wage subsidy, apprentices).

Vacancies and referrals

Number of referrals to vacancies of jobseekers by EUIF in 2010: 298.501.
Number of registered unemployed people placed in jobs by EUIF in 2010: 58.550.
Number of job vacancies mediated by EUIF in 2010: 38.389.

Matching of supply and demand

EUIF offices compare on a monthly basis the statistics on previous occupation of registered unemployed and the statistics of occupations of mediated vacancies. The goal this year, together with partners (Estonian Enterprise, Development Fund, Ministry of Economics and Communications, Ministry of Education), is to identify 5-7 areas where EUIF could help to train a larger share of the labour force over the next 2-3 years.

Market share

It was 29% in 2009, but it went up to 44% in the first three quarters of 2010.

Method: ratio between jobs mediated by the PES and total number of job vacancies

Active labour market policies

LMP Services

Name of service	Brief description	Delivery
Individual counselling	Job-search counselling, career counselling, individual job-search coaching and placement, psychological counselling, financial counselling, social counselling.	In-house, external providers.
Job-search workshops	Learning and practicing skills that are required for successful job-search.	In-house.
Job-clubs	Learning and practicing skills that are required for successful job-search, learning social skills, building up confidence and motivation, building up social networks, sharing experiences and ideas, increasing employability .	In-house and external providers.
Activities to increase or maintain employability (i.e. voluntary work)	Gaining work experience and contacts through voluntary work.	External providers.

LMP Measures

Name of measure	Category	Brief description	Delivery
Labour market training	2	Skills training (vocational training, computer and language skills training, business training etc.)	External providers.
Apprenticeships/on-the-job training	2	Gaining skills and experience in the work place	Employers.
Wage subsidy to employer	4	A subsidy is paid for up to 6 months to employers who recruit long-term unemployed or ex-offenders	In-house, employers.
Disability employment services	5	Working with support person, employment with special aids and equipment, adaptation of work premises and equipment, rehabilitation	External providers, employers.
Coaching for working life (work-exercise)	5	Work-related rehabilitation, restoring social skills and working habits, preparation for job-search and working life	External providers, including municipalities.
Business start-up subsidy	7	Subsidy of up to 4474 Euros	In-house.
Community placement	6	Temporary work	Municipalities.

Cooperation/partnership

As required by the law, the EUIF purchases services such as training, counselling (psychological, financial, addiction related counselling), work trial (coaching for working life), job clubs etc. through procurement/competition. EUIF also has a voucher system in place for the unemployed to attend training courses: beneficiaries can choose a course from the list of training institutions approved by EUIF, within a cost limit. Cooperation agreements are mostly used in cooperation with the voluntary sector for placement in voluntary work and project-based activities. Municipalities either provide service on their own (for example they offer work trials or community work for the long-term unemployed) or organise case help for individual beneficiaries together with the EUIF.

Evaluation

The EUIF became responsible of ALMPs only in May 2009. A major overhaul of existing programmes was carried out between the end of 2009 and early 2010. Evaluation of the impact of new programmes can finally be performed in 2011. The first measure to be evaluated in 2011 is training (evaluating the average

treatment effect on beneficiaries using a control group of non-participants and matching them using propensity score matching; effects on employment and wage will be evaluated). This evaluation will be carried out in-house. Some process evaluations regarding ALMPS have been carried out by independent national bodies subcontracted by the Ministry of Social Affairs.

Management logic and performance measurement

Planning process

Objectives and targets are set in three-year Development Plans (the current one covers the 2009-2012 period) prepared by the Management Board and approved by the Supervisory Board. The Development Plan is the basis for annual Action Plans that set out activities, deadlines and performance indicators. Action Plans are presented by the Management Board and approved by the Supervisory Board. On the basis of the targets/indicators set in the annual Action Plan the Management Board sets goals and targets to the heads of departments, who then in turn set goals and targets for their teams.

Types of objectives and targets

Objectives and targets set by EUIF are either activity-based (i.e. tasks that have to be carried out by an agreed deadline) or result-based (volume, quality and effectiveness of services). 2011 targets cover, for instance:

- ALMPs (share of registered clients benefiting from different types of services, including support for start-ups, work trials, training, counselling and orientation; share of registered clients finding a job after completing training/apprenticeship);
- Other activities (share of timely actions/decisions; customer satisfaction; liquidity problems).

Monitoring

Progress is monitored monthly and reviewed at all levels twice a year. The Management Board reports to the Supervisory Board at least once in a quarter.

Lean management

No mention is made of lean management processes and procedures.