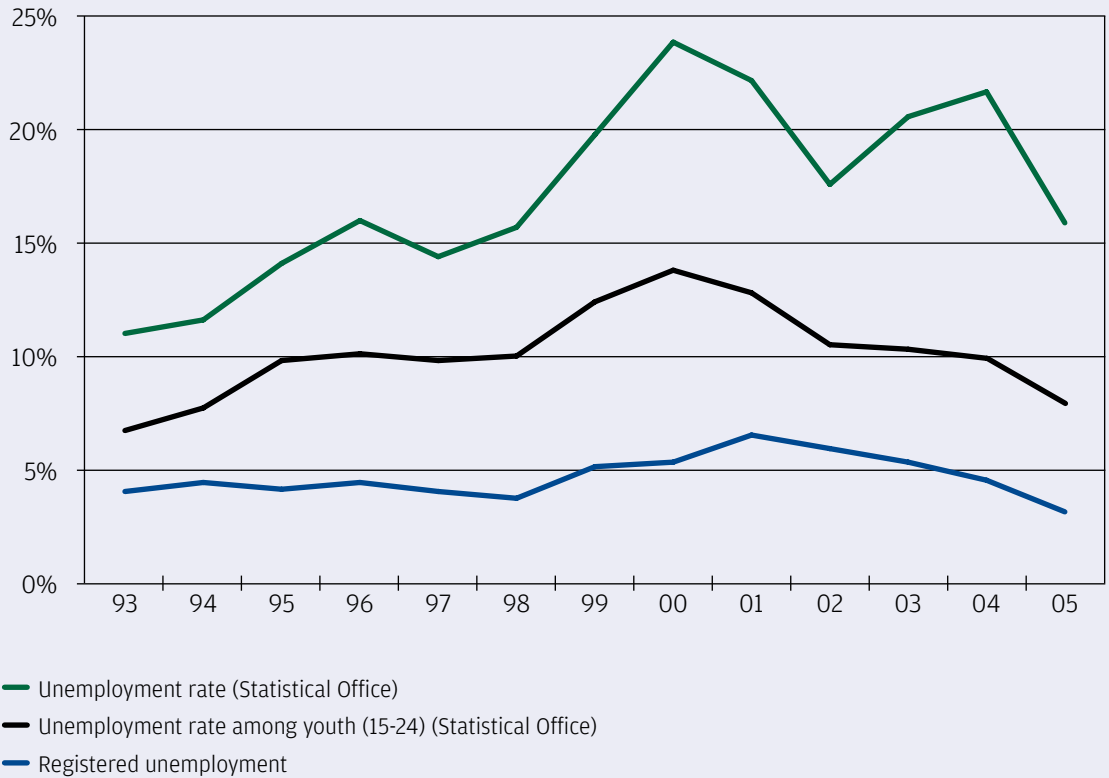




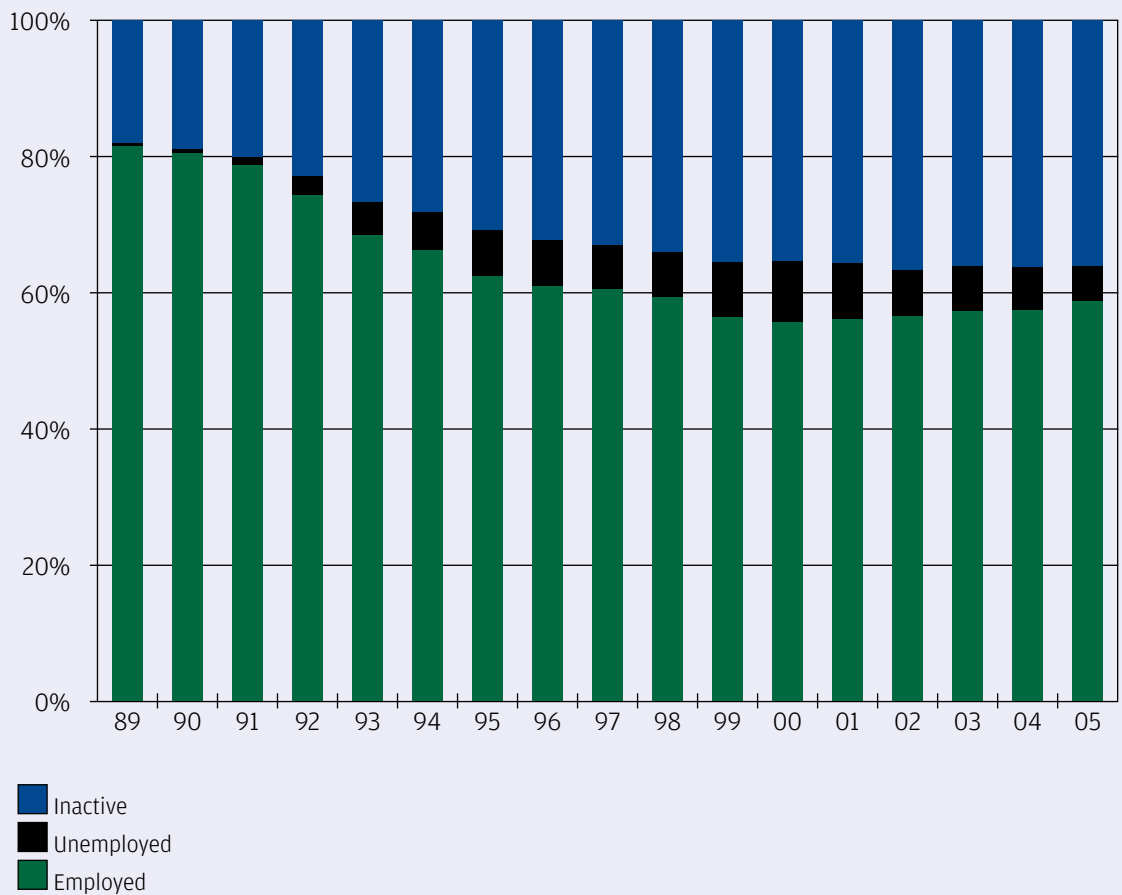
**TTA**  
TÖÖTURUAMET  
ESTONIAN LABOUR MARKET BOARD

# **Estonian Labour Market Board Yearbook 2005**

## Unemployment rates (age 15-64), %, 1993-2005



## The working-age population, %, 1989-2005



**Tiina Ormisson**  
Labour Market Board,  
Director General



## 2005—a year of good news

**Philosopher Thomas Carlyle once wrote that labour is the best medicine for all illnesses and ailments suffered by mankind.**

Taking this notion as a yardstick, it can be said that 2005 brought two important pieces of news to the Estonian labour market.

First, gross domestic product increased nearly 10% year-on-year and the number of registered unemployed people fell to the lowest level in the last 15 years—2.7 per cent—at the end of the year. Second, Estonia, boosted by the effective support of the European Union, reached a completely new level with regard to how its labour market is organized.

At least for the time being, the Labour Market Board cannot affect the economic growth rate, but we are proud that we have taken labour market measures to a new level. We can also be honest and admit that it did not come without its difficulties.

2005 was a year of major changes in employment serv-

ices—the country's employment offices were transferred into regional departments of the Labour Market Board. Implementing the necessary changes in an organization that is 15 years old and employs nearly 300 required great common efforts.

For our clients—job seekers and employers—these changes resulted in improved service quality. Well-trained Labour Market Board employees who follow a uniform service standard are a greater help for clients. Thanks to the preparation and implementation of the new and broadened employment services and social protection act, we are offering 6 new services from 2006.

The Labour Market Board is responsible for the effective investment of 517 million kroons of European Social Fund (ESF) resources and Estonian co-financing in the

Estonian labour market. Last year, the processing of many ESF projects was suspended for a long period. Fortunately we overcame this problem by the end of the year and are continuing the implementation of ESF projects, richer by one learning experience.

The mission of the Labour Market Board is: “To offer job seekers advice, support and labour market services in finding a suitable job; and to offer employers information and assistance in finding workforce.”

Looking toward the future, we will spare no effort in achieving our mission, as rapid economic growth will inevitably slow down sooner or later. We are sure that the Labour Market Board will be ready by that time to embrace the changes head-on, capable of offering job seekers and employers the best solutions.

# EU investment in the Estonian labour market

**The function of the Labour Market Board is to create equal opportunities on the Estonian labour market using funding from the European Social Fund.**

## **European Social Fund department head Kerli Lorvi, how big is your budget?**

The state development plan measure “Equal opportunities on the labour market” is being funded by the European Social Fund from 2004-2006 with a total of 413 million kroons. In addition to this, we are implementing the European Communities EQUAL initiative, the goal of which is to develop new measures to reduce all forms of labour market-related exclusion, discrimination and inequality. The programme is being funded with a total of 85 million kroons. EQUAL projects receive 64 million kroons from the European Social Fund, supplemented by Estonian state co-financing in the amount of 21 million kroons.

## **Estonia joined the European Union on 1 May 2004. How did you invest the European Social Fund money in the first 18 months of membership?**

In the course of two rounds, we received a total of 144 projects aimed at en-

sureing equal opportunity on the labour market. Of these, 66 projects—half of the projects submitted—received the green light for financing.

Unfortunately, the Labour Market Board had some difficulties using the ESF funds in 2005 as the management and inspection system for the measure was changed in the middle of the year. Developing and implementing a new system took much time, and due to the changes, financing of the projects submitted by employment offices was suspended from January to November 2005.

## **How did the change in the management and inspection system affect financing of projects?**

Projects have been allocated 467 million kroons in the framework of the “Equal opportunities on the labour market” measure. Of this, 360 million kroons is from the ESF and 107 million kroons is Estonian state co-financing.

Due to the delay, ESF disbursements in the amount of 84 million kroons were made



**Kerli Lorvi**  
Head of ESF Department

at the end of 2005—which is 20% of the total amount planned. Together with the state share, 137 million kroons were disbursed.

The change in the system thus had a significant effect on the carrying out of projects. Yet as in November and December 2005, a to-

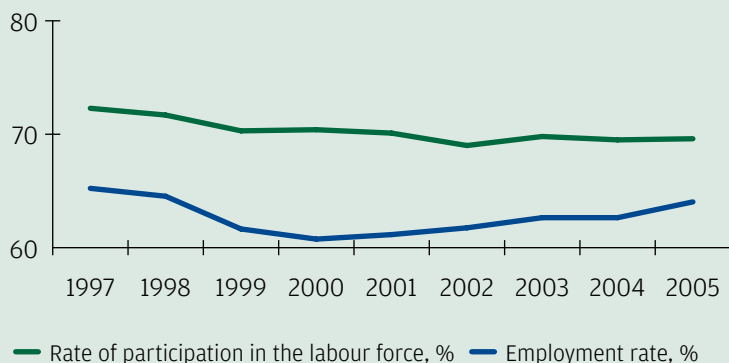
**A total of 66 projects—half of the projects submitted—received the green light for financing.**

tal of 66 million kroons was disbursed to ESF projects—a majority of the assistance paid out last year—and we hope presently to make up the shortfall in actual financing of projects in 2006.

## **What projects has ESF used the funds for?**

One ESF project, aimed at rehabilitation of freed prisoners, has been completed.

### Economic activeness among people aged 15-64, 1997-2005



### How did EQUAL project implementation go?

There were 67 EQUAL projects submitted, and 13 received funding. Implementation has gone successfully. Intra-Estonia development partnerships were concluded in the first half of 2005 and international partners found for projects. Non-profit organizations, institutes and universities have been the most frequent international partners.

In Estonia, we support three areas of activity in the framework of the EQUAL programme: first of all, helping people who have difficulty entering or re-entering the job market. Secondly, making work and family life compatible, and thirdly, reintroducing to the labour market people who left the job market, through the use of flexible and effective forms of work-related organization.

### How has the Labour Market Board informed the public about EQUAL projects?

We have organized many information events targeted at project implementers, so

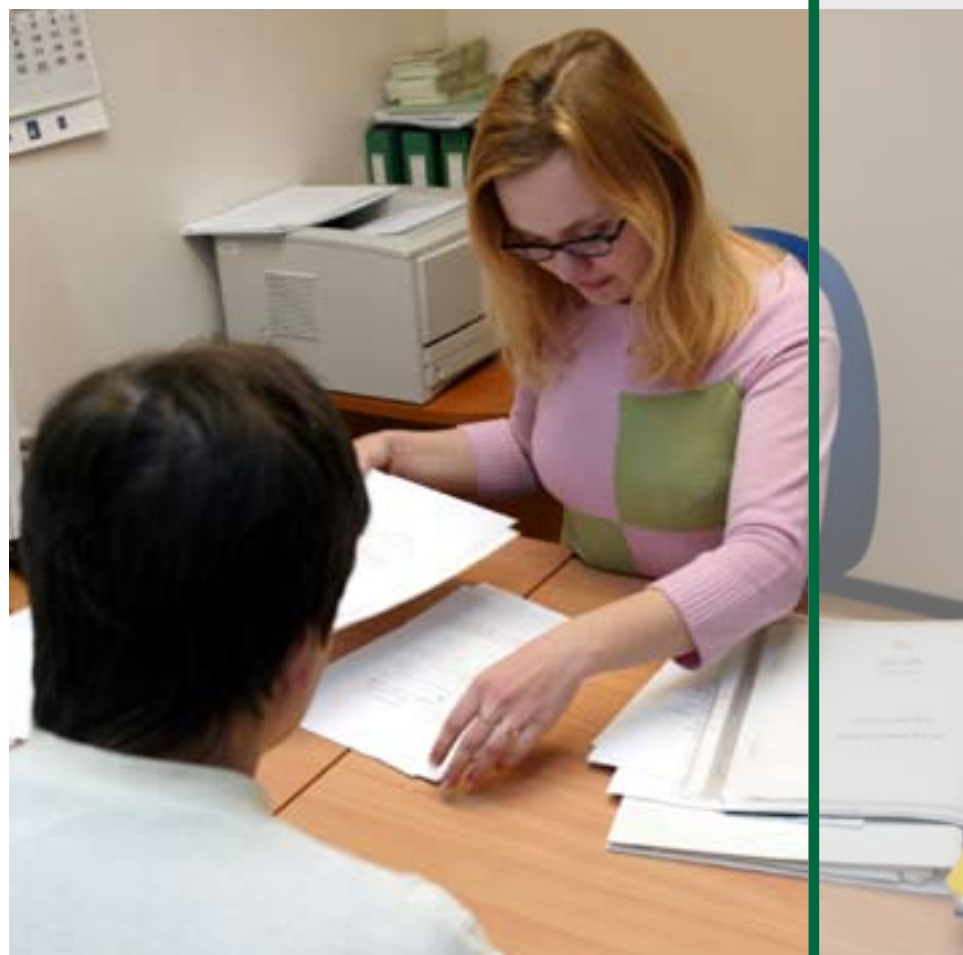
that they would know how to write grant proposals, write reports, notify the public of projects.

County and national media have repeatedly covered projects in the "Equal opportunity on the labour market" measure. A very good clearinghouse for information is the OÜ Haridusmeedia project, the weekly TV broadcast "Puutepunkt" (Point of Contact) on ETV.

### Interesting facts

- The European Social Fund is supporting the Labour Market Board with 413 million kroons from 2004-2006 in the effort to create equal opportunities on the labour market.
- ESF project funding slowed in 2005 in connection with the need to restructure the entire management system.
- The weekly TV broadcast "Puutepunkt" (Point of Contact), which airs on the public television channel ETV, provides coverage of labour market projects.

**The Labour Market Board's Tartu County department career advice consultant Kärtolin Prost helping a client.**



# The European employment services network in Estonia

**EURES (EUROPEAN Employment Services) is a cooperative network of state employment services created by the European Commission.**

A total of five EURES specialists are employed at the regional departments of the Labour Market Board. The function of the specialists is to provide consultation and references to people who are looking for a job in a foreign country and to assist employers who wish to recruit labour from other countries in Europe.

## **EURES chief specialist Heleri Hermanson, how interested are Estonians in going to work in the European Union with the help of you and your colleagues?**

In 2005, our specialists provided assistance in person, by telephone, and via e-mail to a total of 9627 people. In addition to EURES specialists, essential information was distributed by regional Labour Market Board department consultants as well; they provided information to a total of 2683 people.

## **What were people most interested in?**

People already have a pretty good idea about where to get reliable job offers. The main areas about which EURES specialists were asked for information in 2005 were taxation systems and the cost of living

in foreign countries. People also asked how and in which official institutions they had to register for employment in foreign countries.

## **How great was interest in your services on the part of Estonian and European Union employers?**

In 2005, EURES specialists provided information to 203 employers, of which 35 were Estonian companies. A total of 30 labour exchange projects were organized, which peo-

nationals were usually signed for 1-3 months.

## **How does the EURES network itself offer information to possible job seekers?**

In 2005, EURES specialists distributed information to job seekers on various information days held throughout Estonia. EURES specialists were invited to give presentations at universities, secondary schools, youth centres and vocational

## **The cooperation projects were primarily with Finnish, Irish, Swedish and Cypriot undertakings.**

ple utilized to seek temporary employment abroad. The cooperation projects were primarily with Finnish, Irish, Swedish and Cypriot undertakings. The greatest number of projects offering work for Estonians were in the agriculture and hotel and restaurant service sector. Most projects were seasonal and employment relations with Estonian

educational institutions.

Experts primarily provided information on the opportunities of finding a job abroad, described the life and work conditions in other countries and warned of the risks of looking for work abroad.

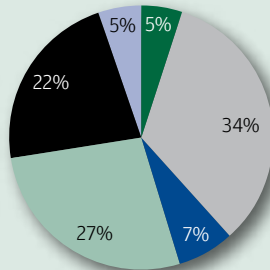
Information is also distributed through the EURES's Estonian website, [www.eures.ee](http://www.eures.ee).



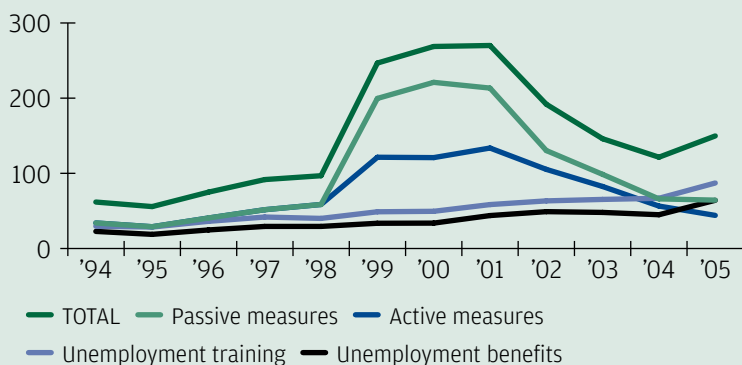
**EURES chief specialist Heleri Hermanson demonstrates the EURES portal.**

### Distribution of expenditures on the social safety net for the unemployed

- Academic scholarship
- Labour market training
- Assistance for employer
- Administrative expenses
- Unemployment benefits
- Social tax for specific cases



### Expenditures on the social safety net for the unemployed, thousands of kroons, 1994-2005



### Interesting facts

- The EURES network provided consultation and references to 9627 people in 2005.
- In Estonia, the EURES network helped 302 people to find temporary work abroad in 2005.
- Last year, 203 employers contacted the Estonia EURES network of whom 35 were Estonian employers.
- The representatives of the cooperation network organized 38 information events and gave presentations at 32 fairs and seminars.

# The new employment services act

**One of the most important jobs for the Labour Market Board in 2005 was taking part in the implementation of a new employment services and social protection act.**



**Eve Kislov**  
Head of the Employment Services and Social Protection Department

“The new act allows us to approach the case of each jobless person individually, based on his or her needs, strengths and weaknesses,” emphasizes the head of the employment services and social protection department, Eve Kislov. “The goal of the new act is to strike a balance between the rights and obligations of the unemployed person.”

The act puts the Labour Market Board in charge of six new services starting in 2006: professional traineeship and employment practice, as well as vocational rehabilitation services—making working rooms and equipment accessible for the disabled, providing technical aids needed for work, assistance in job interviews and working as a support person.

The Labour Market Board compiled or updated 17 employment services and social protection procedures in order to implement the new act. On the basis of these, the employment services and social protection department held two-day training sessions for all public servants working in Labour Market Board departments. For the first time, training was held in conjunction with in-

struction in the service information system.

“The goal is to strike a balance between the rights and obligations of the unemployed person. The unemployed are offered more assistance and support than before, but at the same time, they are expected to be more active in looking for a job,” said Eve Kislov. “Initially the unemployed person tries to find a job commensurate with his or her education,

will put together an individual job search programme for each unemployed person. The programme plans all of the subsequent activities to assist the unemployed person and services to be offered him or her. “Such an agreement gives both parties a sense of security - both the unemployed person and the Labour Market Board that everything promised will be done,” says the head of employment services and social

## The goal is to strike a balance between the rights and obligations of the unemployed person.

specialty and previous work experience. Starting from the 21st week of unemployment, the Labour Market Board will however offer them work in a vacant position selected by the Board which need not correspond to the candidate’s education or employment history.”

On the basis of the new Act, the Labour Market Board

protection department.

In the experience of the Labour Market Board, unemployed cooks, gas welders and construction workers generally find a job right away. Yet people who need to further develop their skill sets are referred to the relevant training on the basis of their individual search programme.





## The new Labour Market Board services

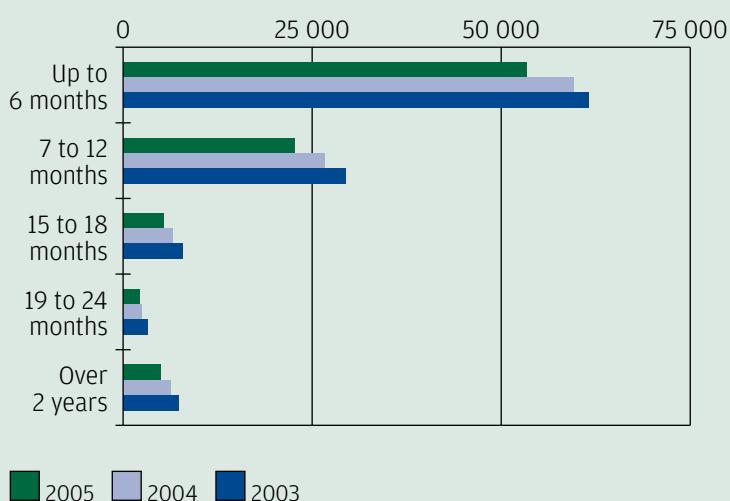
The goal of professional traineeships is to supplement the skills and knowledge of the unemployed through practical work experience. The service is aimed primarily at youth and long-term unemployed. Traineeships last up to 4 months.

The goal of employment practice is to inculcate the habit of gainful employment in those who have never been employed or have not held a job for long periods. The employment practice lasts up to 3 months. Counselling is an inseparable part of the employment practice service.

Unemployed people with disabilities receive assistance in making working rooms and equipment appropriate to their needs. Needed technical aids are granted for use free of charge in the event that the applicant would not otherwise be able to be employed in any other suitable position. Unemployed people with hearing or speech impairments receive assistance at job interviews, for instance, as do unemployed people with other communication problems, if they initiated contact with the employer first.

**Students at the Tallinn Industrial Educational Centre practise welding.**

**Duration of unemployment, number of individuals**



# Structural reform makes work more effective

**In 2005, the structure and composition of the Labour Market Board and the employment offices were reorganized.**

“The county employment offices were transformed into regional departments of the Labour Market Board,” says personnel and training department head Aljona Mändlo. “The restructuring has made the work of the Board and the regional departments much more effective.”

In the course of the changes, the number of employees at Labour Market Board institutions decreased and the wages of employees rose by an average of 15%. An additional 13 positions were created in one of the regions where unemployment is highest—Ida-Viru County—in order to bring the Labour Market Board staff into conformity with actual needs.

Lääne County and Hiiu County departments of the Labour Market Board moved into new facilities last year, and the Tallinn and Harju County institutions were merged.

“It is currently hard to evaluate whether customer service conditions have improved in the course of the restructuring but certainly,

centralizing personnel will lay the foundation for developing a standard quality of customer service,” notes Aljona Mändlo.

One of the prerequisites for achieving the goals of the Labour Market Board is the existence of experienced, dedicated and motivated public servants. Hence the launch in 2004 of a 29-month-long project financed by the European Social Fund, entitled “Raising the administrative capacity of the La-

## Interesting facts

- The Labour Market Board employs 292 people.
- The average wages at the Labour Market Board amount to 7363 kroons.
- 40% of employees have a higher education. 25% of employees have a secondary education and 35% a vocational secondary education.



**Aljona Mändlo**

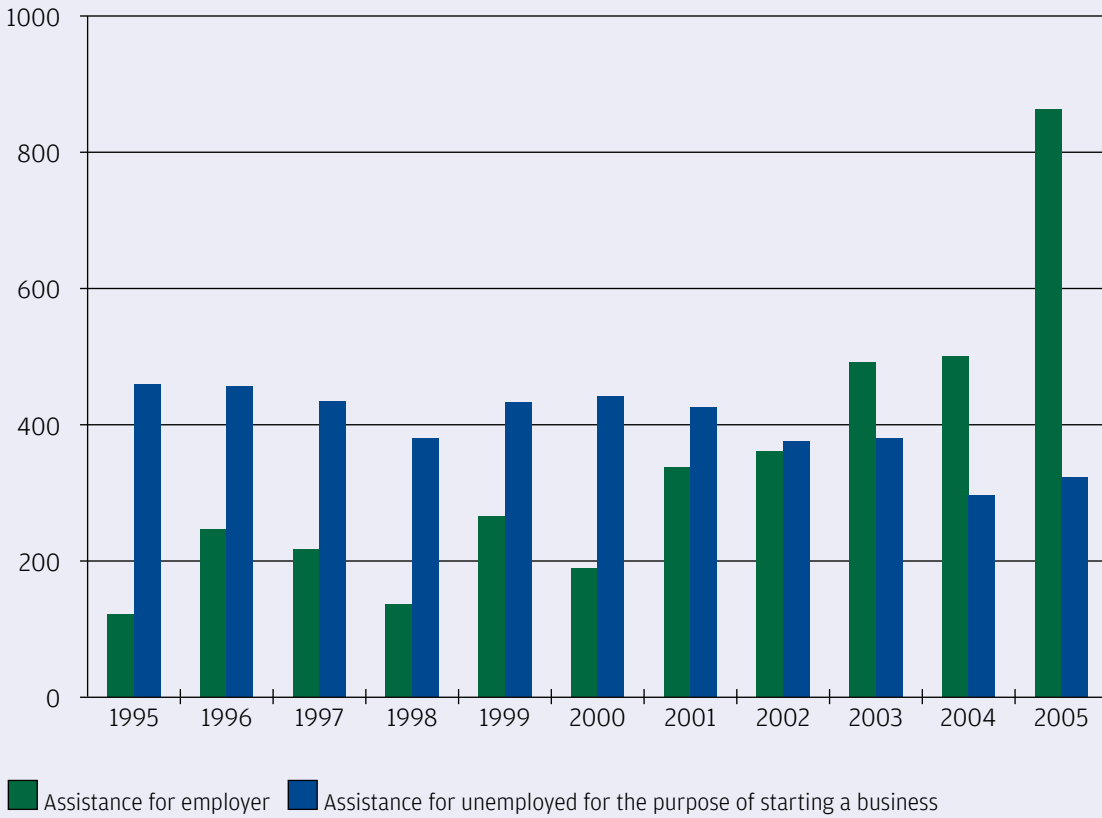
Head of the Personnel and Training Department

bour Market Board and employment offices”. Various organizational studies will be conducted in the course of the project; strategies, policies and principles supporting organization management will be developed and implemented; and the necessary training will be furnished to various officials in the labour market system.

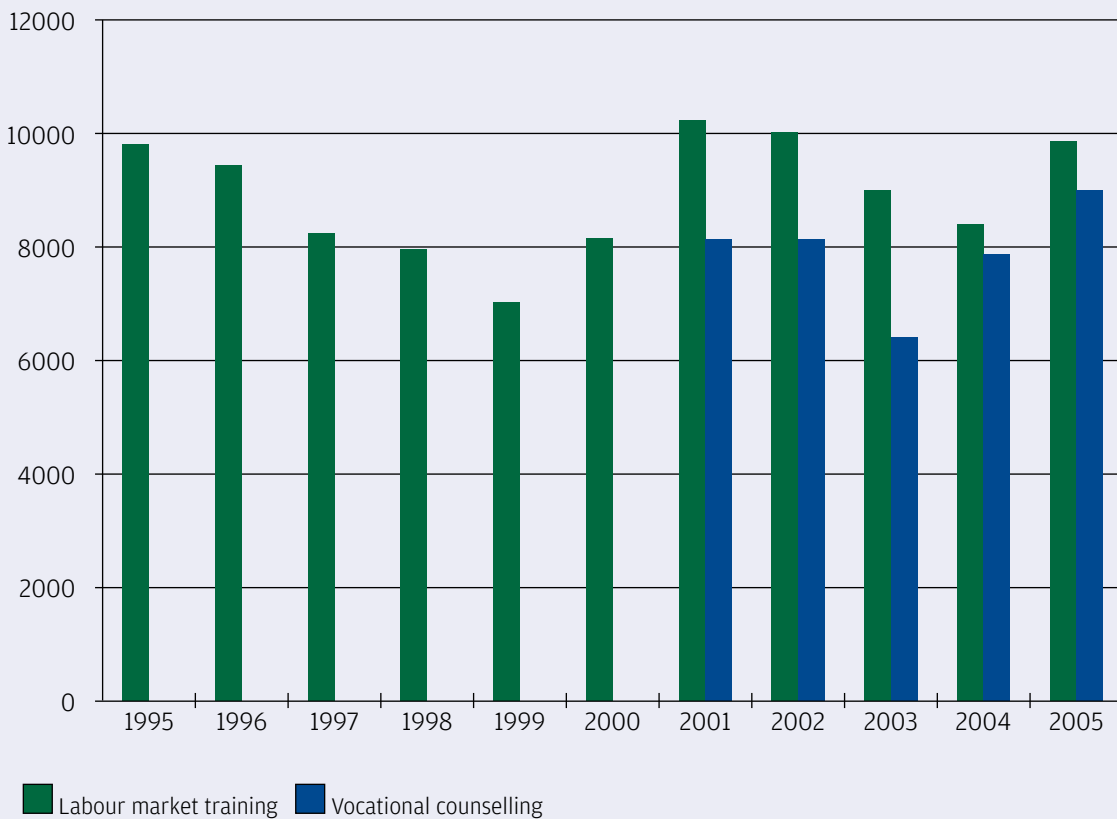
“In 2005, a labour market system employee satisfaction and motivation survey was conducted, an analysis of work in the employment offices was performed, and a uniform Labour Market Board service standard and growth interview guidelines were developed,” says Aljona Mändlo. In addition, preparation of the Labour Market Board development plan for 2006-2008 was started.

Officials at the Labour Market Board and its regional departments have received diverse professional development training: teamwork training, service standard training, training in conducting growth interviews and training in the field of labour market services and support legislation.

### Active labour market measures, number of assistance recipients



### Active labour market measures, number of participants in training and consultation





# Labour Market Board regional departments

<b>Hiiu County department</b>	Põllu 17, Kärđla 92414	hiiu@tta.ee	463 2144
<b>Ida-Viru County department</b>	Keskväljak 9, Jõhvi 41531	idaviru@tta.ee	337 5590
<b>Jõgeva County department</b>	Suur 14, Jõgeva 48306	jogeva@tta.ee	772 2450
<b>Järva County department</b>	Pärnu mnt. 67, Paide 72715	jarva@tta.ee	385 1117
<b>Lääne County department</b>	Jaama 13, Haapsalu 90507	laane@tta.ee	473 5517
<b>Lääne-Viru County department</b>	Tallinna 12, Rakvere 44306	laaneviru@tta.ee	322 3453
<b>Põlva County department</b>	Kesk 16, Põlva 63308	polva@tta.ee	799 7803
<b>Pärnu County department</b>	Ringi 12, Pärnu 80010	parnu@tta.ee	447 2183
<b>Rapla County department</b>	Tallinna mnt. 14, Rapla 79513	rapla@tta.ee	485 7987
<b>Saare County department</b>	Kitsas 3, Kuressaare 93814	saare@tta.ee	452 4060
<b>Tallinn and Harju County department</b>	Endla 4, Tallinn 10142	tallinn@tta.ee	626 3252
<b>Tartu County department</b>	Riia tn. 35, Tartu 50410	tartu@tta.ee	742 7155
<b>Valga County department</b>	Vabaduse 26, Valga 68204	valga@tta.ee	767 9780
<b>Viljandi County department</b>	Jakobsoni 11, Viljandi 71020	viljandi@tta.ee	435 4644
<b>Võru County department</b>	Jüri 54, Võru 65604	voru@tta.ee	782 3706