



## **Working paper series**

# **Youth-oriented policies beyond ideal-typical welfare regimes in Europe: Situation and initiatives from the perspective of youth transition regimes**

## **Estonia**

Triin Lauri, [triin.lauri@tlu.ee](mailto:triin.lauri@tlu.ee)  
Anu Toots, [anu.toots@tlu.ee](mailto:anu.toots@tlu.ee)

Tallinn University, School of Governance, Law and Society  
Tallinn University, School of Governance, Law and Society

---

This publication is based upon work from COST Action CA17114, supported by COST (European Cooperation in Science and Technology).

COST (European Cooperation in Science and Technology) is a funding agency for research and innovation networks. Our Actions help connect research initiatives across Europe and enable scientists to grow their ideas by sharing them with their peers. This boosts their research, career and innovation.

[www.cost.eu](http://www.cost.eu)

This WP series contributes to the main aims of YOUNG-IN and WG5 (Knowledge-based social investment policy for youth) by aiming to:

- 1) Describe today's situation of youth in our nine case countries based on characteristics perceived to be the most relevant by the literature of Youth Transition Regimes (YTR);
- 2) Give an overview of the main policy initiatives targeted at youth within key policy areas relevant for YTR.

This WP is structured as follows: Part I gives a harmonised comparative overview of the existing situation in the analysed nine countries in comparison with EU28 (the analyses cover period before Brexit, thus kept EU28 instead of EU27). Part II consists of nine chapters about youth-oriented policy initiatives in those countries in two recent decades across policy areas especially relevant for youth (education, labour market, social inclusion, participation and housing). Part III concludes with an executive summary that compares the countries' youth-oriented policy directions in the modified framework of YTR.

The structure and authorship of respective chapters are as follows (current chapter highlighted):

- ▶ Part I: A comparative introduction of situation of youth, Triin Lauri
- ▶ Part II: Country reports on youth oriented policies:
  - Youth-oriented policies in Bulgaria (BG), Veneta Krasteva
  - Youth-oriented policies in Switzerland (CH), Berihun Wagaw, Matthias Drilling, Semhar Negash
  - **Youth-oriented policies in Estonia (EE), Anu Toots and Triin Lauri**
  - Youth-oriented policies in Spain (ES), Francisco Javier Moreno-Fuentes, Pau Marí-Klose
  - Youth-oriented policies in Lithuania (LT), Daiva Skučienė, Natalija Mažeikienė
  - Youth-oriented policies in Latvia (LV), Anna Broka
  - Youth-oriented policies in Moldova (MD), Crismaru Mariana
  - Youth-oriented policies in Malta (MT), Sue Vella
  - Youth-oriented policies in Turkey (TR), Hande Barlin, Nilufer Korkmaz Yaylagul
- ▶ Conclusion, Anu Toots, Triin Lauri

WP series is edited by Triin Lauri, Anu Toots, Tom Chevalier and Matthias Drilling.

Language and technical editing: Tiiia Falk and Luisa Translation Agency.

#### To cite this WP Series:

Lauri, T.; Toots, A.; Chevalier, T.; & Drilling, M. (Eds.) (2021). Youth-oriented policies beyond ideal-typical welfare regimes in Europe: Situation and initiatives from the perspective of youth transition regimes. Young-In WP Series (Cost Action Publications), Tallinn. <https://young-in.eu/publications/> (whole series)

Toots, A. & Lauri, T. (2021). Part II: Youth-oriented policies in Estonia (EE): In: Lauri, T.; Toots, A.; Chevalier, T.; Drilling, M. (Ed.). Youth-oriented policies beyond ideal-typical welfare regimes in Europe: Situation and initiatives from the perspective of youth transition regimes. Young-In WP Series (Cost Action Publications), Tallinn. <https://young-in.eu/publications/> (particular chapter from series)

## Brief information on country

**ESTONIA** is the smallest of Baltic countries, neighbouring with Finland in the North and with Russia in the East. The population is 1.3 million, out of which the Russian-speaking minority comprises 28%. Like all developed countries, Estonia is suffering from population ageing; the share of young people 15-29 years of age is 16.4%, compared to the 19.7% of the age group 65+ (Statistics Estonia 2019).

Estonia is a parliamentary democracy governed by coalition governments. Democratic rule was fully re-established in 1992. In 1940-1991 Estonia was occupied by the Soviet Union. Estonia is member of the EU, OECD, Council of Europe and NATO. Estonia belongs among countries with high human development, ranking as 30th in HDI 2018.

## Part II. Main youth related initiatives in key policy areas

### 2.1. Education policy beyond the lower secondary level

At the state level, the [Estonian Lifelong Learning Strategy 2020](#) (ELLS2020)<sup>1</sup> guides long-term developments of education in Estonia and has been taken as a reference for making decisions both on the education budget and reforms in 2014-2020. In addition, a fundamental higher education (HE) reform 2012/2013, which abolished tuition fees in public universities, led to several amendments to the access, availability and social support of students. At the time of writing this report, a new period of long-term strategic planning is about to start and a Development Plan in the Area of Education 2021-2035 is waiting parliamentary and governmental approval.

#### 2.1.1. Policies against school drop-out, low achievement & NEET

Estonia is a top-ranking PISA country with the smallest share of low-achieving students. Therefore, low achievement has not been an issue in policy. Early school leaving and high drop-out rates, especially in vocational education (VET) and higher education (HE), on the contrary, are serious problems. Therefore, the share of early school leavers and the share of adults with low skills are two out of eight key indicators in ELLS2020. Men predominate among the undereducated and the ones who drop out, and this is where an educational gender gap begins.

The problem of under-education is captured by four key measures: 1) the early detection of problems; 2) a system of study counselling and career services; 3) greater responsibility placed on educational institutions and teachers for the implementation of individualised studies; and 4) the strengthened role of the Unemployment Insurance Fund in directing job seekers to training and in-service training (ELLS2020).

<sup>1</sup> [https://www.hm.ee/sites/default/files/estonian\\_lifelong\\_strategy.pdf](https://www.hm.ee/sites/default/files/estonian_lifelong_strategy.pdf)

More specifically, ELLS2020 includes two sub-programs to combat early school leaving and school dropouts:

- ▶ A labour market and education cooperation program (*Tööturu ja õppe tihedama seostamise programm*) that developed a coordination system for monitoring and forecasting labour market needs (OSKA system) in order to be able to better match the demand and supply of skills;
- ▶ A study and career counselling program (*Õppetöö- ja karjäärinõustamise programm*) that is designed to support students to make informed choices, raise their responsibility whilst making the choice, and contribute to the creation of a supportive environment that fosters individual learning

Career counselling has been the most salient approach to address the problems of drop-out and NEET. The Basic Schools and Upper Secondary Schools Act (PGS) (2010) made career counselling a compulsory component of the national curriculum (PGS §15, lg. 4) and specified supportive measures such as pedagogical counselling, monitoring of school attendance, clearer parents' responsibilities, etc. The nationwide network *Rajaleidja* (Pathfinder) offered educational counselling for young people, parents, teachers and other educators of youth aged 15-18 years. The *Rajaleidja* network was an attempt to bridge services of education, employment and social protection institutions into a one-stop-shop. It has been linked to the EU Youth Guarantee program and financed by the EU Social Fund in 2014-2020.

At the university level, the main policy has been to force students and universities via financial measures to achieve graduation. For students, studying at least 75% of the nominal load is set as the criterion to get free studies and to apply for study allowances or scholarships (see details below). Hence, the policy of 'free university education' is tied to a student's responsibility to study full time. For universities, the share of students graduating within the nominal study time is one of the indicators based on which the annual state monetary support is calculated.

In IVET (Initial Vocational Education and Training), the approach to the dropout issue has been different and targeted, first and foremost, at modernising the schools' infrastructure and study programs. Several ELLS20 indicators devoted to improve the situation and several IVET structural reforms were made in 2009-13 in line with the "Development plan for the Estonian vocational education and training system" (*Eesti kutseharidussüsteemi arengukava*). Among the changes was an increase of the share of work-based learning because Estonia has inherited a school-based VET system from the Soviet times. Apprenticeship, which now became compulsory for IVET students, was aimed at making studies and acquiring a profession more attractive. In 2018, professional standards were renewed, which should lead to a better match between skills taught in VET and sought in the labour market. Performance-linked funding was also introduced in IVET, which considered students' completion of studies in the nominal time, success in professional examinations and participation in apprenticeship.

## 2.1.2. Access to different tracks and levels

The access to different level of education in Estonia is formally almost universal and, therefore, politically quite a neglected issue. General education is a single-track system and IVET becomes a choice after 9 years of compulsory education. Despite several government attempts to make VET an attractive choice for everyone, it has still remained a path primarily for youth with a working class background. IVET graduates are less likely to continue studies in HE, though formally it is possible. Access to upper-secondary schools (gymnasium) may be rather competitive because schools can arrange admission exams. Thus, there is the risk of 'cream skimming' by the highly demanded schools in bigger cities since legal regulations are very relax in this matter.

There is also an ethnic gap in educational access – Russian-speaking youth are under-represented in the higher education level. ELLS2020 aimed to provide allowances for under-represented societal groups in higher education, in order to bring the percentage of Russian-speaking students in higher education into conformity with their percentage among the upper secondary school graduates. However, these measures have never been put into practice. Given that there are very few VET or university programs with Russian as a mediating language, students with a Russian background often cannot compete in the more popular programs in Estonian.

At the HE level, the combination of equality orientation with tracking at the secondary education level and a high level of path dependency in educational careers inherited from the Soviet period was challenged by rapid expansion and privatisation in the early 90s (Helemae et al. 2020). The expansion was accompanied by differentiation and increasing stratification of the higher education system, as the decreasing funding and limited number of state-subsidised student places in public universities made it very competitive. From that perspective, the 2012 "free HE" reform was de-stratifying. Still, as will be shown below, scarce and strict support measures add additional challenges, thus, overall, the situation of stratification is mixed.

## 2.1.3. Policies on educational quality

While Estonia ranks high in international comparisons such as PISA and similar, there have been concerns regarding the employability of graduates and the loose link between education and the labour market. To cope with those concerns, ELLS2020 has specifically targeted teachers and school headmasters (their salary, competence and assessment), changing the pedagogical approach towards innovation, digitalisation and learner's individual capabilities. In line with that paradigmatic change in education, the Ministry is elaborating a new integral model of school evaluation instead of neoliberal league tables and performance-based rankings. In this model, teachers' and students' subjective wellbeing is an important indicator.

Estonia has a well-established system of initial teacher training and quality monitoring. All teachers beyond the primary level have to have a master's degree. Hence, the overall quality of the teachers' professionalism is not an issue (except the preparation of teachers for Russian-language schools). The labour shortage concern is also not overwhelming, but relates to some subjects (math and sciences), and remote regions. The status and ageing of teachers,

on the contrary, are salient issues. Quite paradoxically, despite Estonia's high position in international rankings, teaching is not an attractive profession, which makes it difficult to attract high-achieving candidates, particularly in math and sciences. Several initiatives have been undertaken to tackle the problem, most of them guided by ELLS2020 targets, including raising teachers' salaries, creating a new, competency-based career model, establishing competence centres in universities to support professional development and research on teaching practices, encouraging co-operation among teachers within and between schools and running promotion campaigns.

Estonia does not have initial teacher training programs for Russian-speaking schools, and this may be one of the factors why schools with Russian language of tuition continue performing systematically worse than Estonian-speaking schools. The issue is politically extremely sensitive, and political parties avoid taking radical decisions. Some parties stand for a unified constitutional right to have tuition in the mother tongue. So, currently the system stays as it is – i.e. about 20% of lower secondary schools have Russian language of tuition, whereas at the upper secondary level 60% of subjects must be taught in Estonian. The latter postulation has also been under question as the reason why Russian-speaking students perform worse.

#### 2.1.4. Social support to learners

Most supportive measures at the secondary school level rely on universal principles of social citizenship, i.e. apply for all (including students in public and private schools). At the IVET and HE levels, targeted measures prevail, based on individual applications.

At the secondary school level, all children receive *free textbooks, free lunch, and free transport to school* (it can be partially subsidised, depending on the municipality)]. School lunch support is provided also for IVET students who are acquiring upper secondary education [Vocational Educational Institutions Act, hereinafter KÖS 2013/ stip. 01.01.2019<sup>2</sup>]. There is no lunch support for post-secondary VET students.

By law, schools may have *boarding facilities* in which some places are state-supported for the disadvantaged students, whose home circumstances prevent them from performing the duty to attend school (PGS 2010/2017<sup>3</sup>). This possibility exists only for lower secondary students, i.e. until the age of 16-17.

*Monetary support* exists in different forms, for different groups and with different eligibility rules. Overall, Estonia has three kinds of monetary support to students:

- 1) State scholarships – for HE students, categorical and flat rate, enacted by the Minister's decree;
- 2) Study allowances – for VET and HE students, some are universal, some means-tested, all enacted by law (Study Allowances and Study Loans Act, hereinafter SASLA 2003<sup>4</sup>)

<sup>2</sup> <https://www.riigiteataja.ee/en/eli/ee/505022014002/consolidate/current>

<sup>3</sup> <https://www.riigiteataja.ee/en/eli/ee/530062020003/consolidate/current>

<sup>4</sup> <https://www.riigiteataja.ee/en/eli/ee/525082015005/consolidate/current>

- 3) Study loans – for HE students, at an individual basis from commercial banks with a state guarantee, enacted by law (SASLA 2003).

The existing system was enacted in conjunction with the higher education reform (2012) that made studies in public universities free and abolished the previous system, where some students paid a tuition and some were government-financed. The total revenue for state scholarships and study allowances is defined annually in the state budget, as is the amount of the allowance. During academic leave students are not eligible for any allowance.

*Scholarships* are aimed at motivating well-performing students and students in national priority specialities or at supporting disabled students. More precisely, there are five kinds of scholarships (stip. 2014): 1) Speciality scholarships in priority areas (teacher training, IT); 160–300 EUR/month; 2) Performance scholarships for good academic achievements; 100 EUR/month (rules are defined by each HEI); 3) Doctoral scholarships; 4) Disability scholarships – depending on the severity of the disability, max 400 EUR/month; and 5) Scholarships for students from foster care - 160 EUR/month.

### **Study allowances come in four types:**

- ▶ Basic allowance (stip. 2013) is aimed at covering expenses related to the studies; all students studying at least a 75% course load can apply for it. The allowances are allocated based on academic performance, which means that low-performing students may not receive an allowance if there are not enough funds. Each university has the right to set the exact regulations on how the allowances are allocated.
- ▶ Need-based study allowance (2013) is a means-tested measure for students in an adverse economic situation. Here, the family is taken as the unit for calculating the eligibility and amount of the benefit, applicable for students below the age of 24. Unmarried students are treated as belonging to the family of their parents. For married students or those who have a child, spouses and children are counted as the family. Starting from age 25, students are treated as individual persons and the family does not matter anymore. The amount of allowance depends on whether the student or his/her family has a net income of 25%, up to 50% or above 50% of the amount of needs-based study allowance defined in the state budget. In 2020, the needs-based study allowance ranged from 75 to 220 EUR per month.
- ▶ Needs-based special allowance (2014) is an additional measure for students whose economic situation has recently worsened and, therefore, they did not qualify for the standard needs-based allowance. In 2020, the amount of special allowance was 135 EUR per month.
- ▶ PhD student's allowance (2013) is universal and has a flat rate; it is granted to every doctoral student who is studying at a full course load and has passed their progress evaluation. The amount of allowance is 660 EUR per month and it's paid for 12 months, i.e. including summer vacation.

In sum, at the secondary school level support measures are universal, and targeted support for disadvantaged groups does not exist. The latter are the responsibility of municipal social care workers.

At the higher education level, there are numerous types of financial supports, including some with means-tested design. However, in order to estimate intensity, i.e. the relative strictness or generosity of policies and their scope (how many young people are addressed) additional analysis is needed. It may be that due to underfunding of HE only a minority of students, in principle eligible for the universal and performance-based support, actually receive it. Furthermore, the benefit amounts are low, which means that students still need to work while studying in order to make their living. Thus, the university reform in 2012 that aimed at improving the quality of learning by freeing students from the need of working might have resulted in more stress and 'mean and lean' welfare.

**To conclude the section of education,** ELLS2020 and the shift to free HE in 2012 set the tone of recent policy initiatives; the former indicating an incremental change whereas the latter – a paradigmatic change. As a consequence of those two shifts, the saliency of issues such as school dropouts and the fit between education and labour market have increased. The amendment of student support measures linked with the performance and the creation of a nationwide career counselling network have been the most visible instruments in addressing these problems. Support measures at the secondary school level have remained universal and have expanded, while HE targeted and performance-based measures have increased in both density (amount of legal acts) and intensity (amount of possible beneficiaries). While overall the Estonian education system can be characterised as one with low commodification (comprehensive) assured by free HE and low stratification, the strict eligibility rules and modest level of support measures might increase the risk of higher dropout rates (e.g. strict eligibility rules on the performance make the reconciliation of working and studying a challenge and the latter will be given up for the former). Furthermore, while some educational issues such as the low status of teachers and VET education, the ethnic gap in educational access and outcomes have been rhetorically salient, policy initiatives to address these issues have been modest and their implementation often depends on the resources and initiatives of the school head. In the long run, these might reinforce educational stratification.

**Table 1: Mapping education policy initiatives in Estonia**

Issue in education	Main instruments to address it	Direction
Drop-outs, NEET	Counselling, change in learning approach (ELLS20)	Prevention
Access (Russian minority)	Addressed only at rhetorical level	Stagnation
Quality (teachers, link btw edu and LM)	Talking (saliency in ELLS2020); modest increase of teachers' salary; monitoring of labour needs (OSKA reporting system)	Raising awareness

Issue in education	Main instruments to address it	Direction
Social support	At secondary level – universal benefits in kind; at university level – performance-based and means-tested benefits in cash (HE2012)	De-commodification; Stratification

EDUCATION (HE)	Low stratification	High stratification
High commodification		
Low commodification	X	→

Source: Busemeyer, 2015 (pg.: 29-33) amended by authors

## 2.2. Labour market policy (LMP) for youth

LMP is regulated by the LM Services and Allowances Act (2005)<sup>5</sup>, which has been revised several times. During the recession of 2008/2009, eligibility criteria were made stricter and remained so after the economic recovery. Youth is not particularly in the focus of the Estonian LMP, probably because of rather good LM performance data (see Part I).

### 2.2.1. Unemployment protection (PLMP)

To be eligible for unemployment benefits (insurance or allowance), a person must be registered as unemployed at the Public Employment Office (PEO). Young people over the age of 16 who have been employed for at least 180 days during the last 12 months can get the status of the unemployed. Being enrolled in education does not harm the eligibility.

Unemployment insurance is compulsory in Estonia, but eligibility to the benefit is restricted by two conditions:

- ▶ The applicant must be insured at least 12 months during the 36-month period before registering as unemployed; and
- ▶ The work contract has to be terminated by the employer without any particular reason or misbehaviour by the employee (i.e. involuntarily).

Hence, young people who have an insurance record of less than three years cannot receive the insurance benefit, which covers 50% of the previous salary for the first 100 days and 40% for the rest of the payment period. The length of the payment period depends on the insurance period – if the insurance period is less than 5 years, the benefit is paid for 180 days; if the insurance period is 10 years or more, the benefit is paid for 360 days. Military service,

<sup>5</sup> <https://www.riigiteataja.ee/en/eli/512082020015/consolide>

sick leave and parental leave do not count as insurance periods, which suggest that for young people it may be more difficult to collect insurance years.

*Unemployment allowance*, which has a flat rate and is not linked to the insurance status, is another option to compensate for a lack of income in case of unemployment. The unemployment allowance is paid for a maximum of 270 days and it cannot be received together with the unemployment insurance benefit. However, several (and specific) criteria apply here that in reality may exclude a young person from the category of beneficiaries:

- ▶ The applicant must have worked at least 180 days in the last 12 months before the allowance is granted, full-time studies are included in the count;
- ▶ The allowance is granted only to persons whose income is lower than the amount of the allowance (189 EUR per month in 2020); and
- ▶ For students and graduates, who are just entering the labour market for the first time, a waiting period of two months applies (normally, the waiting period is 8 days) to receive unemployment allowance.

Thus, the unemployment compensation measures are not favourable to the young people. In both cases, some prior periods (insurance or waiting period) apply, which renders first time entrants to the labour market especially vulnerable. Another issue is the very low level of compensation, especially for unemployment allowance, which is the more likely measure for 16-25-year-olds. Young people below 25 compose 19.5% of those receiving the unemployment allowance and 7.5% of those receiving insurance benefits (Töötukassa 2019). Although the level of allowance is the same for everyone regardless of age, young people are in a worse situation because they may not have any assets or savings to rely on.

In sum, compensatory LMP has been of low density in Estonia during the last decades. Some reform efforts to revise the unemployment insurance system established in 2002 towards larger and more flexible coverage have been entered the parliamentary agenda, but only as recently as in 2020. The intensity of passive LMP can be evaluated similarly as low/frozen. The policy does not target youth or some specific groups of youths. Young unemployed people are treated as anyone else, but exactly this position can sometimes create grounds for discrimination.

## 2.2.2. Active labour market policy (ALMP)

The density of ALMP has been much higher, and several new legal amendments were made in the period of 2005-2016. The first wave of regulations followed the flexicurity approach, but the outbreak of the economic crisis in 2008 changed the course towards retrenchment and workfare. As with PLMP, young people were not a strong focus of domestic legal regulations, but were instead addressed via EU programs such as Youth Guarantee.

The LM Services and Allowances Act (2005) brought about a paradigmatic shift in three aspects. First, it extended the list of employment measures; second, it included jobseekers into the group eligible for public employment services; and third, it emphasised employers as a target group of LM services. The act lists 13 kinds of LM measures, 4 of them are for

employers and three especially for disabled persons. Unemployed people and jobseekers have a different package of available services.

*Jobseeker* qualifies only for 2 kinds of services – counselling and employment mediation (töövahendus). To obtain the status of a jobseeker, a person must be at least 13 years old.

Most of the measures targeted at *unemployed young people* are for employers, such as work placement, work practice, work trial and wage subsidies. Moreover, unemployed young people who study at the same time or are on academic leave, are eligible only for 3 LM services out of 13 (information, employment mediation, career counselling). In fact, this amendment (2014) started to treat unemployed persons who are in studies as jobseekers, which means that they cannot benefit from a LM training, work practice, work trial, wage subsidy or business start-up subsidy. The latter is possible for unemployed young people who are at least 18 years old and have a diploma in business/economics or practical experience in entrepreneurship.

In sum, despite the fact that the LM Services and Allowances Act (2005) stipulates young unemployed people aged 16-24 as a risk group, they are denied many services if enrolled in education. Moreover, most of the ALMP measures are supply side measures, i.e. provided to employers, thus, leaving young people with less choice.

### 2.2.3. Industrial and other labour relations

The LM Services and Allowances Act (2005) lists several supporting measures for employers that may reduce the employer's risk in case of hiring a young person.

A *wage subsidy* in the amount of 50% of the labour cost is available for employers who hire a person 16-24 years old who has been unemployed at least 6 months. The wage subsidy can be paid for a maximum of 6 months. This regulation of the LM Services and Allowances Act has been topped-up by the 'My First Job' (MFJ) program, financed by the European Social Fund. It is targeted at young people aged 16-29 with no or only short-term (less than 2 years in total) work experience. In the MFJ program, the subsidy is extended up to 12 months, plus the necessary training costs of the hired young person are compensated. An employer shall return the MFJ wage subsidy and training cost reimbursement if the work contract is terminated on the initiative of the employer earlier than within two years.

*Work practice* (max 3 months) and *work placement* (max 4 months) are aimed to provide practical work experience and skills for the long-term unemployed, i.e. these are not specific measures for young people. These work relations are less regulated than the standard ones; for example, there is no work contract and only very basic principles of occupational health and safety act apply. Participants of work practice and apprenticeship do not get a salary, but are rewarded a modest scholarship and travel compensation, paid by the Unemployment Insurance Fund (*Töötukassa*). They continue to receive an unemployment benefit, but as we have seen before this is the case for a minor number of unemployed youth.

*Work trial* is a form of employment mediation that lasts only one day. For a young person, it is an opportunity to see whether the job fits him, and for the employer it is an opportunity to test the applicant. A salary may not be paid for a work trial; nor is there a work contract. Such

deregulation may pose a risk that employers are misusing young job applicants (especially in the service sector) and just saving on labour costs.

Beyond the ALMP measures that are aimed to support unemployed youth, there are some general legal regulations regarding occupational safety and employment relations.

The Occupational Health and Safety Act (1999<sup>6</sup>) applies universally to all adult workers, and it is binding also for health and safety during apprenticeship.

The Employment Contracts' Act (2009)<sup>7</sup> entails some specific regulations for children below 15 years of age (or below 16, if still in compulsory schooling). Children can be employed only by written consent of parents/guardians and for certain light works; their maximum allowed work time per week and per day are reduced. In 2017, some special regulations on rest time for employees aged 15–17 were enacted – daily rest time must be at least 14 h during a 24-h period, night time work is not allowed. The annual holiday of minors is 35 calendar days (for adult employees – 28 days), and they have the right to take a holiday during school vacations. These amendments were driven by an EU regulation (*Nõukogu direktiiv 94/33/EÜ noorte kaitse kohta tööl*). Generally, all limitations in employment relations are set with the purpose of work duties not harming minors' ability to attend school and effectively engage in learning.

Estonia has the national minimum wage set annually as a result of tripartite negotiations; there are no exemptions in this regarding minors or young adults.

**In sum**, the policy density in employment relations and passive **labour market policy** has been rather low, with some incremental changes in existing policies. The labour policy is inclusive and universal, i.e. treats all young people similarly, and even more – treats young people above 18 years of age similarly to older adults. This similarity principle that ignores some youth specific needs might cause additional problems for youth in terms of eligibility and waiting periods. The path of ALMP has been somewhat different as the density of reforms has been higher and to a large extent initiated and funded by EU funds. Still, while overall many ALMP measures exist, several of them exclude youth who are studying and almost all distribute benefits via employers, thus, decreasing youth labour market autonomy. According to Pohl & Walther's (2007) typology, Estonia falls into a compensatory-structure related cluster, while addressing those already at risk by combining low benefits and supply side ALMP measures. Still, with the establishment of the nationwide counselling network there is potential to move toward a preventive-individualising approach.

<sup>6</sup> <https://www.riigiteataja.ee/en/eli/ee/511112013007/consolidate/current>

<sup>7</sup> <https://www.riigiteataja.ee/en/eli/512082020008/consolidate>

**Table 2: Mapping youth oriented labour market policy (LMP) initiatives in Estonia**

Issue in LMP	Main instruments to address it	Direction
PLMP: low coverage due to strict eligibility; low level of benefits	Some flexibility created (micro-jobs allowed while receiving unemployment benefits)	Low in density and intensity; youth not targeted
ALMP: denied from many services if enrolled in education;	Variety of measures; still, the ones targeted to youth often via employers	Density high – EU as a trigger, intensity low; combines demand and supply side measures
EPL and labour relations	Dissimilarity (remarkable differences between permanent and temporary employment legislation)	

  

LABOUR MARKET	Compensatory	Preventive
Structure-related	X	
Individualising		→

Source: Pohl and Walther, 2007 amended by authors

## 2.3. Social welfare policy

The social welfare of young people is regulated by the Social Welfare Act (2015)<sup>8</sup>. Provision of social welfare is the responsibility of local governments, and primary eligibility is based on residence. In every case, the need for social assistance is evaluated and concrete measures implemented based on the results. Although the regulation applies equally to minors (below 18 years) and adults, there is a special postulation regarding youth 16-26 years of age. It suggests (quite extraordinary wording for legal acts!) that a young person who complies with all the following conditions may need assistance: 1) who does not study; 2) who does not work; 3) who is not registered as unemployed; 4) who has not been established to have no work ability or >80% loss of capacity of work; 5) who does not receive employment support service; 6) who is not active in entrepreneurship; 7) who does not receive benefits for raising a child who is younger than one and a half years; 8) who is not imprisoned or in custody pending trial; 9) who is not engaged in alternative service or military service (Social Welfare Act<sup>9</sup>, § 15).

<sup>8</sup> <https://www.riigiteataja.ee/en/eli/530042020007/consolidate>

<sup>9</sup> <https://www.riigiteataja.ee/en/eli/ee/504042016001/consolidate/current>

### 2.3.1. Access and eligibility to social assistance

A *subsistence benefit* exists in order to alleviate material deprivation of persons and families in need. This is a means-tested allowance, calculated on the basis of household. If the total net income of a household is below the nationally defined subsistence level, then the household is eligible for the allowance. Scholarships, study loans and allowances are not taken into account when assessing the applicants' means. No matter the level or type of the school, students are regarded as belonging to the family of their parents up to 24 years of age. Students 25 and older have their individual right to a subsistence benefit. The same holds for students who are married and/or have children in case their formal place of residence is different from that of their parents.

### 2.3.2. Access and eligibility to social services

Due to population ageing, a high share of social services goes to *home care services*. This is not typically relevant for young people except those with disabilities.

*Social transport* with a fixed fee is available for disabled youth without any special age-specific regulations. *Regular public transport* can be free for students, or with a reduced fee, depending on municipality regulation or company policies (inter-city transport). Some municipalities (mainly in rural areas) also utilise school buses, which are free for students.

*Debt counselling service* is organised by a local authority in order to assist a person in managing his/her financial situation, conducting negotiations with creditors and avoiding new debts. This service may be important for young people, but there is no information on the take-up rate or users' profiles.

*Shelter services* (i.e. a temporary place to stay overnight) are accessible for adults only, whereas the *safe house* service is available to children as well. Children live in separate safe houses unless they are with their parent(s).

The principles of providing *social housing* are regulated by the Local Government Act<sup>10</sup> and the Social Welfare Act in Estonia. According to the law, the right to social housing extends to persons who are not able to provide housing for themselves due to age, health or material assets and refusing them social housing will pose a risk to their life, health and coping. Each municipality defines the exact regulations on applying for the social housing.

**Table 3: Mapping youth oriented social welfare policy initiatives in Estonia**

SOCIAL WELFARE	
Individualised	
Familialised	X

Source: Chevalier, 2016

<sup>10</sup> <https://www.riigiteataja.ee/en/eli/515072020005/consolide>

## 2.4. Housing policy

Housing in Estonia is overwhelmingly privately owned, and the share of the public housing sector is just about 4% (Statistics Estonia 2019). Public (municipal) housing is limited and demand clearly exceeds supply. Therefore, the main option for young people is to rent a flat in the private sector or take a mortgage.

### 2.4.1. Access to public housing

Public rental housing is the responsibility of the local governments, and there are no national regulations on who should be eligible for public housing. Theoretically, it is possible that young specialists in some public sector professions (teachers, social workers, doctors, etc.) can apply for municipal rental housing, however, in practice this is a realistic option only in small towns and remote municipalities. Municipal and social housing is rented for a maximum of five years, which means uncertainty about the future even for those who have it.

### 2.4.2. Access to and affordability of commercial housing

Out of all mortgages, 32% are taken by young people aged 16-34 (Household Finance and Consumption Survey 2017(HFCS); data from the website of Bank of Estonia), which is the second largest share after the age group of 35-44. KredEx<sup>11</sup>, a public foundation under the Ministry of Economic Affairs, offers state-backed guarantees and grants for young people in a specified target group, which includes: a young family with children under the age of 15, or a young specialist with VET or a university degree below the age of 35 (Government decree, 2004). The KredEx guarantee allows a loan to be obtained with 10% self-financing (typically 20% is required for commercial mortgage loans).

In sum, while the situation of housing in general has improved, the high commodification of the housing market makes it hard for young families to afford it, and there is a high discrepancy between the level of salaries and prices in the housing market. Furthermore, the area of housing policy is relatively unregulated in terms of quality, rent controls or subsidies for affordable housing<sup>12</sup>.

**Table 4: Mapping youth oriented housing policy initiatives in Estonia**

HOUSING	Universal access	Selective/targeted access
High commodification		X
Low commodification		

*Olsen (2013) amended by authors*

<sup>11</sup> <https://kredex.ee/en/services/elamistingimuste-parandamiseks/housing-loan-guarantee>

<sup>12</sup> OECD Affordable Housing Database – <http://oe.cd/ahd> PH1.1 POLICY INSTRUMENTS AND LEVEL OF GOVERNANCE

## 2.5. Health policy

### 2.5.1. Access to the public health care

Estonia has insurance based public health care, which means that free access is guaranteed only to those who are insured by the employer or who are regarded by law as equal to the insured persons. The latter category covers young people under age of 19 and all students at levels ISCED 1-4; at ISCED 5-6 (university students) only permanent residents of Estonia are covered by the public health care. The amendment regarding the requirement of permanent residency was made in 2015, putting foreign students in Estonia in a worse position compared to the native students. When a student graduates, the insurance coverage is terminated after 3 months, and if he/she is ex-matriculated the insurance is terminated after 1 month; the insurance is also terminated for the period of academic leave due to non-medical reasons. (Health insurance act 2002<sup>13</sup>). Disabled young people are covered by health insurance no matter their study or work status.

Thus, there are two particular risks for young people to be left without health insurance:

- 1) if they are above 19 years of age and not in employment or education (including being on academic leave); and
- 2) if they have low-paying jobs and the required minimum of monthly insurance payment is not covered by the employer.

These potential medigaps are reflected in survey data. 14% of young people in Estonia aged 20-39 do not have public health insurance, compared to the 6% on average. 24% of young people in Estonia aged 18-24 report cost as a barrier to access health services, which is higher than the EU28 average (Eurofound 2019). No policies to address that issue have been initiated in 2000-2020.

### 2.5.2. Public health and awareness raising

Problematic health behaviour (including risk behaviour among young men in particular) has been acknowledged in the policy. However, the gender gap in health behaviour is more salient than the generational gap, which explains the absence of targeted health initiatives for youth (except safe sex campaigns). The Youth Field Development plan<sup>14</sup> and the national curriculum for upper secondary schools contribute to the objectives of the Public Health Development Plan 2009-2020.

In sum, while in principle Estonia has solidaristic insurance-based healthcare, there are shortcomings in coverage for youth, stemming either from their transitional position between education and work or their fragile position in the labour market. No political initiatives to address this issue have been made in 2000-2020. On the contrary, the situation of foreign students has worsened.

---

<sup>13</sup> <https://www.riigiteataja.ee/en/eli/504062020003/consolide>

<sup>14</sup> [https://www.hm.ee/sites/default/files/nak\\_eng.pdf](https://www.hm.ee/sites/default/files/nak_eng.pdf)

**Table 4: Mapping youth oriented health policy initiatives in Estonia**

HEALTH CARE	High (universal) access	Low (status-related; i.e. student, employee) access
High commodification		
Low commodification		X

Bambra 2005; Wendt 2014 amended by authors

## 2.6. Active citizenship

### 2.6.1. Regulations of youth involvement in decision making

Youth involvement is regulated by several different legal acts, depending on the type and institutional setting of activities. The Youth Work Act (2010) stipulates the institution of a *youth council by the parish/city council*. The youth council discusses youth matters and can make proposals to the municipality council and government on issues that concern young people. Members of a youth council can participate as observers at municipality council meetings, and municipality councils are obliged to disseminate draft laws on youth issues to the youth councils before the council meeting. More detailed regulations concerning elections to the youth council and its work are set by each municipality. Every young person aged 13–26 who is residing or studying in that municipality can stand as a candidate for the youth council. Although the legal regulation has been in place for already ten years, information about the spread and impact of youth councils is extremely scattered.

Engagement of youth in school governance is regulated by the acts of the relevant education levels (general education, VET, higher education). The Basic Schools and Upper Secondary Schools Act (2010) stipulates the right of the student body to elect a *student council*. The Vocational Educational Institutions Act (2013) and the Higher Education Act<sup>15</sup> (2019) have similar regulation on elected student councils, which represent the student body in relations with the school. Additionally, HE students can belong to the decision-making bodies of the university. However, recent institutional reforms of universities (2019) have diminished the power of students in the governing bodies of universities.

### 2.6.2. Programs on advancing youth citizenship and political participation

Estonia is one of the few European countries, where the voting right at municipal elections is 16 (since 2016). For elections of the national parliament and the European Parliament, it is 18. According to the ESS data, the turnout of younger voters remains below the national average, which is 40,5% among 18-24 old voters and 65,6% among all older cohorts in 2016<sup>16</sup>.

<sup>15</sup> <https://www.riigiteataja.ee/en/eli/ee/529082019022/consolidate/current>

<sup>16</sup> <https://www.europeansocialsurvey.org/data/round-index.html>

In sum, youth activism in Estonia is moderate, and according to a recent survey<sup>17</sup> there are few political activist (5%), and a relatively large number of digital-activists (27%) and passive youth (38%). These types often have a socio-economic gradient, where higher SES youth are more active compared to low SES peers.

ACTIVE CITIZENSHIP	Individualised options	Structure-related options
High involvement		X
Low involvement	X	

## Conclusion

All in all, youth needs have been addressed by various policy areas to a different extent. The density of policy initiatives has been highest in education and active labour market policies, whereas other areas (such as health care and social welfare) were let to drift. However, these differences in policy efforts were not because young peoples' issues have become the priority of policy makers. Rather, in the area of education, more substantial reforms were made in VET and HE because these levels of education were seen as most responsible for the education-labour market (mis)match. Even the return to free public university education has had some adverse side-effects. Tuition is free only in case of at least a 75% study load, which decreases the autonomy of students to choose the individual balance between work and studies and their opportunities to reconcile studying and working life. ALMP policy measures have been largely initiated by the EU policy guidelines and, hence, do not protect young people against firing and income loss in case of unemployment. Barriers to enter the labour market are rather low in Estonia and, therefore, the entire labour market dynamic regarding youth is shaped to a larger extent by the market situation than by effective LMP for youth.

In areas of social protection, Estonia follows a familialised approach, and young people are treated up to age of 24 by social law as members of their parents' families (in case they are not married). Most of the social welfare benefits (both in kind and in cash) do not consider youth as a special group and the Anglo-Saxon principle of need is the cornerstone of eligibility.

Tales below map policy directions in each policy areas analysed in this chapter. These directions indicate that Estonian youth oriented political choices are not entirely coherent nor unidirectional from the perspective of youth transition regime (YTR). In terms of education, the enabled youth citizenship has been advanced in developing VET and making HE free. However, given that employers' role is still low in school to work transitions and the reconciliation of learning is not adequately supported, this 'learn-first' strategy might be challenged by social needs of youth. Furthermore, social benefits with their familialisation focus and the absence of youth as special social category is leaning Estonian policy toward denied citizenship model (see Part I and Summary; also Chevalier 2016).

<sup>17</sup> <http://www.catcheyou.eu/consortium/>

EDUCATION	Low stratification	High stratification
High commodification		
Low commodification	X →	
LABOUR MARKET	Compensatory	Preventive
Structure-related	X ↘	
Individualising		→
SOCIAL WELFARE		
Individualised		
Familialised		X
HOUSING	Universal access	Selective/targeted access
High commodification		X
Low commodification		
HEALTH CARE	High (universal) access	Low (status-related; i.e. student, employee) access
High commodification		
Low commodification		X
ACTIVE CITIZENSHIP	Individualized options	Structure –related options
High involvement		X
Low involvement	X	

## List of References

- Busemeyer, M. R. (2014). Skills and Inequality. Cambridge: Cambridge University Press.
- Chevalier, T. (2016) Varieties of youth welfare citizenship: Towards two-dimensional typology. Journal of European Social Policy, Vol. 26(1), 3-19.
- Eesti Pank (2019). Households mortgage debt. [http://statistika.eestipank.ee/#/en/p/LEIBKONDADE\\_VARAD\\_JA/r/3114/2883](http://statistika.eestipank.ee/#/en/p/LEIBKONDADE_VARAD_JA/r/3114/2883)
- Eurofound (2019). *Inequalities in the access of young people to information and support services*. Publications Office of the European Union, Luxembourg

Pohl, A. & Walther, A. (2007). Activating the disadvantaged. Variations in addressing youth transitions across Europe, International Journal of Lifelong Education, Vol. 26(5), 533-553, DOI: 10.1080/02601370701559631.

Töötukassa (2019). Unemployment benefit and unemployment allowance recipients by gender <https://www.tootukassa.ee/eng/content/about-tootukassa/statistics>

Statistics Estonia (2019). Home ownership by sector, 2012. <https://www.stat.ee/en/find-statistics/statistics-theme/economy/housing>

Statistics Estonia (2021). Population pyramid of Estonia, 2020: <https://www.stat.ee/rahvastikupyramiid/>