

**EDUCATION,  
LABOUR MARKET  
AND  
CAREER GUIDANCE  
IN ESTONIA  
2006**

Foundation for Lifelong Learning Development Innove  
National Resource Centre for Guidance

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Tallinn 2007

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**Part 1, Education** by Estonian Ministry of Education and Research

**Part 2, Labour Market** by Estonian Ministry of Social Affairs, Kerstin Peterson

**Part 3, Career Guidance** by National Resource Centre for Guidance, Katrin Mälksoo

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## 1. EDUCATION

### 1.1 THE EDUCATION SYSTEM

The Republic of Estonia Education Act provides the organisation and principles of the education system. According to its objectives, education is divided into general education, vocational education and hobby education. The levels of education are as follows: pre-school education, basic education (first level of education), secondary education (second level of education) and higher education (third level of education).

All the information regarding the Estonian education system is entered into the online state register EHIS – Estonian Education Information System (<http://ehis.hm.ee>). The EHIS includes data about educational institutions, students, teachers, study modules, as well as about education licences and educational certificates.

#### Education tree

Children up to 7 years of age usually go to nursery schools, ie they acquire pre-school education. The students acquire basic education in grades 1 to 9. In addition to basic education, it is possible for students in grades 7 to 9, to enter into vocational training by taking elective subjects.

In case the studies are interrupted and a student does not have basic education, it is possible for him or her to transfer to vocational training aimed at the students of 17 years of age and older (the duration of the training is 2 years, only professional skills are acquired). It is also possible to continue acquiring basic education in the form of evening classes, distance learning or as an external student.

**After acquiring basic education**, students have four possible options for further studies:

- upper secondary school – general secondary education is acquired (3 years);
- vocational and secondary education – general secondary education and some professional skills are acquired (3 years);
- vocational educational institution – secondary vocational education is acquired (3-3.5 years);
- vocational educational institution – professional skills are acquired without general education (2 years).

**After acquiring secondary education**, students have three possible options for further studies:

- vocational educational institution – vocational education (1-2.5 years) or professional higher education (3-4.5 years) is acquired;
- institution of professional higher education, colleges of universities – professional higher education (3-4.5 years) is acquired;
- university – academic education is acquired (Bachelor's degree (3 years) >Master's degree (2 years) > Doctor's degree (3-4 years)).

**Employed person:** can, while acquiring formal education:

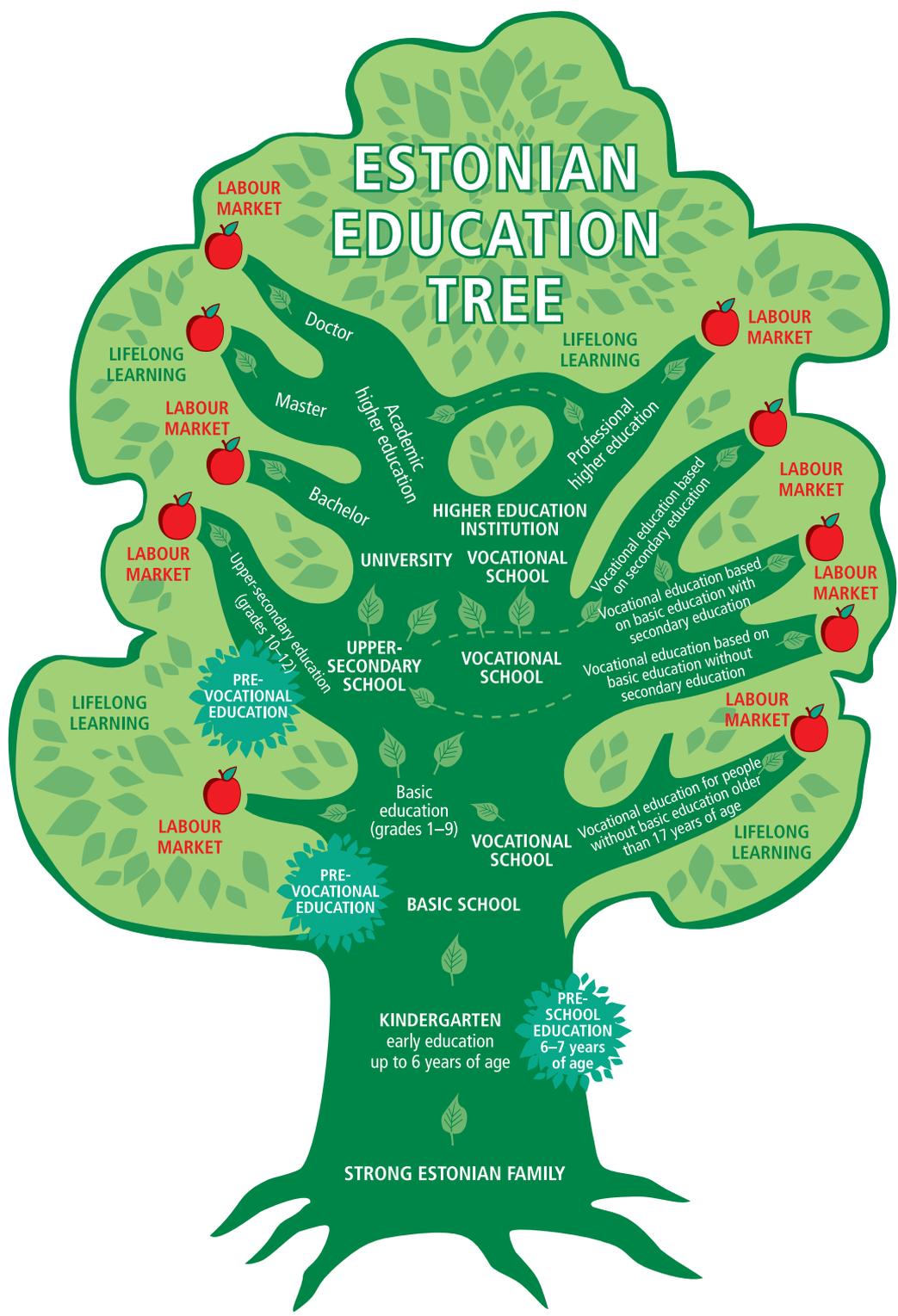
- acquire the interrupted basic or general secondary education in the form of evening courses, distance learning or as an external student;
- acquire vocational education in the form of part-time study;
- acquire higher education in the form of part-time study or as an external student.

Acquisition of general secondary education and vocational education is free at state and municipal educational institutions; when acquiring higher education, the students are mostly expected to pay tuition fees;

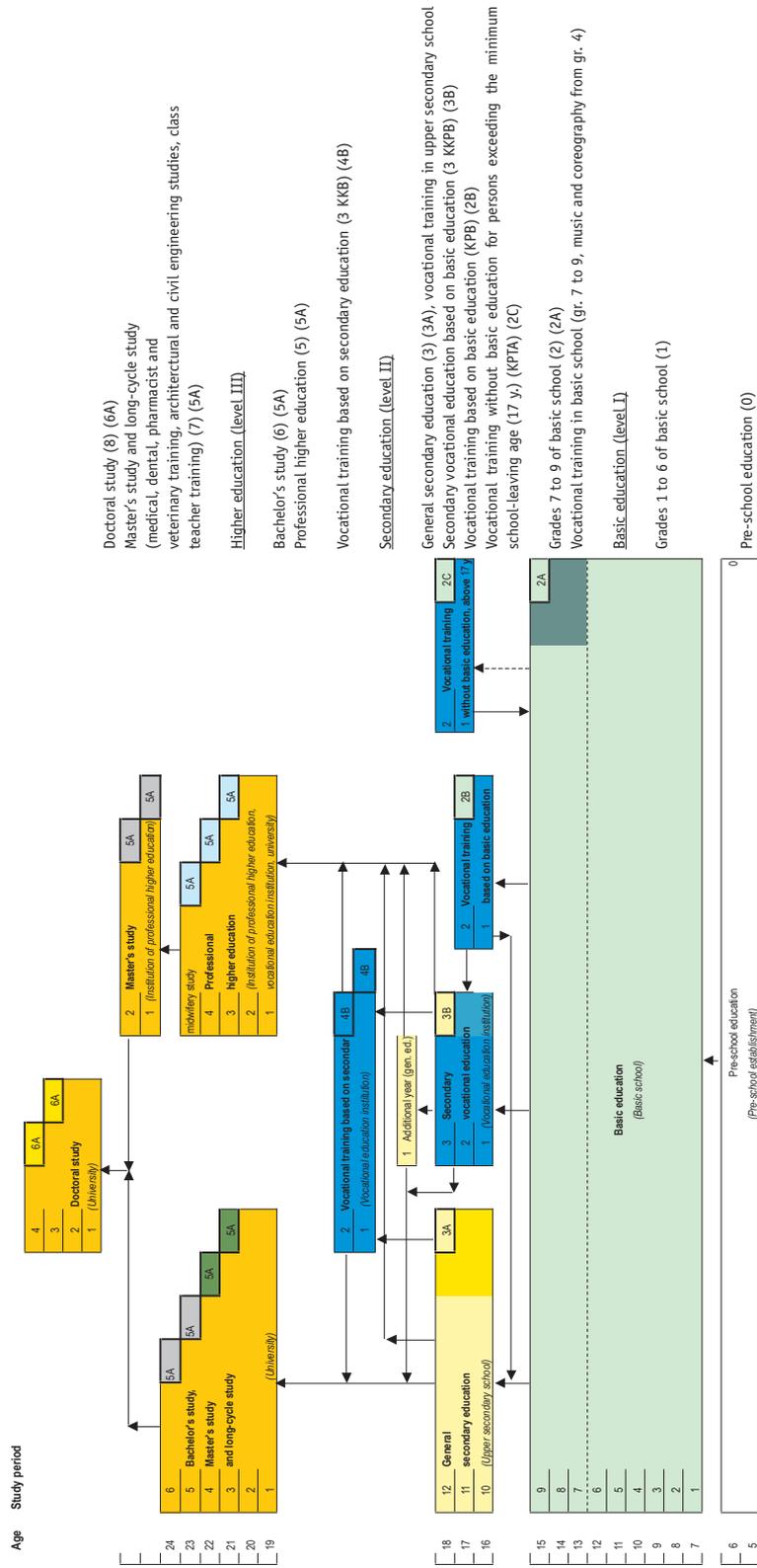
- can participate in professional training courses in several private schools, vocational educational institutions, institutions of professional higher education and universities, professional associations;
- can participate in non-formal education training courses at folk universities, non-formal education training centres and cultural centres.

The tuition fee for professional training and non-formal education is usually paid by the students or covered by their employers. The state supports the participation in training through the tax system: pursuant to the Income Tax Act, the student has a right to deduct the expenses incurred by him or her during a period of taxation on the training of himself or herself.

# ESTONIAN EDUCATION TREE



## Structure of formal education and graduation documents in Estonia in 2006



\* The mark used for professional higher education in official statistics 5B

## 1.2 GENERAL EDUCATION

Estonia has a common general education system, ie the provision of instruction is carried out on the basis of common study programs on every level of education, irrespective of the language of instruction. The duration of study period is at least 175 school days (35 weeks); there are four school holidays.

In the academic year 2006/2007 there are approximately 165,000 students in general education schools, ca 12,000 of them in first grade. In comparison with last year, there are about 10,000 students less and their study places will remain unoccupied in schools.

| Stage of study | 2004/05 | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 |
|----------------|---------|---------|---------|---------|---------|---------|---------|
| Grades 1 to 3  | 38,597  | 37,082  | 36,302  | 36,759  | 37,386  | 37,151  | 36,281  |
| incl. Grade1   | 12,439  | 11,971  | 12,230  | 12,882  | 12,610  | 12,000  | 12,000  |
| Grade 4 to 6   | 46,918  | 42,479  | 39,819  | 38,123  | 36,604  | 35,829  | 36,273  |
| Grade 7 to 9   | 61,657  | 57,531  | 51,243  | 45,723  | 41,068  | 38,526  | 36,887  |
| Grade 10 to 12 | 36,779  | 36,730  | 36,711  | 34,892  | 33,013  | 29,366  | 26,203  |
| Total          | 183,951 | 173,822 | 164,074 | 155,498 | 148,071 | 140,871 | 135,644 |

### Number of students by stages of study in daytime studies of general education schools in the academic years 2004/2005 and 2005/2006 and an estimate up to the academic year 2010/2011

In comparison with the academic year 2005/2006, five schools (4 primary schools, 1 basic school) with a total of 84 students will cease to operate.

The reorganisation of schools in practice mainly involves changes in stages of study, for instance, the primary school section of a nursery-primary school may be closed, basic school may be changed to a primary school, upper secondary school to basic school etc

Local governments have established service areas for all municipal schools. The school has to provide a student place for all children at the age of compulsory school attendance, living in its service area.

Parents have the opportunity to influence the development of schools through the board of trustees.

### **Pre-school education**

There are four types of pre-school childcare institutions – creches (for children up to 3 years of age), nursery schools (for children up to 7 years of age), nursery schools for children with special needs and nursery schools-schools.

In pre-school childcare institutions the children acquire pre-school education, which creates the necessary requirements for successfully getting along with everyday life and at school. Both the upbringing and education are provided on the basis of the framework study curriculum of pre-school education.

Pre-school child care institutions or schools have preparatory groups for children, who are not going to nursery schools; participation in those groups is voluntary. Compulsory school attendance begins when the child reaches the age of 7.

At the end of 2005 there were a total of 609 childcare institutions in Estonia with 54,560 children and 8003 teachers.

### **Basic education**

Basic education is minimum compulsory general education. Acquisition of basic education may be partly made in primary school (grades 1 to 6), basic school (grades 1 to 9) or upper secondary school, which also includes basic school grades.

Basic school is divided into three stages of study:

I stage of study – Grade 1 to 3;

II stage of study – Grade 4 to 6;

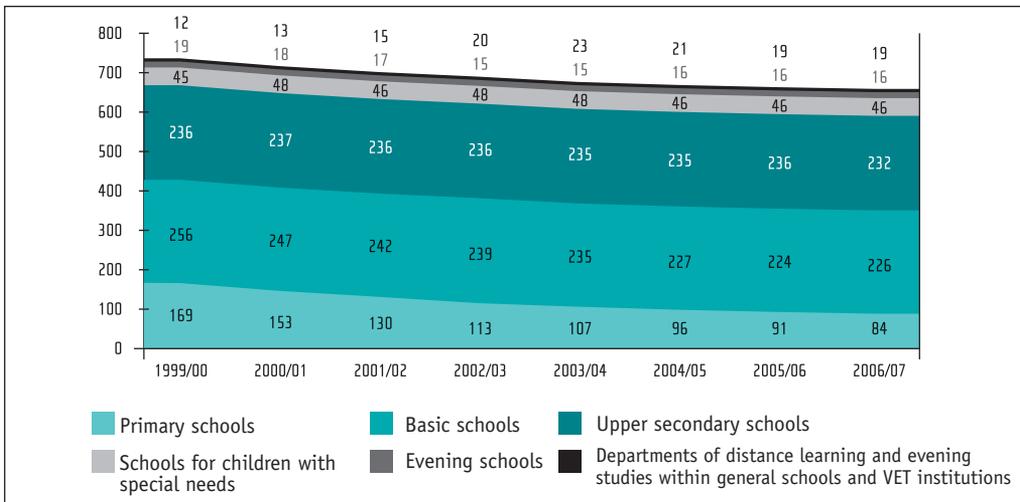
III stage of study – Grade 7 to 9.

In the academic year 2005/2006, 137,092 students acquired basic education; 37,082 of them in I stage of study, 42,479 in II stage of study, and 57,531 in III stage of study.

Basic education can be acquired on the bases of three national curricula: national curriculum for basic schools and upper secondary schools, simplified curriculum for basic education and national curriculum for students with moderate and severe learning disabilities.

Daytime schools and vocational educational institutions' departments of evening studies and distance learning students' maximum working load per one week is as follows:

- 20 lessons a week in Grade 1;
- 23 lessons a week in Grade 2;
- 25 lessons a week in Grades 3 and 4;



### Change in the number of general education schools in the period of 1999 to 2006.

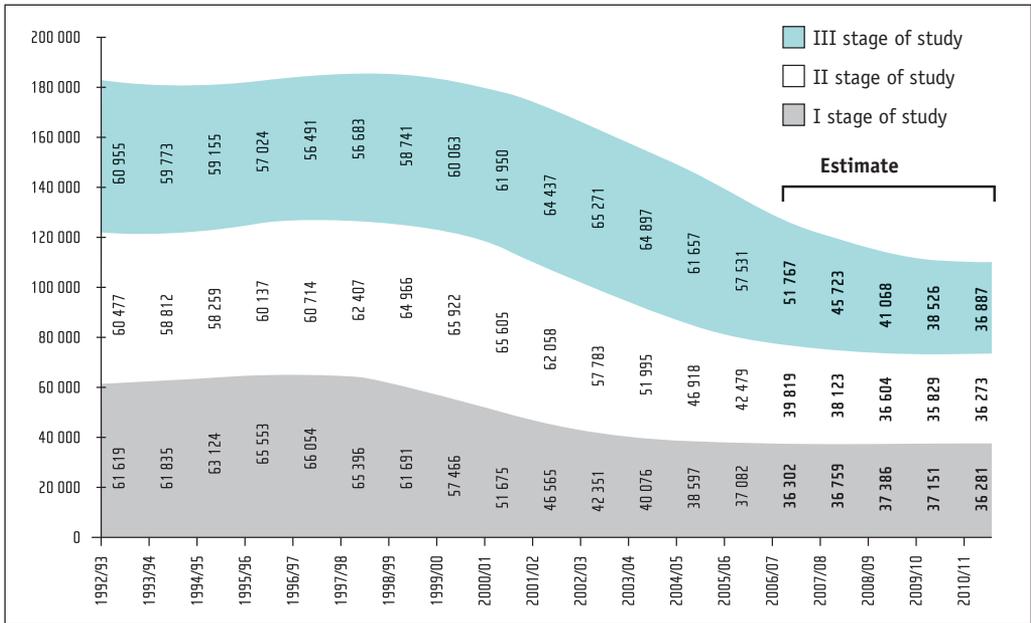
- 28 lessons a week in Grade 5;
- 30 lessons a week in Grades 6 and 7;
- 32 lessons a week in Grade 8;
- 34 lessons a week in Grade 9.

Compulsory subjects in basic schools are Estonian (Russian) Language and Literature, A and B Foreign Languages (English, Russian, German or French), Mathematics, Natural Science, Geography, Biology, Chemistry, Physics, History, Human Study, Social Education, Music, Art, Physical Education, Manual Training. In Russian or non-Estonian medium schools it is compulsory to study Estonian as a second language.

In order to support the development of a child and overcome learning difficulties it is possible to:

- implement remedial education;
- form opportunity classes to provide instruction for children with permanent learning difficulties;
- establish individual study programs for students with special educational needs;
- form separate classes for students with behaviour problems;
- implement home schooling, speech therapy, etc;
- form long day groups and establish boarding school facilities.

In order to graduate from basic school the students are required to complete the curriculum and successfully pass three basic school final examinations – in the Estonian Language and Literature or Estonian as a second language, Mathematics, and in a subject chosen by the student.



**Change in the number of students at basic education level of general education in daytime study in the period of 1992/1993 to 2005/2006 and an estimate for the period of 2006/2007 to 2010/2011**

After graduating from basic school there are several options for the acquisition of further education: to acquire general secondary education at an upper secondary school, secondary vocational education at vocational educational institution or to simply enter a profession.

### General secondary education

In upper secondary schools the provision of instruction is carried out pursuant to the national curriculum, on the basis of which each school establishes its own study curriculum.

There are 35 weeks of study per year and one study week must include at least 32 lessons. During the studies in an upper secondary school it is possible to enter into pre-vocational training by taking elective courses. At the end of the three-year study period students will take five final examinations, including at least three state examinations with standard questions.

Acquisition of general secondary education gives the students a right to continue their studies on the level of vocational or higher education.

Approximately 37,000 students acquired education in the form of daytime study in upper secondary schools in the academic year 2005/2006. The number of students acquiring basic education and general secondary education in the form of evening study and distance learning in the same academic year was approximately 7,000.

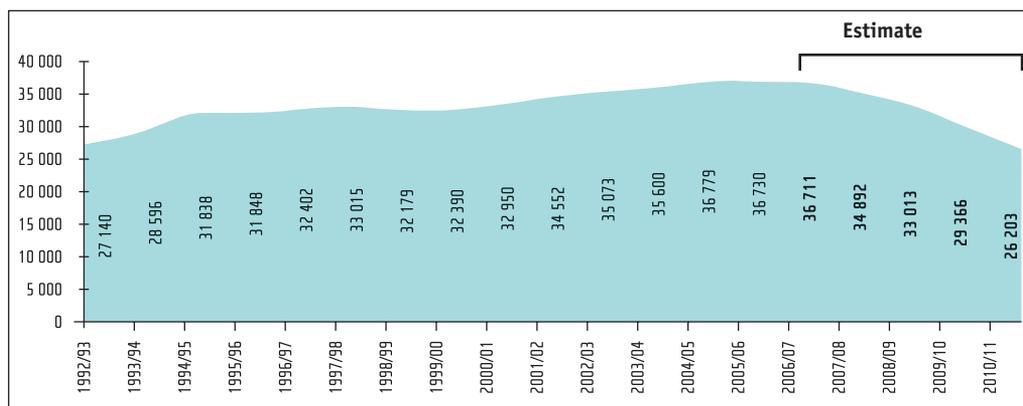
On September 1<sup>st</sup>, 2007, transition to teaching subjects partly in Estonian will take place in the upper secondary level, ie Grade10, in Russian-medium schools. This is a good opportunity for Russian students to improve and broaden their Estonian language skills and is necessary for the enhancement of their competitiveness. The transition will take place in five subjects determined by the Ministry of Education and Research (Estonian Literature, Social Education, Geography, Music and Estonian History), and in two subjects chosen by the school. The transition will start with one subject being taught in Estonian, with one subject being added in each of the following academic years. In case the school, students and teachers are willing, the transition to Estonian as a language of instruction can take place faster.

## European schools

In the academic year 2005/2006, more than 20,000 children of officials and diplomats working in the European Union institutions studied in 13 general education schools in the cities of seven member states. There are currently a total of five teachers of the Estonian language working in three schools – in Brussels, Luxembourg and Varese, and in those schools Estonian children can study Estonian as a mother tongue. The Estonian students have chosen English, French or German as a language of instruction. Two Estonian students graduated from upper secondary school in the academic year 2005/2006 and received a European certificate of secondary education.

## International comparative studies

Estonia participated in the TIMSS (*Trends in International Mathematics and Science Study*) for the first time in 2003. Out of 46 countries Estonian students obtained the fifth place in Natural Sciences and the eighth place in Mathematics. Among European countries Estonia came first in Natural Sciences and third in Mathematics after Belgium and the Netherlands.



**Change in the number of students on upper secondary education level of general education in daytime study in the period of 1992/1993 to 2005/2006 and an estimate for the period of 2006/2007 to 2010/2011**

In 2006, Estonia participated in a well-known international survey Program for International Student Assessment (PISA), for the first time. Results of the survey will be announced in 2007.

### **1.3 VOCATIONAL EDUCATION**

Vocational education provides specialist knowledge and skills, for the acquisition of which there are several options on both basic and upper secondary education levels.

For persons without basic education and beyond compulsory school attendance age (17 years), vocational education without the requirement for basic education is implemented as of the academic year 2006/2007. Along with the acquisition of professional skills it is also possible to continue general education studies for the acquisition of basic education.

Vocational education on the basis of basic education is a type of education where, in addition to a profession, only general education subjects related to the profession are taught. Student's level of education (basic education) does not change.

Secondary vocational education is carried out on the basis of basic education in the course of which both the profession and upper secondary education are acquired. The duration of studies is minimum 3 years.

Since the academic year 2006/2007 it is possible for students graduating from vocational educational schools, having acquired secondary vocational education, to continue their general education studies in upper secondary schools for adults or upper secondary schools with a department for evening studies or distance learning to the extent of 35 study weeks. This so-called additional year is voluntary and its objective is to enhance the competitiveness of students who have acquired secondary vocational education, so that they could continue their studies in higher education and pass the required state examinations.

Vocational education on the basis of upper secondary education provides an opportunity to acquire professional skills in the period of 0.5 to 2.5 years.

In 2006, there are 57 vocational educational institutions in Estonia, 40 of which are state vocational educational institutions, 3 municipal vocational educational institutions and 14 private vocational educational institutions.

Vocational education in basic schools and upper secondary schools is aimed at the students of general education schools and provided by vocational educational institutions. Education is provided pursuant to a separate study curriculum and its duration is at least 15 weeks of study.

29,013 students acquired vocational education in the academic year 2005/2006. In the academic year 2006/2007, approximately 12,500 vocational education students enter the studies in student places supported by the state. The total number of vocational

| Level  | Number of students |         |         |         |         |         |
|--|--------------------|---------|---------|---------|---------|---------|
|  | 2000/01            | 2001/02 | 2002/03 | 2003/04 | 2004/05 | 2005/06 |
| Vocational education on the basis of basic education           | 17,518             | 17,941  | 16,388  | 17,132  | 18,886  | 18,884  |
| Vocational education on the basis of upper secondary education | 13,158             | 11,681  | 11,552  | 10,787  | 10,762  | 10,101  |
| Basic education not specified (prison schools)                 | 196                | 191     | 155     | 264     | 267     | 28      |
| Total vocational education                                     | 30,872             | 29,813  | 28,095  | 28,183  | 29,915  | 29,013  |

### Number of vocational education students, change by years 2000/2001 to 2005/2006.

education students amounts to approximately 29,300.

In 2005, the Development Plan for the Estonian Vocational Education and Training System till 2008 was completed. The document sets three main objectives:

- vocational education will correspond to the needs of the development of Estonian economy; VET (both initial as well as continuing training and retraining) corresponds to the development needs of the Estonian economy.
- enhancement in the quality of vocational education will bring along the improvement of vocational education's reputation, increase in the number of students and successful placement to work of graduating students; raising the quality of VET leads to an improved image of VET, the increased number of learners and their successful entry to the labour market.
- vocational education system will efficiently use resources, operate in cooperation with other types and levels of education and ensure access to vocational education to all applicants. VET system uses the resources cost-effectively, co-operates with other types and levels of education and guarantees access to VET to everyone interested.

### Skills competitions

Estonia strives for joining the worldwide organisation of WorldSkills. One of the criteria for accession is the establishment of the system of national vocational skills competitions.

Without being officially registered, Estonians participated in the international WorldSkills competition in Helsinki in 2005. The next worldwide skills competitions will take place in Japan in 2007 where Estonia plans to participate as a full member of the organization.

### **Apprenticeship training**

Apprenticeship or in-company training, which is very successfully implemented in Europe, has also been launched in Estonia in the form of a pilot project. In apprenticeship training at least 2/3 of the studies take place in enterprises. Apprenticeship training is suitable for both the people who have or have not completed either basic or upper secondary education, but who lack any professional skills.

## **1.4 ADULT EDUCATION**

Adult education and training can be divided into formal education, work-related training and popular adult education. For an adult learner, learning is not the main activity, which means that he or she studies concurrently with working, looking after children or other activities.

Adult learners have been provided with flexible study opportunities: study in the form of distance learning and evening courses, as an external student or in part-time study, opportunities to participate in different courses.

Formal education provides the opportunity to acquire basic education and general secondary education at upper secondary schools for adults in the form of distance learning, evening courses or as an external student. Upper secondary schools for adults are flexible in planning individual curricula and adapting studies to learners' needs, for example enabling the learning of single subjects.

Vocational educational institutions provide increasingly more opportunities for adults to acquire vocational education in part-time study. It is possible to acquire higher education in part-time study at institutions of higher education.

Work-related training provides the opportunity to acquire and develop professional, occupational and/or vocational knowledge, skills and experience, as well as the opportunity for retraining.

Popular adult education provides the opportunity to develop creativity, talents and social skills. Popular adult education is mainly connected with people's interests and hobbies.

In addition to formal education, vocational educational institutions, institutions of higher education, training companies, training centers of popular adult education and other educational and training institutions organise continuing training and retraining courses in increasing volume.

## Adult learner's week

The Association of Estonian Adult Educators ANDRAS organizes Adult Learner's Week in cooperation with the Ministry of Education and Research in every fall. The aim of the Adult Learner's Week is to value learning, recognize learners and educators and popularize adult education and learning.

In 2005, the proportion of adult learners in the age group 25 - 64 was approximately 5.9% in Estonia. The EU average was 10.8%. According to the objective set by the EU the minimum of 12.5% of the working-age population participates in adult life long learning by 2010. Estonia plans to reach to 10% by 2008.

## 1.5 HIGHER EDUCATION

All people with secondary education have the right to apply for the curricula of higher education offered in universities, institutions of professional higher education and some vocational educational institutions.

As of academic year 2002/2003, it is possible to attend studies based on the curricula of professional higher education, Bachelor's study, Master's study, Doctoral study and integrated curricula of Bachelor's and Master's study in Estonia.

It is possible to choose between two types of curricula depending on the first level of higher education:

- theory-based curricula of Bachelor's study in order to develop practical skills on the basis of theoretical principles;
- practice-based curricula of professional higher education in order to develop theoretical knowledge primarily on based on practical needs. Practical work forms minimum 30% of the curriculum.

The nominal duration of professional higher educational study is three to four years, with the fixed study load of 120 – 160 credit points (180 – 240 credit points in European Credit Transfer System - ECTS) in the curricula.

The nominal duration of Bachelor's studies is mainly three years (few exceptions with four years) and the study load fixed in the curricula is respectively 120 and 160 credit points (180 and 240 credit points in ECTS).

Professional higher educational study and Bachelor's study are both first level studies and a person who has completed the studies has the right to continue his or her studies in Master's study

The nominal duration of Master's study is one to two years and the study load fixed in the curricula is 40 - 80 credit points (60 – 120 credit points in ECTS). The nominal duration of Bachelor's and Master's study is at least five years in total and the study load fixed in the curricula is 200 credit points (300 credit points in ECTS).

The integrated Bachelor's and Master's study curricula includes the nominal duration of medical and veterinary studies of six years and the study load fixed in the curricula is 240 credit points (360 credit points in ECTS). The nominal duration of dentistry studies, pharmacist studies, architectural studies, civil engineering studies and teacher training for class teachers is five years and the study load fixed in the curricula is 200 credit points (300 credit points in ECTS).

The nominal duration of Doctoral study is mainly three to four years and the study load fixed in the curricula is 120 - 160 credit points (180 - 240 credit points in ECTS).

## **Institutions of higher education**

The higher education system in Estonia has two branches with different types of educational institutions.

University is a research, development, study and cultural institution. The activities of universities address implementation of basic and applied research on international level whereas one of the preconditions is offering higher education aimed at theory and research on the second and third level.

Institutions of professional higher education and, as an exception, some vocational educational institutions educate highly motivated specialists with good professional skills on the first level of higher education, taking into account the needs of labour market. One of the prerequisites is flexibility and practice-orientation of curricula and close cooperation with entrepreneurs, professional associations and other social partners connected with the field. As an exception, the Government may permit to open a curriculum in Master's study provided in an institution of professional higher education.

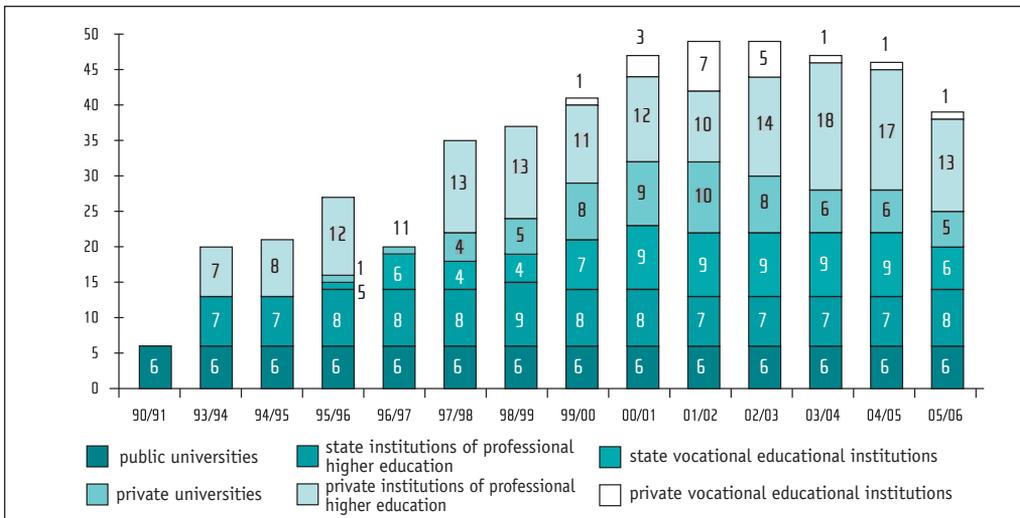
Opportunities to acquire higher education have also been established in the private sector where private universities, private institutions of professional higher education and private vocational educational institutions operate.

Until the year 2002, the number of institutions offering higher education increased together with the number of students. The increase at the beginning of 1990's was the result of the establishment of state institutions of professional higher education on the basis of vocational educational institutions, as well as the establishment of numerous private institutions of higher education.

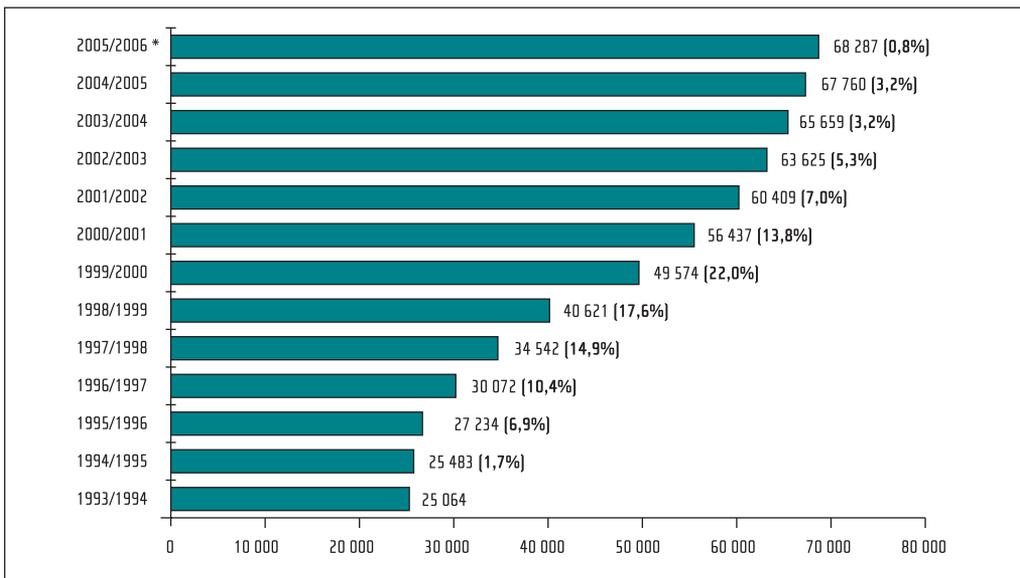
## **Students**

In comparison with the academic year 1993/1994, the number of students studying according to higher education curricula has increased 2.7 times in the academic year 2005/2006 – from 25,000 to 68,000.

Students are accepted to both the student places that are formed on the basis of SC and the ones that are not. Over the years, the proportion of students studying in SC



**Change in the number of institutions of higher education 1990/1991-2005/2006**



**Total number of students and its change (%) compared to the previous academic year, 1993/1994 – 2005/2006**

student places and the ones who need to pay tuition fee has significantly changed. In the academic year 2005/2006, the number of state-commissioned student places amounted to 46% of the total number of students, 12 years earlier the corresponding figure was 93%.

The fields of study of national priority and with increasing employment rates:

- engineering;

- manufacture and processing (different industrial technologies and products);
- IT sciences;
- environmental protection (environmental and geotechnologies);
- life sciences (biotechnology, biomedicine);
- services (in professional branch)

## Mobility

Over the recent years, the participation of Estonian teachers, researchers and students in student and researcher exchange programs has substantially increased due to the implementation of the resources of the European Social Fund. In order to support the mobility of teachers, Master's candidates and Doctoral candidates, the Kristjan Jaak Scholarship Programme has been launched. Likewise, the visits of foreign professors and top specialists to Estonian institutions of higher education are supported.

## 1.7 YOUNG PEOPLE

In 2006, the Government of the Republic approved the Youth Work Strategy for 2006-2013. The document specifies the principles and development trends of integrated youth policy and youth work.

The objective of integrated youth policy is to ensure the participation of young people in decision - making processes, as well as taking their interests and needs into account in the fields regulated by youth policy (youth work, education, employment, culture, social policy, etc).

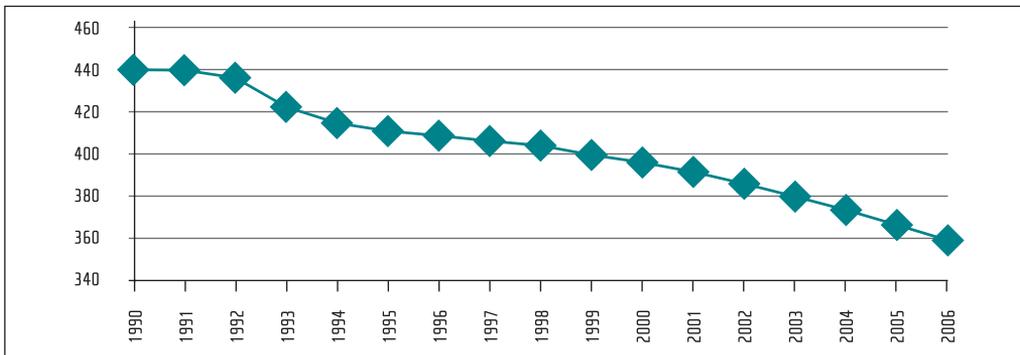
The objective of youth work is to ensure the opportunities for the versatile development of young people. The main principles of youth work are: youth work is carried out for and with young people, involving them in the decision making process; youth work is based on the needs, interests and wishes of young people; youth work is based on young people's participation, own initiative and free will.

The Youth Work act defines a young person being between 7 and 26 years of age. In January 1st, 2006, the number of young people in Estonia was 359,613, which forms 26.7% of the population. The number of young people has been decreasing every year.

The statistics show a rapid ageing of Estonian society and stress the fact that every young person is of utmost value.

### Organisation of youth work

Youth associations are youth organizations and non-formal youth groups. There are 19 national youth organizations in Estonia. Estonian National Youth Council incorporates 48 youth and youth work associations. The umbrella organization for school student



**Change in the number of young people from 1990 to 2006 (in thousands).**

councils is the Estonian School Student Councils' Union, student bodies are connected by the Federation of Estonian Student Unions. The activities of youth centers are organized by local governments or non-profit associations. Youth centers are divided into open youth centers, information and counseling centers, youth work centers, etc. Youth parliaments have been established in nine city governments.

Pursuant to the study program, hobby schools provide offer hobby education to young people in different fields: sports, music, art, dance, drama, nature, handicraft, technology, etc.

Youth work in general education schools and vocational schools is based on extracurricular activities and is organized by school youth workers and school student councils.

Youth exchanges, events, campaigns and other activities for youth associations, youth camps, youth centres and hobby schools are organized in the frames of different programs and projects.

### Areas of youth work

- **Hobby education and recreational activities:** there are about 300 hobby schools in Estonia with a total number of students of ca 48,000. Approximately 13,300 of the students study in music and art schools, 13,400 in sports schools and 21,300 in other hobby schools. Recreational activities are carried out in schools, open youth centres, hobby centres, youth associations, etc.
- **Informing of young people:** young people can get information and advice from county and local information and counselling centres. The main youth information event is the annual youth information fair Teeviit. A youth work newsletter *Aken* ("Window") is published, and an information portal for young people (NIP) is being developed.
- **Counselling of young people:** the providers of counselling services (in centres, schools, employment agencies, etc) form a counsellors' network. To improve

their cooperation and ensure better access to counselling services an integrated counselling model will be developed in 2007.

- **Youth studies:** several institutions of higher education in Estonia engage in youth studies, several ministries have ordered surveys regarding the life of young people, and an overview of the situation of young people is also being prepared by local governments.
- **Youth work training:** specialities related to youth work are taught in Tallinn Pedagogical Seminary, Viljandi Culture Academy of the University of Tartu and Narva College of the University of Tartu.
- **Young people's recreational and educational holiday:** there are 28 approved youth camps and a great number of project camps in Estonia. Every year about 34,000 people receive support from state programme for participating in youth camps.
- **Young people's work education:** popular among students are the so-called student brigades that combine recreational activities and work. About 7,000 students participate in student brigades launched in different parts of Estonia. Student companies operating in general education schools promote the development of young people's entrepreneurial thinking.
- **International youth work** is supported by five national cooperation protocols – with Finland, Germany, Belgium, Latvia and Lithuania. Youth exchanges, voluntary service activities, youth initiative projects and youth workers' training are financed in the framework of the European Youth programme.
- **Young people's participation:** youth assemblies and youth parliaments participate in the discussion concerning the young people in local municipalities and counties. On the national level, young people participate in decision-making processes through thematic roundtables, e.g. Youth Policy Council and Student Advisory Chamber.
- **Special youth work:** Juvenile committees operating in counties and local municipalities are the main coordinators of the work in the field of crime prevention. Their competence covers the discussion of juvenile offence matters and deciding on finding the best suitable sanctions – ranging from a warning to entry into specialised school.

## 1.8 TEACHERS AND TEACHER TRAINING

In the academic year 2006/2007, the number of teachers in general education schools is 15,800. Approximately 15,000 of these teachers are working in general education schools of local municipalities or private schools and 800 in state schools. The average age of teachers is approximately 45 years. Male teachers form 14.5 per cent of the total number of teachers.

Approximately 2,500 teachers work in vocational educational institutions, 8,000 in nursery schools, and 2,500 in hobby schools.

## Teacher training

In 2005, the Professional Council of Education approved the professional standard for teachers, which sets the basis for updating the initial teacher training curricula, planning teachers' academic year and providing in-service training. The professional standard for vocational teachers will be established in 2006.

## Initial training

Teacher training takes place in universities and their colleges. Training of subject teachers and class teachers for basic schools and upper secondary schools mainly takes place in the University of Tartu and Tallinn University; the Estonian Academy of Music and Theatre offers teacher training in music and the Estonian Academy of Art in art. The Tallinn University of Technology and the Estonian University of Life Sciences offer vocational teacher training in the fields of specialisation. Initial training of pre-school teachers is carried out in Tallinn University, the University of Tartu and Tallinn Pedagogical College.

The duration of training for class teachers and subject teachers is five years and in this training, the basic school teachers acquire competence for teaching several subjects. Initial training of pre-school teachers is primarily based on professional higher education and Bachelor's study curricula.

Initial training of teachers is financed on the basis of SCE.

## Vocational year

As of 2004, all teacher training graduates participate in a vocational year during which they receive assistance from the colleague-mentor working at school. The graduates concurrently also participate in the assistance programme of higher education institution. The aim of the vocational year is to assist the novice teachers, as well as to improve vocational skills.

## In-service training

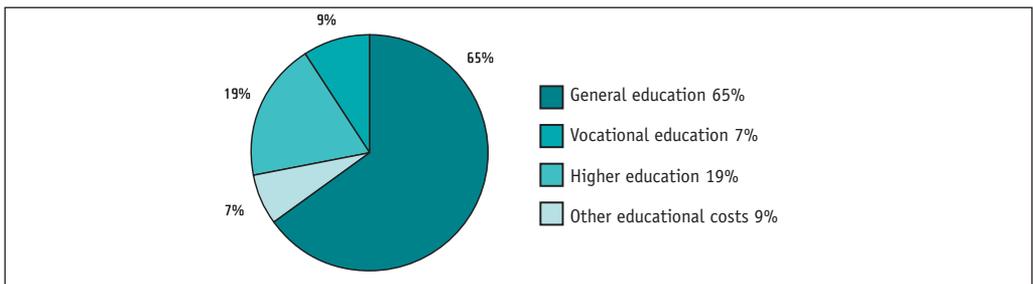
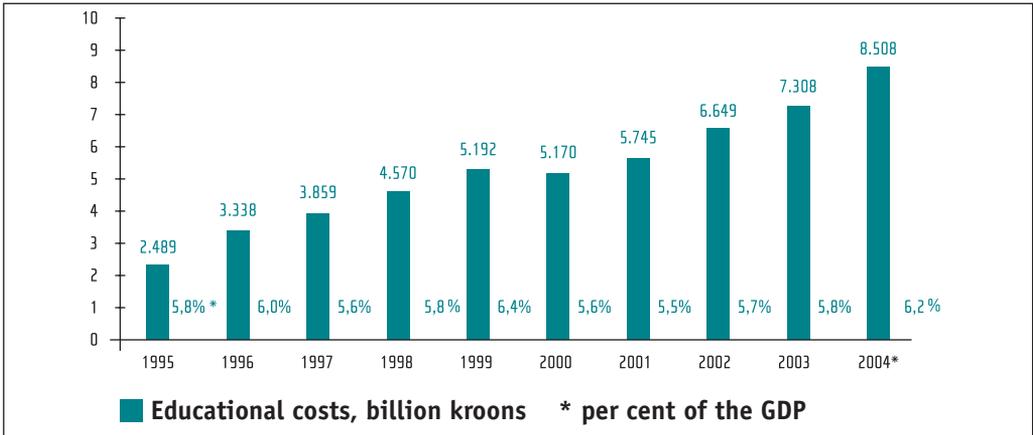
In the period of five years, all teachers must participate in in-service training with the minimum extent of 160 hours. In-service training is mainly provided by universities and training companies.

A teacher may also improve his or her knowledge abroad. The mobility of teachers is supported by several EU programmes, e.g. School Education Programme Comenius, vocational training action programme Leonardo or adult education programmes Gruntvig and Arion.

## 1.9 FUNDING

In recent years, approximately 7-8 billion Estonian kroons (1 Estonian kroon = 15,65 €) have been invested in education in Estonia, which forms ca 16 per cent of the state budget and local government budgets in total.

In the evaluation of the level of educational costs, the proportion of educational costs in the GDP is used as the main indicator. The educational costs have varied between 5.5-6.5 per cent of the GDP.



In comparison with other countries, Estonia invests a relatively greater proportion of its national wealth in education. While in 2003, the educational costs in Estonia amounted to 5.8 per cent of the GDP then in the OECD countries they formed the average of 5.3 per cent of the GDP. At the same time, it is remarkably less than in the Scandinavian countries where the corresponding indicator is 7.3 per cent.

Approximately two thirds of the appropriations are allocated to the field of general education. One tenth of the funding cannot be tied to a concrete level of education.

### Structural funds

In the period of 2004-2006, approximately 8.4 million kroons were allocated for the development and training of people in order to increase their competitiveness under the measure 1.1 of the European Social Fund. In the same period, a total of 430 million kroons was allocated to vocational educational institutions for the development of infrastructure, and 127 million kroons was allocated to institutions of higher education under the measure 4.3 of the European Regional Development Fund. Approximately 16 million kroons was allocated to information and counselling centres and approximately 11 million kroons to youth centres. All sums include co-financing by the Republic of Estonia.

The Ministry of Education and Research have outlined to programs for the period of 2007-2013, in order to manage the resources of the European Union Structural Funds. The first operational program involves activities in the fields of lifelong learning, research and development, higher education, labour market and enterprise. The second program provides investments in vocational educational institutions, schools for children with special educational needs and open youth centres. The development of the infrastructure of research and higher educational institutions is also supported. In addition to construction works, improvements are also made in the learning environment.

### **School allowance to students of general education schools**

According to the State Family Benefits Act, school allowance is paid once a year and the amount will be three times of the child allowance rate.

The Ministry of Education and Research is preparing an amendment to the Act according to which, as of 2007, the state will make additional allocations to town and rural municipality budgets for purchasing necessary teaching aids (textbooks, workbooks, work exercise-books, work sheets and other teaching materials used in the lessons) at the level of basic education and textbooks intended for the upper secondary school curriculum.

At present, many of the local municipalities compensate the parents for the cost of work exercise-books either partly or fully.

### **Allowance to students acquiring vocational education, higher education and academic degree**

The Study Allowances and Study Loans Act provides for the payment of allowance to students who acquire vocational education, higher education and academic degree.

Study allowance consists of basic allowance and supplementary allowance.

Pupils or students who have entered in full-time study have the right to apply for basic allowance. A study curriculum has to include state commissioned (SC) student places. A pupil or a student may not exceed the nominal time of studies specified by the study programme. Pupils and students have no right to apply for basic allowance when being on academic leave.

Supplementary allowance is meant for pupils and students whose residence is not located in the same local municipality as the educational institution at which they study.

Doctoral allowance is a monetary allowance granted to persons enrolled in Doctoral study in order to encourage engagement in Doctoral study and research. A Doctoral candidate has the right to apply for a Doctoral allowance if he or she studies at SC study place and has not exceeded the nominal period of studies specified by the study programme.

Allowances in 2006, per month:

- The amount of basic allowance is 600 kroons for a student who acquires vocational secondary education on the basis of basic education.
- The amount of basic allowance is 600 kroons and the amount of supplementary allowance is 300 kroons for a student who acquires vocational secondary education on the basis of secondary education.
- The amount of basic allowance is 800 kroons and the amount of supplementary allowance is 400 kroons for a student who acquires higher education.
- 6,000 kroons for a Doctoral candidate.

### Study loan

An Estonian citizen or a person staying in Estonia on the basis of a permanent residence permit, the duration of whose studies according to the study programme is nine calendar months or more, has the right to obtain a study loan if he or she:

- Is enrolled in full-time study at an Estonian university in public law, at a private university, at a state institution of professional higher education or private institution of professional higher education.
- Is enrolled in full-time study or in daytime study on the basis of secondary education at a vocational educational institution.
- Is studying abroad at an educational institution and in a form of study similar to those mentioned above.
- Acquires higher education in part-time study pursuant to a teacher training programme and is employed in the field of schooling and education for a minimum of eighteen hours per week.

In the academic year 2006/2007, the maximum rate of the study loan is 20,000 kroons. A student has the right to apply for a study loan at any level and any stage of education to the extent of one nominal study period.



## 2. LABOUR MARKET

### 2.1. LABOUR MARKET INSTITUTIONS

The main institutions dealing with labour market issues in Estonia are:

- The Ministry of Social Affairs
- The Labour Market Board (with its local labour market offices)
- Estonian Unemployment Insurance Fund

On labour policy issues the general aims for the **Ministry of Social Affairs** (Ministry) are to attain:

- Increased employment
- Qualitative work environment
- More balanced labour relations

The Deputy Secretary General in the field of Labour Policy is responsible for the aforementioned goals. The policy for them is developed and regulated via three different departments of the Ministry: Labour Market Department (labour policy issues), Working Life Development Department (working life and working environment policy issues), and Labour Policy Information and Analysis Department (overviews and analysis of labour market issues and developments).

**The Labour Market Board** (Board), established in 1991, works under the governance of the Ministry of Social Affairs. The main aim of the Board is to reduce unemployment and provide assistance to those seeking for work and to employers by means of an efficient labour market policy. In order to fulfil these goals, the Board operates via its 15 local labour market offices (one in each county). The main duties of the Labour Market Board are:

- organising activity of the local labour market offices (social protection of the unemployed and provision of employment services, granting of consent to aliens applying for work permits, sales of employment record books at the employment offices);
- processing and analysing the database of job seekers and of the employment services supplied;
- fulfilling the obligations arising from international agreements and international legislation;
- organising co-operation between state agencies, local governments, federations of

employees and employers for the purpose of resolving employment problems and ensuring social protection of the unemployed.<sup>1</sup>

The main duties of the local **labour market offices** can be summarised as follows (the services offered and the principles used for the unemployed and for the job seekers are regulated by the Labour Market Services and Benefits Act):

- registering job seekers, including the unemployed;
- providing employment services to employers and job seekers;
- paying benefits to the unemployed (unemployment benefit, scholarships, travel compensation);
- communicating and gathering information about vacant positions;
- keeping records of unemployed persons, job seekers and receivers of employment services;
- deciding the granting of consent to aliens for work permits;
- selling employment record books to employers;
- participating in the development of the labour market policy and programmes and organising their implementation.

**Estonian Unemployment Insurance Fund** is a legal entity governed by public law and its activities are based on Articles of Association enforced by a decree of the Government. The aim of Estonian Unemployment Insurance Fund is to pay unemployment insurance benefits, collective termination of employment contracts benefits and insolvency of employer benefits, as regulated by different legislative acts<sup>2</sup>.

## 2.2. LABOUR MARKET MEASURES

Since 1 January 2006 Estonian labour market is regulated by the new **Labour Market Services and Benefits Act**. The act covers the labour market services and benefits provided by the public employment service (PES). The aim of the new law is to widen the range of labour market services, put more emphasis on activation and offer more flexible options to the unemployed and job seekers. For that purpose, compared to previous unemployment legislation, several new principles and services are provided for in the Act.

General provisions settled by the Act:

- In order to be able to enrol as unemployed a person cannot be younger than 16, be in retirement age, engaged in any kind of employment, a paid member of a

<sup>1</sup> The official website of the Labour Market Board [www.tta.ee](http://www.tta.ee)

<sup>2</sup> The official website of Estonian Unemployment Insurance Fund [www.tootukassa.ee](http://www.tootukassa.ee)

company's managers board or control authority, a self-employed, a regular full-time student (unless he/she has worked for 180 days during the last 12 months), be in military service, or a receiver of carers' benefits;

- In order to be able to enrol as a jobseeker a person cannot be younger than 13. The status of a job seeker is open to people who are employed but wish to find a new job. Job seekers are entitled to 3 services: information on the labour market situation; job mediation; career guidance (latter only in the case a person has received a notice);
- In order to receive employment benefits a person must have worked or been engaged in activity equal to work for at least 180 days during the previous 12 months and could not have an income in amount equal to unemployment benefit. The benefits are paid for the period of 270 days.

The act established eight **risk groups**<sup>3</sup> who receive more intensive help from the PES:

- people with disabilities;
- young unemployed (16-24 years old);
- ex-convicts released from prison during the last 12 months before the registration;
- people aged between 55 and retirement age;
- people who have previously been carers for disabled people;
- long-term unemployed (registered as unemployed for more than 12 months);
- unemployed whose inability to speak Estonian constitutes a barrier to entering the labour market.

The new act introduced several new principles to be used while facilitating the unemployed with an entry to the labour market together with solving different related problems:

- The act introduces **individual approach** and **case management system**. Individual approach means that every unemployed person is considered as a single case solved (if necessary) in a network involving a PES consultant, local authorities, social services, health institutions, educational institutions, employers, etc. In doing so, clients' qualifications, skills, health status, educational level, vocational preferences (when possible) and the general labour market needs are taken into account;
- For every registered unemployed an **individual action plan** is drawn up. The aim of the plan is to envisage the most suitable activities necessary to help the unemployed person enter the labour market. The individual action plan is drawn

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<sup>3</sup> The concept of risk groups can be defined in general as follows: people belonging to one or another risk group have a greater tendency to fall into unemployment. Therefore the unemployment rate tends to be higher among the people who have the traits of (a) risk group(s).

up at two stages. First part is prepared at the registration. It contains general data and the main characteristics and qualifications of the person, job search activities, services prescribed/offered to him and responsibilities taken during the consultations. Second part of the plan is drawn up after 18 weeks of unemployment. This part contains more thorough analysis on advantages and disadvantages of unemployed person and necessary services to increase his employability. In the case the unemployed belongs to a risk group, the second part of individual action plan is drawn up at first possible occasion. The individual action plan is devised and carried out in close cooperation between the employment consultant and the client. It is a continuous process that has certain transitional and final goals.

- In order to maintain his registration and receive services and benefits an unemployed must **actively** look for a job and/or participate in active labour market measures. In other words, an unemployed person must be in regular contact with his local employment office, follow his individual action plan and accept suitable work<sup>4</sup>. In case those activities are not carried out several sanctions can be applied<sup>5</sup>. However, the aim of the sanctions is not to punish or discourage the unemployed but to avoid inappropriate use of unemployment benefits and labour market services.

All persons who are registered as unemployed are eligible for the following labour market services:

- information on the labour market situation;
- job mediation;
- career guidance;
- labour market training;
- subsidies for starting a business;

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<sup>4</sup> The definition of suitable work is given in the act. During the first 20 weeks suitable work means a job what is not counter-indicative to the person due to health reasons, getting to and back from workplace by public transportation to does not take longer than 2 hours and cost more than 10% of monthly wages, is in accordance with person's educational and vocational background and previous work experience, wages offered account to at least 60% of person's previous income subjected to social tax. From 21st week onwards criteria of suitable work becomes stricter: from thereon it can be temporary, salary for full-time work must exceed the amount of unemployment insurance the person is eligible, but could not be lower than minimum monthly wages. It does not have to take into consideration vocational background and previous work experience.

<sup>5</sup> - Following sanctions can be applied:

- Payments of unemployment benefit are suspended for 10 days – if an unemployed refuses to follow his individual action plan without a good reason for the first time or refuses to take up suitable work without a good reason for the first time
- Payments of unemployment benefit are suspended (for a period from no-show to next visit) – if an unemployed does not show up for an appointed consultation in the unemployment office for the first time without a good reason.
- Payments of unemployment benefits are terminated before the prescribed time – if an unemployed does not show up for an appointed consultation in the unemployment office for the second time or refuses for the second time to take up work without a good reason
- Registration is terminated - if an unemployed refuses to endorse his action plan or refuses to follow the plan for the third time or refuses to take up suitable work without a good reason for the third time.

- wage subsidies (for long-term unemployed or ex-convicts);
- community placement;
- basic working skills training;
- work based training;
- adaptation of work place (for people with disabilities);
- provision of free usage of special aids (for people with disabilities);
- assistance at job interview (for people with disabilities);
- working with the assistance of a support person (for people with disabilities).

The new act has also improved access to labour market services. In case of labour market training (duration at least 40 hours), work based training and basic working skills training a stipend is available for participants. Those attending labour market training or work based training can apply for transportation and accommodation support (can be combined). Those unemployed who do not receive unemployment allowance, but participate in labour market training are covered with health insurance.

## 2.3. LABOUR MARKET SITUATION

The fast economic growth<sup>6</sup>, that reached 9,8% in 2005 has had a positive effect on the general development of the labour market. According to the Estonian labour market survey (ETU) there were 607,4 thousand employed people in Estonia in 2005. Compared to the statistics of 2004, the number of employed has risen by 2% (11 900 people). Due to the rise among the employed, the employment rate reached the highest level of the last seven years and even exceeded the average level of the European Union (EU) countries.

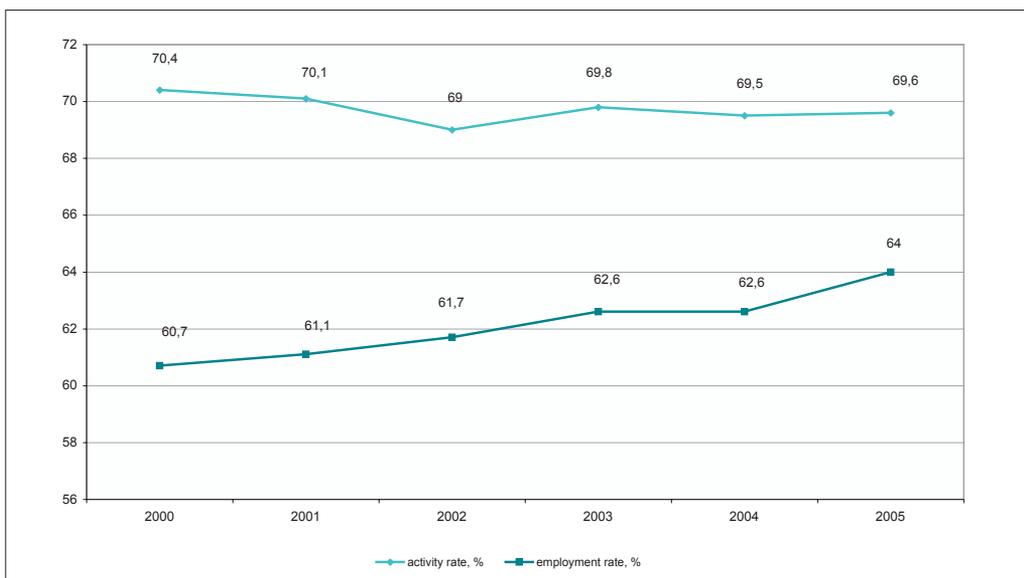
The number of employed grew steadily during the year 2005. The growth was most noticeable among hotels and restaurants (+5900), real estate, rental and trade business (+7000, compared to the statistics of year 2003 the growth was +2000), transportation and communications (+3100). The number of workers in agriculture and forestry declined continually (-2000), the same trend could be noticed in mining industry (-2100), manufacturing industry (-1400) and health care (-1500). A growth in employment could only be detected in tertiary sector (4,5%). When comparing the statistics of 2004, the amount of people working in the secondary industry declined by 0,5% and in the primary sector by 8%. In 2005, the people working in the primary sector formed only 5,3% of the employed (see page 30).

<sup>6</sup> According to Eurostat the average growth of GDP in 2005 was 9,8%.

|   | 2004  | 2005  | Growth +/- |
|---|-------|-------|------------|
| Agriculture, hunting and forestry   | 31,4  | 29,4  | -2,0       |
| Fishery   | 3,6   | 2,8   | -0,8       |
| Mining industry   | 8     | 5,9   | -2,1       |
| Manufacturing industry  | 140,9 | 139,5 | -1,4       |
| Electricity, gas and water supply   | 12    | 12,5  | +0,5       |
| Construction  | 46,8  | 48,7  | +1,9       |
| Block and retail trading; repair of motor vehicles and household appliances | 80    | 80,6  | +0,6       |
| Hotels and restaurants  | 16,2  | 22,1  | +5,9       |
| Transportation, warehousing and communications                              | 51,5  | 54,6  | +3,1       |
| Financial intermediation  | 7,9   | 6,9   | -1,0       |
| Real estate, rental and trade business                                      | 39,4  | 46,4  | +7,0       |
| Public administration and national defence; compulsory social security      | 36,9  | 37,2  | +0,3       |
| Education   | 54,5  | 54,9  | +0,4       |
| Health and social care  | 37,5  | 35    | -2,5       |
| Other   | 28,8  | 31,1  | +2,3       |
| Occupation in all   | 595,5 | 607,4 | +11,9      |

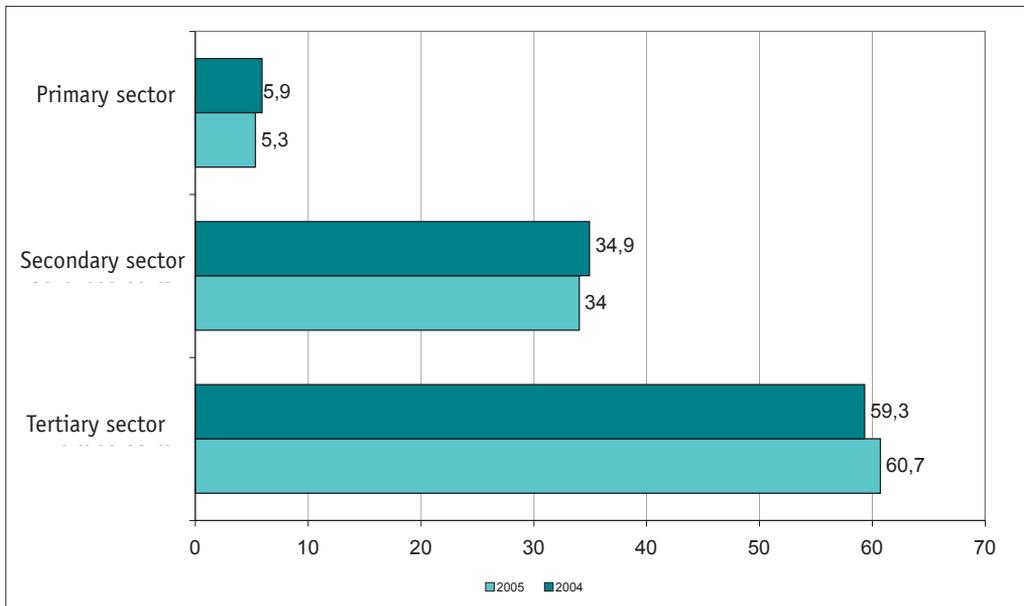
### The division of unemployed by occupation in 2004 and 2005, thousand

Source: Statistical Office of Estonia



### The dynamics of activity rate and employment rate in 2000-2005, % (15-64)

Source: Estonian labour market survey, Statistical Office of Estonia



### The division of employed by economic sector, 2004 and 2005, %

Source: Estonian labour market survey, Statistical Office of Estonia

According to the Statistical Office of Estonia there were 13 thousand vacancies on an average in each quarter. Approximately half of the vacancies were in manufacturing industry and public administration (more than 3000 vacancies for both). To compare the statistics of 2005 and the first quarter of 2006, the number of vacancies grew in almost every field, except for forestry and education. The most, more than one thousand vacancies were added in manufacturing industry. At the same time more than 500 vacancies were added in construction, trade, real estate and commercial activity and public administration. Meanwhile the number of wage labourers increased by more than 35 thousand. The number of workers decreased only in fishery, mining industry, electricity energy and public administration (see table).

According to the labour market survey there were 52 200 unemployed people in Estonia in 2005. Compared to the statistics of 2004 the amount of unemployed fell by 18% (11 400 people). Due to the positive economic climate that lead to the creation of new work places, the unemployment rate fell to the lowest level of the last 10 years – 7,9%. While comparing the situation of men and women, the unemployment rate of men is slightly higher than that of women (8,8% and 7,1% respectively). The unemployment rates have not been that low since 1994. When we compare the situation in Estonia with the average of the European Union countries, then the Estonian indicator is for the first time lower. In addition, the problem of labour shortage has emerged instead in many areas.

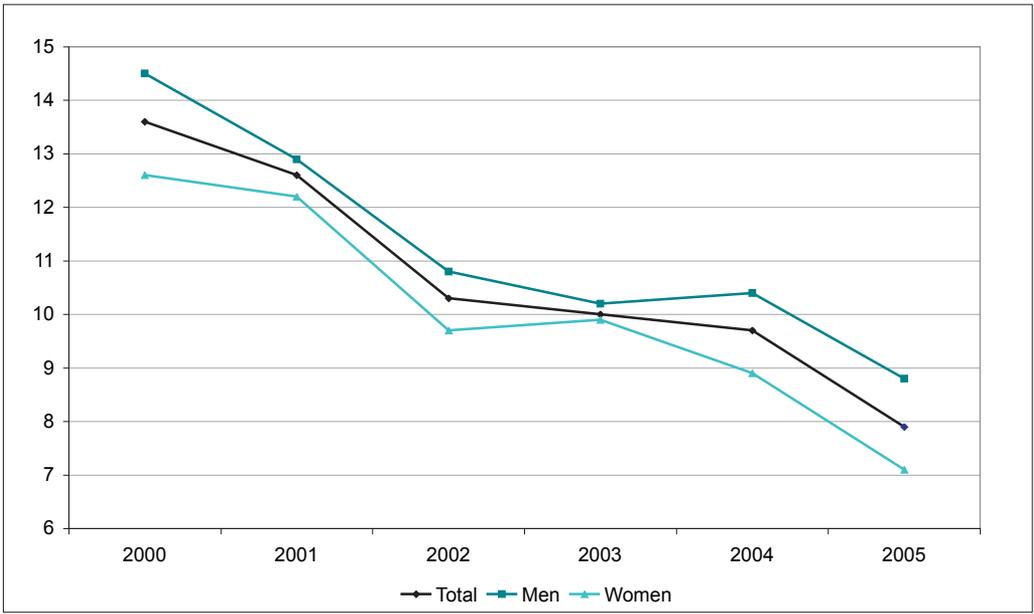
|   | Number of vacancies |              | Number of employees |               | The rate of vacancies % |            |
|---|---------------------|--------------|---------------------|---------------|-------------------------|------------|
|   | 2005 I qtr          | 2006 I qtr   | 2005 I qtr          | 2006 I qtr    | 2005 I qtr              | 2006 I qtr |
| Agriculture, hunting and forestry   | 230                 | 434          | 16199               | 17444         | 1,4                     | 2,4        |
| Fishery   | 3                   | 6            | 1026                | 948           | 0,3                     | 0,6        |
| Mining industry   | 19                  | 25           | 5539                | 5335          | 0,3                     | 0,5        |
| Manufacturing industry  | 2757                | 3876         | 123243              | 130610        | 2,2                     | 2,9        |
| Electricity, gas and water supply   | 119                 | 142          | 8850                | 8624          | 1,3                     | 1,6        |
| Construction  | 820                 | 1394         | 33917               | 43850         | 2,4                     | 3,1        |
| Block and retail trading; repair of motor vehicles and household appliances | 1783                | 2441         | 94253               | 97557         | 1,9                     | 2,4        |
| Hotels and restaurants  | 279                 | 313          | 14879               | 16960         | 1,8                     | 1,8        |
| Transportation, warehousing and communications                              | 608                 | 708          | 41428               | 42054         | 1,4                     | 1,7        |
| Financial intermediation  | 103                 | 141          | 7571                | 9353          | 1,3                     | 1,5        |
| Real estate, rental and trade business                                      | 852                 | 1352         | 46822               | 52625         | 1,8                     | 2,5        |
| Public administration and national defence; compulsory social security      | 3024                | 3637         | 35876               | 35032         | 7,8                     | 9,4        |
| Education   | 901                 | 845          | 55111               | 57543         | 1,6                     | 1,4        |
| Health and social care  | 645                 | 660          | 32362               | 33394         | 2,0                     | 1,9        |
| Other occupation  | 519                 | 666          | 20106               | 21037         | 2,5                     | 3,1        |
| <b>Total</b>  | <b>12663</b>        | <b>16639</b> | <b>537182</b>       | <b>572365</b> | <b>2,3</b>              | <b>2,8</b> |

### The dynamics of the number of vacancies and employees in the first quarters of 2005 and 2006

Source: Statistical Office of Estonia

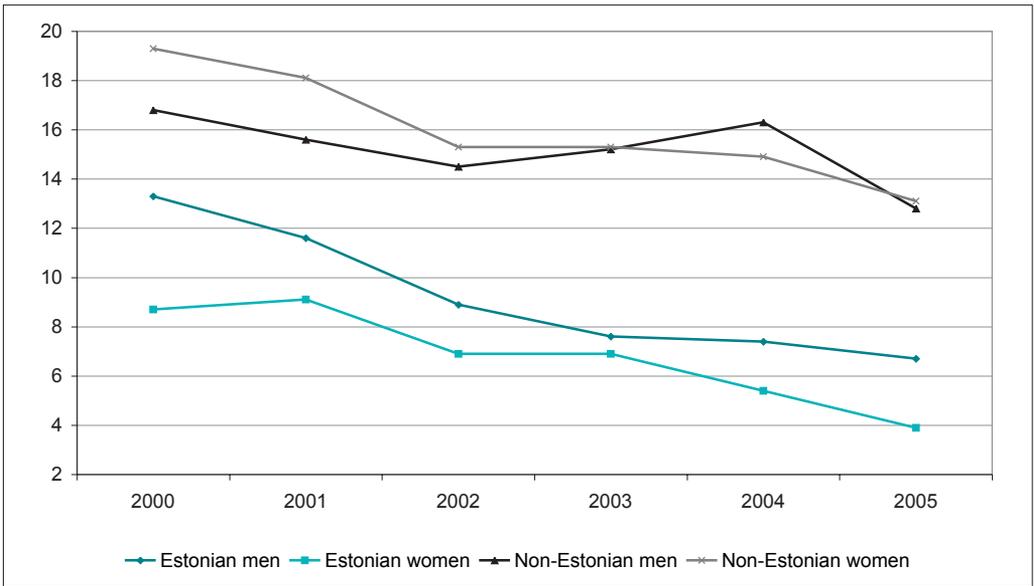
A great difference can be drawn between the unemployment rates of Estonians and Non-Estonians. Even though the unemployment rate fell both among Estonians and Non-Estonians, the comparison of the statistics of 2005 to the statistics of 2004 show that the difference still reaches up to 2,5 times. The difference is especially drastic among females – in 2005, the unemployment rate of Estonians was 3,9% while that of Non-Estonians was 13,1%. The difference is mostly caused by the high unemployment rate of North-East Estonia, where the Russian-speaking population mostly lives. Due to the lack of skills of speaking Estonian and in addition to this the high real estate prices that hinder job search in the other areas of Estonia, finding a job is quite difficult. At the same time Estonians tend to give up their job search more easily than Non-Estonians and therefore also fall out of the labour market more easily. This leads to the fact that the activity rate of Estonians is lower than that of Non-Estonians (68,2% and 72,5% respectively).

In addition to Non-Estonians, who do not speak Estonian, also other risk groups (and not only) face difficulties when entering the labour market. Special attention should at this point be paid to young unemployed people and long-term unemployed.



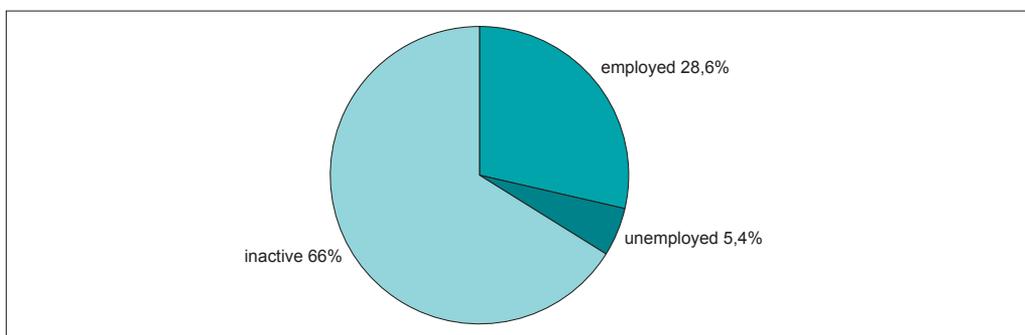
**The dynamics of the unemployment rate of men and women in 2000-2005, %**

Source: Estonian labour market survey, Statistical Office of Estonia



**The dynamics of unemployment rate of Estonians and Non-Estonians in 2000-2005%**

Source: Estonian labour market survey, Statistical Office of Estonia



### The distribution of the young (aged 15-24) according to their labour market status in 2005, %

Source: Estonian labour market survey, Statistical Office of Estonia

In general, the unemployment rate of the young (aged 15-24) is traditionally higher in most countries compared to the average unemployment rate. In Estonia, the youth unemployment rate is twice as high as the average unemployment rate. As the unemployment rate fell drastically in 2005, the unemployment rate of the young fell also (from 21,7% in 2004 to 15,9% in 2005<sup>7</sup>). When we look at young people according to their labour market status, it appears that most of them are inactive (2/3). This means that predominantly people at this age are engaged with studies instead of working<sup>8</sup>.

Currently, a serious problem in Estonia is long-term unemployment<sup>9</sup>. In 2005 there were 27,9 thousand long term unemployed people, among whom there were 13,9 thousand men and 14 thousand women. Altogether they formed 53% of the unemployed people in general (4,2% of the labour force). The long-term unemployment rate grew steadily until the year 2000, when it reached its peak due to the Russian economic crisis. Starting from 2001 general slight decrease can be detected. A sudden change took place in 2005, when the long-term unemployment rate fell in parallel with the overall unemployment rate.

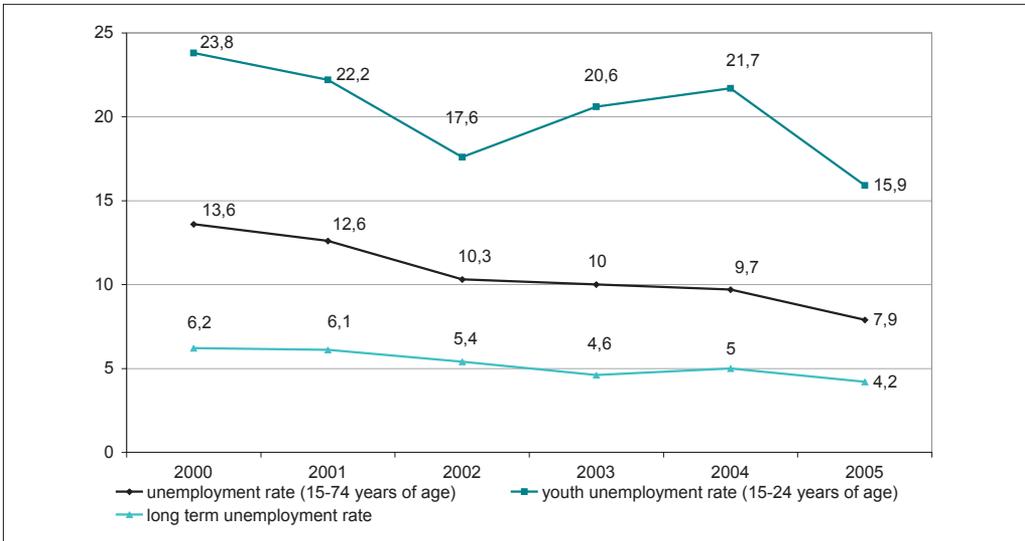
Important indicators are also the duration of unemployment and the number of unemployed people that characterise the situation of the economy. If we add to the number of long term unemployed people also the number of discouraged workers<sup>10</sup> – 14,7 thousand – we will get altogether over 42 thousand people who would like to work, but who have for several reasons difficulties in finding a job. The problem therefore is not only any more about long-term unemployment, but also about very

<sup>7</sup> The indicator is even lower than the average of the European countries in general. Students form 88% out of the inactive.

<sup>8</sup> A positive sign is that recently the number of students has started to rise.

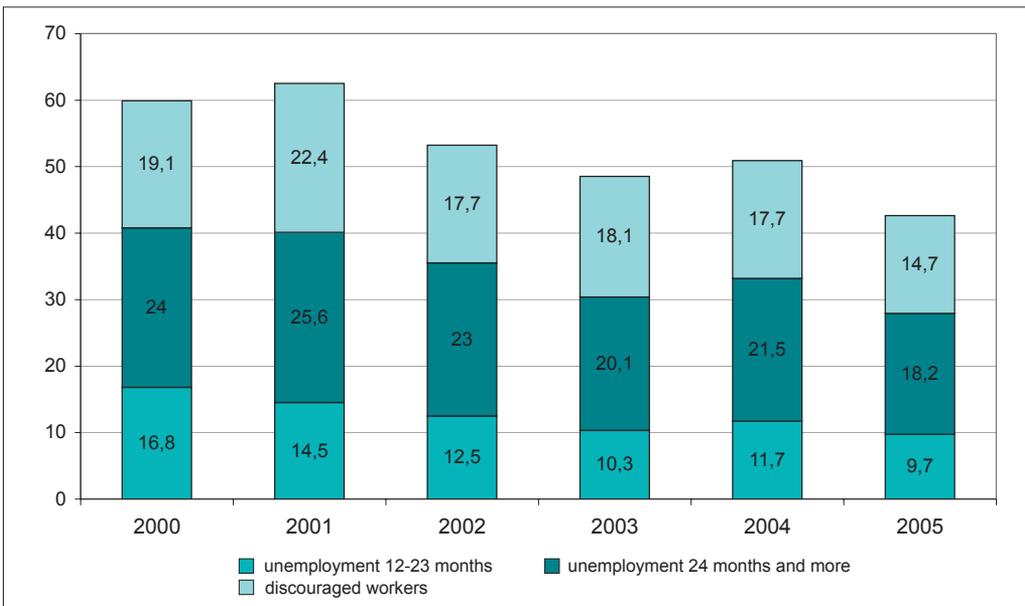
<sup>9</sup> the duration of job search lasting longer than 12 months and longer

<sup>10</sup> Discouraged workers are people who would like to start working but they have failed in finding a proper job and therefore given up job search.



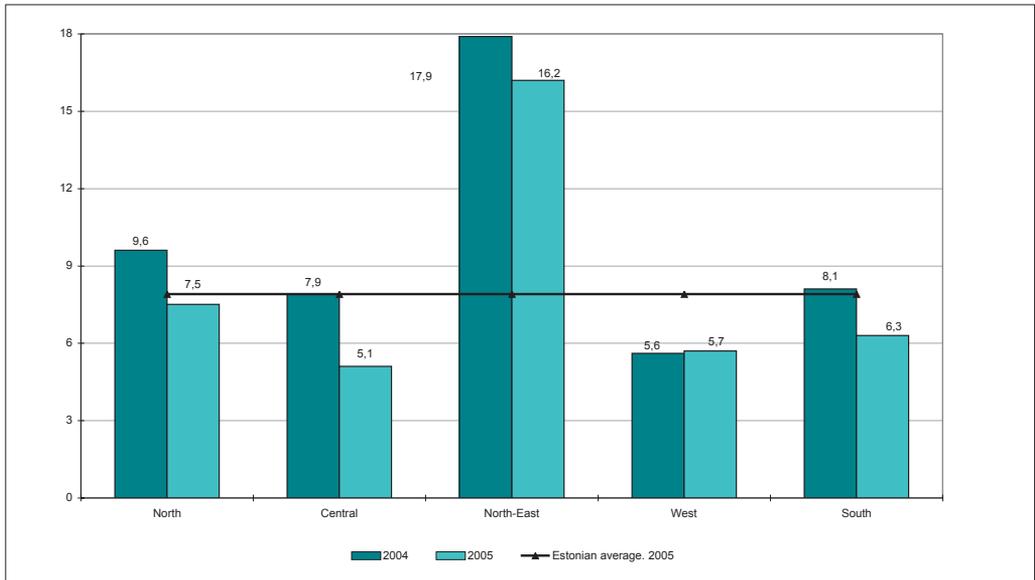
### The dynamics of unemployment rates in 2000-2005, %

Source: Estonian labour market survey, Statistical Office of Estonia



### The dynamics of the number of long term unemployed people and discouraged workers in 2000-2005, thousand

Source: Estonian labour market survey, Statistical Office of Estonia



### The dynamics of unemployment in Estonian regions in 2004-2005, %

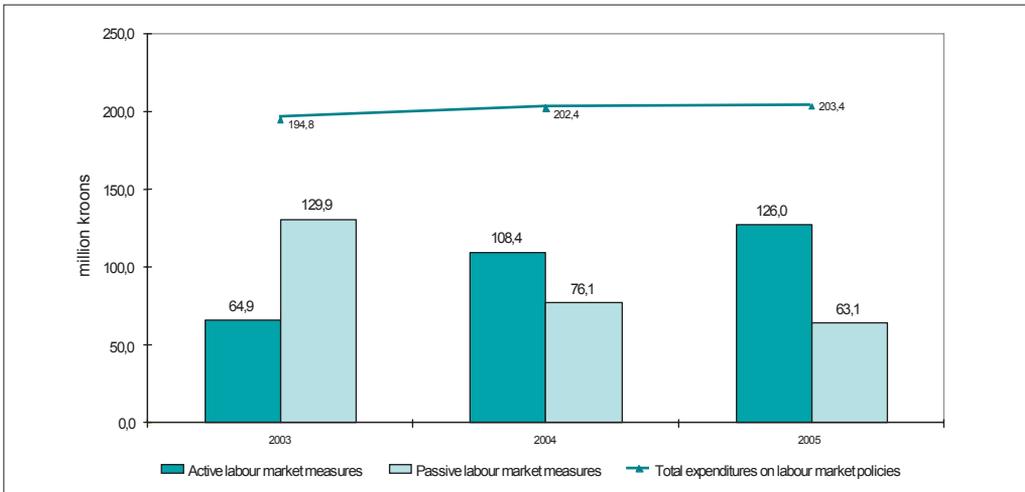
Source: Estonian labour market survey, Statistical Office of Estonia

long term unemployment (job search lasting longer than 24 months). More than 2/3 of the unemployed have searched for a job for more than 2 years.

In spite of the fact that Estonia is considered to be a very small country, great variety among the rates of unemployment can be detected between different regions. In many regions the issue is mainly about the lack of labour force. In the regions (southern part of Estonia) of previous high unemployment rate, a decrease can be detected in recent years. At this point it is not so much because of the rise in employment, but because of the unemployed moving to inactivity.

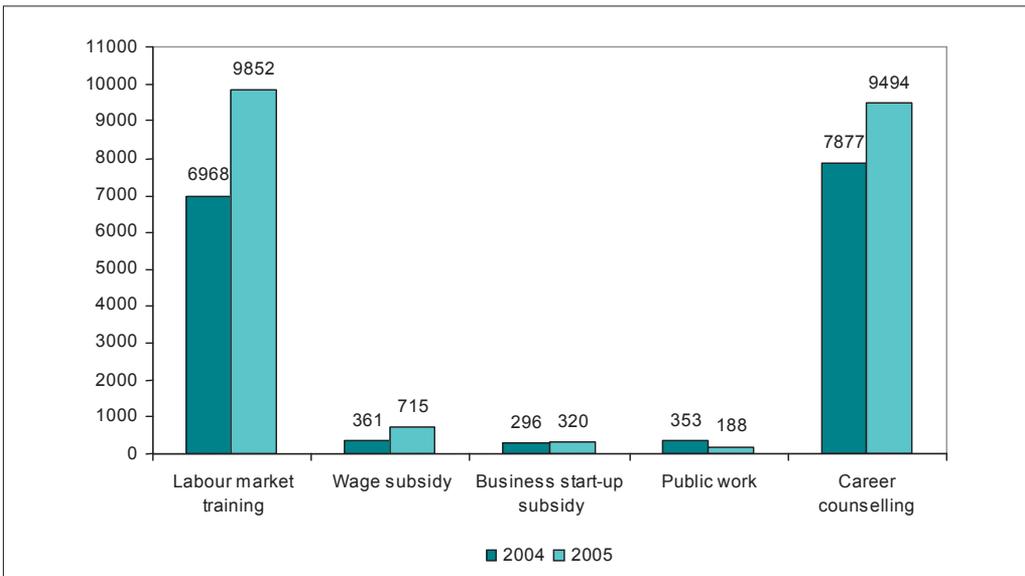
In 2005, altogether 201,3 million Estonian kroons (kroons) were used on labour market policies. Out of this 74% were spent on active labour market measures. When we compare this information with the statistics of 2004, it shows that the expenditures on active labour market measures have grown by 42,4 million kroons. In 2005 the expenditures on passive labour market measures were 52,7 million kroons, which is 11,8 million kroons less than in 2004.

When analysing the number of unemployed people participating in active labour market services, by different measures, it appears that less people have participated in public work compared to the statistics of 2004. The biggest rise took place in wage subsidy by which approximately two times more people were directed into the labour market in 2005 compared to 2004. In 2005 41% more people were offered labour market training.



### The percentage of labour market measures' actual expenditures of the GDP

Source: Estonian Labour Market Board, Statistical Office of Estonia [www.stat.ee](http://www.stat.ee), according to 9. May 2006



### The unemployed people participating in active labour market measures by different services

Source: The summaries of years 2004 and 2005, compiled by the Estonian Labour Market Board <http://www.tta.ee/index.php?id=22>, according to 8 May 2006



## 3. CAREER GUIDANCE

Guidance in Estonia is mainly provided by the public sector within the education and labour market structures. Provision in the education sector tends to be more complex and divided across many institutions compared to the labour market sector. While private career services exist, they tend to provide a different type of service, related mainly to job mediation and web-based career management resources.

### 3.1. BRIEF HISTORICAL OVERVIEW AND LEGISLATION

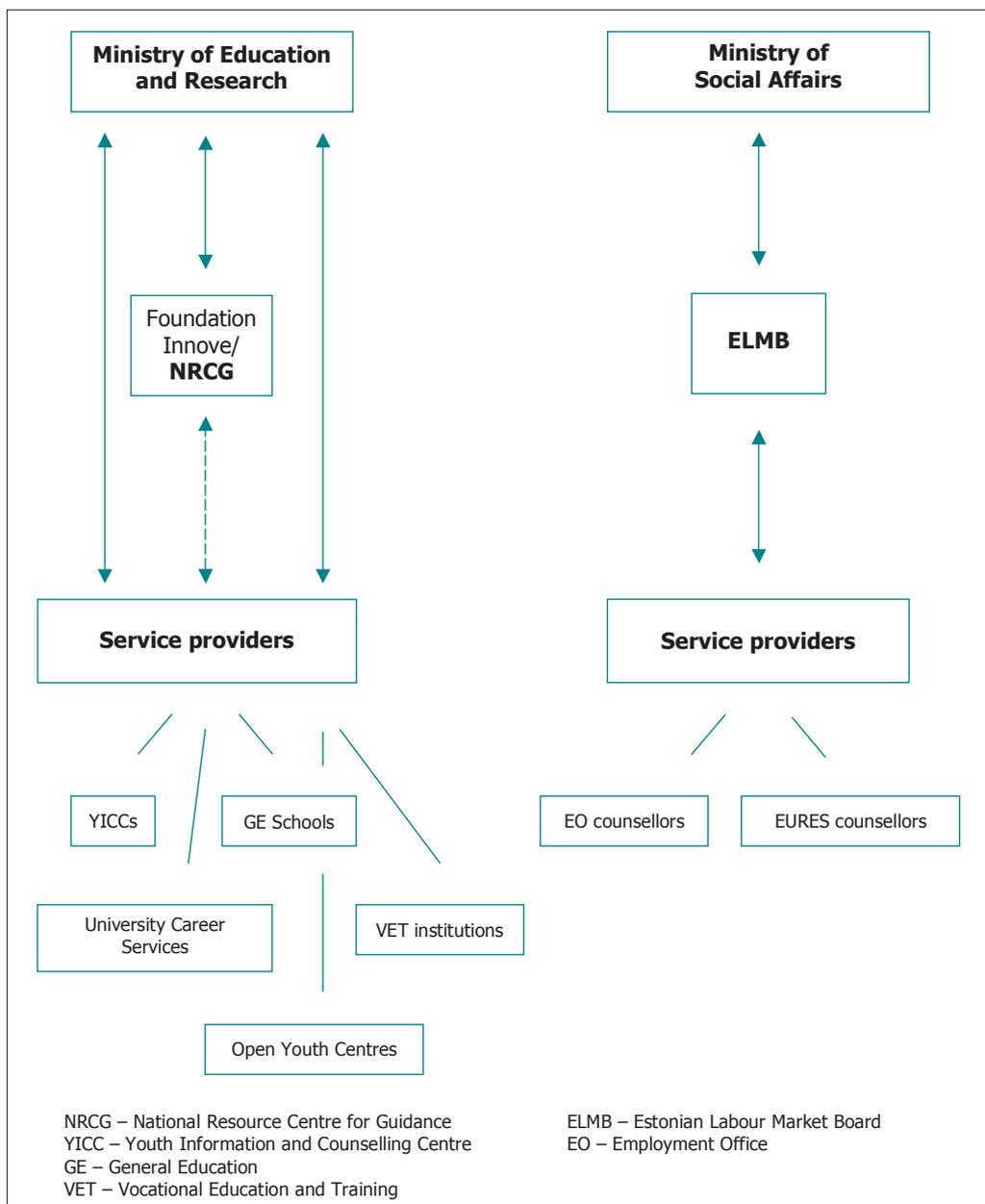
#### Education sector

In the education sector, the provision of regulated guidance services was interrupted by a 6-year break in mid-1990s, right after Estonia re-established its independence. Although guidance services continued to be offered at a minor scale in some institutions across Estonia, their development was neither systematic nor valued by the Government. Only towards the end of the decade did authorities realise the major role that well-timed guidance could play in consolidating the needs of the quickly changing labour market and the choices young people were making for their futures. This led to the approval of two main laws that have continued to regulate the provision of guidance services in the education sector to this day.

The Education Act of the Republic of Estonia stipulates vocational guidance of children and youth to be the responsibility of local governments. According to the Youth Work Act, the county governor is responsible for the organisation of guidance and counselling of young people in the county by contracting a respective institution or specialist. In 1999/2000, 16 regional youth information and counselling centres were established to this end, one in each county and an extra one in the neighbourhood of Tallinn.

#### Labour market sector

In the labour market sector, largely psychology-based vocational counselling has been provided in employment offices since mid-1990s, although initially there was no respective legislation to regulate the services. On 1 October 2000, the Labour Market Services Act came into force, stipulating vocational counselling to be an official labour market service. 12 new vocational counsellor positions were created that fall. By today, career guidance and counselling is offered in all local labour market offices across Estonia, although in some smaller counties the counsellor is employed only on part-time basis. The provided services are regulated further by two directive documents. *The Instructions for Providing Vocational Counselling Services* was issued in 2001 by Director General of the ELMB, and provides guidelines for the service providers. *The Standard of*



## The Provision of Career Services in Estonia

*Public Services*, at the same time, describes the rights of the clients as to what are they entitled to expect of the different labour market services, with vocational counselling being one of them. The latter document was up-dated in 2004.

On 1 January 2006, a new Labour Market Services and Benefits Act came into force whereby vocational counselling has now been re-named as career counselling.

## 3.2. DEVELOPMENT OF THE FIELD

In 1998, the Ministry of Education and Research founded the **National Resource Centre for Guidance - Estonian Euroguidance Centre** to support guidance practitioners in promoting mobility and the European dimension within education and training and in the field of guidance. Since then, the activities of the Centre have expanded to include the development of the national guidance system in general. Although the Centre does not provide direct counselling services to end-users, it seeks to support to the Estonian network of guidance practitioners through:

- developing electronic, printed and web-based guidance materials;
- organising and mediating short-term training courses and information seminars;
- mediating foreign guidance related expertise to Estonia;
- creating opportunities for Estonian practitioners to participate in European study visits within the Leonardo da Vinci funded annual *Academia* exchanges;
- participating in various national and European working groups and projects to support constant further development of the field in respect to both guidance co-ordination and provision.

It can be said that by 2007, the Estonian National Resource Centre for Guidance has become the main partner for the Ministry of Education and Research in developing the Estonian career guidance system. The opening of the European Structural Funds in Estonia has, however, facilitated the initiation and implementation of nearly 10 new guidance projects over the last few years led by different guidance centres, universities, municipalities etc, that all seek to establish more effective and varied ways to meet the changing needs of their specific target groups. The Estonian NRCG is committed to liaising with all these players and to ensuring maximum co-operation and information exchange between them in order to encourage more synergy and avoid overlapping of activities.

Among the several different projects that the Estonian NRCG is currently involved in, two can be highlighted as having a major impact on the co-ordination and delivery of guidance services in Estonia.

### **National ESF project to improve quality in guidance**

In 2005, the Centre was entrusted with the preparation and implementation of a comprehensive national guidance project called *The Development of the Guidance System in Estonia*, co-funded by the Ministry and the European Structural Funds. The project will last till July 2008 and should improve the quality of guidance services to enhance participation in lifelong learning and increase employability. Specific objectives of the project are:

- To develop and start off the monitoring system of guidance services in Estonia (execution of various studies and surveys).

- To elaborate sample materials for the delivery of career education in general education and VET institutions with the aim to raise the quality of career education and reduce the number of drop-outs (production of handbooks and guidelines).
- To synchronise basic knowledge and competency levels of career practitioners, and enhance their specific skills with the aim to ensure a higher level of service provision, corresponding to the needs of different target groups (provision of practitioner training).
- To reorganise the structure of the career planning web site [www.rajaleidja.ee](http://www.rajaleidja.ee), and develop its content on the basis of different target group needs. Improve thus the accessibility of career information, and provide Estonian citizens with further informal and non-formal learning opportunities to enhance their career management skills and competences (development of a web-site).
- To raise public awareness of the opportunities that various career services provide (arrangement of marketing and PR).

### **European Joint Actions project for the establishment of national guidance forums**

Between 2004 – 2006, Estonian NRCG participated in an international project called *The Establishment of National Guidance Forums in Six Member States MEDSUI – Malta, Estonia, Denmark, Slovenia, United Kingdom and Ireland*. The overall aim of the project was to build part of the respective European network by developing a strategic plan for a Forum in each participating country. In the case of Estonia, this meant preparing the ground for the assembly of the representatives of all relevant stakeholders and policy makers in order to engage them in a co-ordinated development of lifelong guidance in Estonia in the future. Extensive feedback collected to the draft strategic plan, prepared by an inter-ministerial working group led by the Estonian NRCG, was very supportive of the initiative, and the extended group of all interested parties met for the first time in September 2006. The official launch of the Estonian Guidance Policy Forum is foreseen in early 2007.

The recent survey of guidance in Estonia clearly pointed out that on the state level, the formulation of development areas and overall goals of the field, as well as the distribution of resources, is an inevitable prerequisite for creating a more effective and available network of guidance services. The establishment of a guidance forum with a representation from all relevant stakeholders and a clear-cut action plan for the next few years should address these needs in a direct and immediate way.

### 3.3. SERVICE PROVISION AND TARGET GROUPS

In the education sector, guidance is provided both as part of youth work as well as part of formal education.

#### Regional information and counselling centres

Within youth work, a network of information and counselling centres, referred to above, has operated since 1999/2000, contracted regionally by county governors and funded annually by the Ministry of Education and Research and local governments. The total number of these centres has risen to 24, of which 19 are still partly funded by the Ministry. The average number of personnel is 1 – 2 people, although in bigger towns there are also centres staffed with teams of 5 – 15 people. These centres provide information and guidance services on site. Practitioners also visit general education institutions to give lectures and to support teachers and schools in implementing career education. As career guidance is an undefined part of the centres' services, some of them tend to place greater emphasis on information provision and youth work, rather than focussing on career guidance and counselling.

The main target groups of regional youth information and counselling centres are young people aged 7–26 who are living, studying and working in the county. Parents and teachers can also access the centre for advice. The majority of services are free of charge, and are provided in the form of both individual and group counselling, often accompanied by computer-based activities. The latter include information retrieval on learning and working opportunities from the Internet, and in some cases, the completing of various personality and ability tests.

The Ministry of Education and Research is currently preparing a new model of integrated guidance services for young people whereby the range of services provided by the youth information and counselling centres will be expanded to include educational, social, psychological and career guidance, and information provision on labour market issues, and other topics relevant for young people.

#### General education schools

Within general education, all schools must implement *Professional Career and its Development* as a compulsory cross-curricular theme since September 2004. In many cases, an individual staff member is responsible for the co-ordination of the career management activities within the whole school. Tasks of a career co-ordinator include co-operation with regional information and counselling centres and class teachers, supporting subject teachers in the implementation of the cross-curricular theme, organisation of student visits to/by employers, and in some cases – delivery of a designated career lesson. The latter is usually provided as an elective course for the students in the last years of either basic or general upper secondary school who are generally considered as the main target group for guidance.

Young people themselves consider the availability of career guidance services good but the information they use to make choices is often based on informal channels. The recent survey referred to before suggests that the current organisation of career guidance in general education schools needs a thorough review – students' assessment of career services at school are low and very often they do not even realise that the information given to them and activities carried out constitute one part of career guidance. This is partly due to the fact that most schools lack a methodological study programme and action plan for career guidance with the determined roles and activities of different parties involved. Schools do not doubt the necessity of such a plan though. Schools are likewise critical in their evaluations as to how well prepared for entering the world of work and further study their graduates are. The biggest problem is considered to be their slanted view (caused by media and parents) of the changes on the labour market, its future prospects, and current situation and needs.

### **Vocational education and training (VET) institutions**

According to the Estonian National Development Plan for the Implementation of the EU Structural Funds SPD 2004/2006, VET institutions were also to establish permanent career services for their students. Due to the lack of financial resource and trained specialists, in reality only a few VET institutions have taken up that initiative. However, low participation and achievement rates, and at the same time high drop-out rates of the students in vocational education as well as their high proportion among the unemployed, continue to suggest a strong need for targeted guidance. Resulting from the lack of staff in regional information and counselling centres, the co-operation of these practitioners with VET institutions has so far been more occasional than regular, and is often limited to in-group personality testing. In the few VET institutions where the career practitioner is permanently employed, he/she provides the students with information on the world of work, helps them to develop their job seeking skills, and supports their search for employment. However, these examples are very rare and most VET students can be said to have virtually no career guidance services targeted at them.

### **Higher education institutions**

At tertiary level, five biggest Estonian universities have established career centres on their own initiative and without any central regulation. Services are provided for current students, employers and alumni. In addition to career consultation these centres often act like a bridge between employers and students, by organising relevant lectures and seminars, company presentations, by providing job and in-service training mediation, and by giving the target groups an opportunity to join relevant databases. The main aim of the university career services is to develop students' job seeking skills, support them in finding employment, and research their career destinations after graduation.

## Local labour market offices

Within the labour market sector, 22 counsellors working in 15 local labour market offices across Estonia provide career counselling. Career counselling is carried out both as individual work as well as in group sessions. In the case of an individual interview, a pre-registration is required with the maximum waiting time of two weeks. One session usually lasts for one hour during which time the counsellor can apply a whole range of different methods. Depending on the needs of the client, the counsellor either helps to specify the client's educational and job related aspirations, maps the existing qualifications, assesses professional suitability, informs about the labour market situation and different training possibilities, advises on how to make rational and well-informed decisions concerning employment and training, and/or provides instructions about job seeking, writing CV and other documents necessary to apply for a job, and preparing for the job interview. The counsellor has a set of various methodological materials at her disposal, including workbooks, questionnaires and tests in both electronic and printed formats.

In 1998, the Labour Market Board purchased some methodological instruments, i.e. tests (Holland vocational preferences questionnaire, General Aptitude Test Battery GATB, Myers-Briggs Test Inventory MBTI – test for the determination of behavioural and communications preferences) for the vocational counsellors, working at that time within the system. These tests are still in use today.

Various group information and counselling methods are employed in the case of people with similar needs or difficulties. The group size is usually around 10 – 20 people, and one session on a specific theme lasts between 1 – 3 hours.

In addition to individual and group counselling, the clients of the labour sector can also use self-service possibilities. All local labour market offices are equipped with computers where jobseekers have access to Internet and can use the opportunity to search for information and vacancies, register themselves in databases, fill in application forms, and prepare other documents necessary to apply for a job. They can also test their professional suitability with the help of computerised tests. In order to further improve accessibility to labour market services, the development of an Internet-based self-information system was started by the Estonian Labour Market Board in 2003. Besides work and training mediation, this new system also includes career information, professional suitability testing and e-learning possibilities.

The network of labour market career counsellors is co-ordinated by the Estonian Labour Market Board, which is also responsible for the provision of training. In addition, there is a small network of 5 EURES counsellors who are engaged in job mediation to foreign countries. With the constantly increasing number of people wishing to work abroad, the need for and proportion of career counselling to that target group is likely to increase over the following years.

The right to receive career counselling services within the labour market sector is

limited only to the unemployed, to persons who have received a redundancy note, and to official jobseekers who have registered themselves at local labour market offices. At the same time, information about vacancies, the general situation on the labour market and the possibilities of training, is provided to anyone interested.

Main target groups of career counselling include people who:

- have no qualifications;
- have no previous work experience and whose knowledge of the working environment is limited;
- have not worked for a long time and whose vocational qualifications have thus become obsolete;
- who cannot work in the field they have been qualified for due to health contraindications;
- cannot find work that matches the acquired vocational qualification due to the lack of demand on the labour market.

The number of people belonging to minorities and requiring career counselling services is steadily growing.

Employers who are interested in finding appropriate labour force, can also make use of the counselling services. Career counsellors may be used in the process of interviewing or testing potential employees. This service is free of charge for the employers.

Long-term unemployed, young unemployed between 16 and 24 years of age, elderly people, people with disabilities and young mothers returning to the labour market after an extended period of absence due to either raising the family or other reasons, are classified as risk groups. Various additional support measures and programmes have been initiated to help their re-integration to the labour market.

In 2005, career counselling services were provided to 11 577 people which amounts to ca 16 % of the total number of the unemployed. As to the structure of the service users, then young people aged 16 – 24 constituted ca 18 % of the total. Statistics also show that women are more active counselling service users than men, the respective proportion being 70% against 30%. The biggest percent of service users (56%) are with general education background.

### **Private guidance provision**

The main focus of guidance in the private sector tends to be on job mediation (both face to face as well as over Internet). Links with the public sector are rather rare though and information events are only occasional. Within companies, human resource managers sometimes address staff career management issues but it is not regulated. The first links between the education sector and the Estonian Association for Personnel Development PARE have been established.

Private enterprises are involved in guidance activities for young people mainly through participation in work-shadowing days, career days and related events, company presentations and as in-company training venues.

### **Current weaknesses and challenges**

The recent survey of the users of guidance services has proven that the need for career guidance in the Estonian society is clearly evident, with information about labour market opportunities being most required. However, almost half of those potentially needing career guidance do not consider the service sufficiently available for them. Specific career guidance providers are known in theory to end-users but at the same time they are not aware of them as actual career guidance providers. This explains why a large amount of career-related information and guidance is received from informal channels, most frequently from friends, acquaintances, Internet and public media.

Increasing the awareness of services as well as of service providers and, through that, improving the image of career guidance service in general, is of key importance in the coming years. Lifelong learning has not reached people's awareness as part of career management yet, career guidance is primarily associated with specific information on the labour market and/or training opportunities and often at the time when one is already in trouble. The awareness of official service providers is good but at the same time, they are not perceived as institutions to turn to when making education or work-related choices.

As to the availability of service then guidance is mainly provided to 2 - 3 target groups with the main content being the exchange of information concerning training and studying opportunities, vocations and professions. The availability of service is a big problem for those target groups who need career guidance more than others. Inhabitants of rural areas, non-Estonians and those not using the Internet require special attention when it comes to choosing the proper channels and availability of service.

At the same time, the provision of career guidance services is the main activity or part of it for only 58% of service providers. For the rest, it is an additional activity, which is in most cases unpaid. The main motivator for working in this field is self-achievement and sense of mission. Wages corresponding to the labour input and value that the society (and the state) currently attaches to this field are unfortunately not the characteristics of this job. The scarcest resources for all service providers, regardless of the type of institution, are time and money. Satisfaction with field-related literature, methodological material and supervision is low, so is satisfaction with existence of additional labour, surveys and analysis of the field.

### 3.4. QUALIFICATION AND TRAINING OF GUIDANCE PERSONNEL

There are three qualification standards for career practitioners in Estonia: career counsellor, career information specialist and career co-ordinator at school (including VET institutions and higher education institutions). The Estonian Qualification Authority adopted all three in December 2005. The standard for career counsellors was up-dated on the basis of a previous standard, approved in June 2001, the other two standards are new.

Until December 2005, there were no official and nationally agreed minimal qualification requirements for guidance practitioners. The recently approved qualification standards might also take some time to implement. The majority of guidance practitioners working in the education sector have a background in youth work, teacher training, social work or psychology.

Due to the lack of accredited basic training in career guidance, the most urgent training needs have been met by various short and long-term courses, organised by different institutions. Twice a year, National Resource Centre for Guidance organises three-day information and training seminars aimed at both education and labour sector counsellors. They serve as a meeting point to enhance co-operation and information flow between the two. Topics have included enhancement of practitioners' information retrieval skills, trends in economy and employment, solution oriented counselling, crises psychology etc.

Within the labour sector, all career counsellors have a university degree, preferably in psychology, pedagogy or social work. The Estonian Labour Market Board has developed a short pre-service training course for all new counsellors starting their work in employment offices. Likewise, the ELMB organises regular further training sessions for all practising counsellors to harmonise and raise their professional skills. Three times a year they are invited to participate in information days where new materials and methods are being introduced, and where practitioners can discuss administrative questions and exchange experiences.

Between November 2005 and June 2006, three Estonian public universities piloted a joint 9 ECTS training programme in guidance within the framework of the EU Structural Funds career guidance project mentioned before. It will be followed by three separate 3 ECTS specialisation courses for career counsellors, career information specialists and career co-ordinators at schools leading to the (voluntary) professional examinations to acquire one of the three qualifications. The pilot course was designed at altogether 55 currently practicing specialists from both sectors.



|  |    |
|--|----|
| <b>1. Education</b> .....                                  | 3  |
| 1.1 The Education System .....                             | 3  |
| 1.2 General Education .....                                | 7  |
| 1.3 Vocational Education .....                             | 12 |
| 1.4 Adult Education .....                                  | 14 |
| 1.5 Higher Education .....                                 | 15 |
| 1.7 Young People .....                                     | 18 |
| 1.8 Teachers and Teacher Training .....                    | 20 |
| 1.9 Funding .....  | 21 |
| <br>   |    |
| <b>2. Labour Market</b> .....                              | 25 |
| 2.1 Labour Market Institutions .....                       | 25 |
| 2.2 Labour Market Measures .....                           | 26 |
| 2.3 Labour Market Situation .....                          | 29 |
| <br>   |    |
| <b>3. Career Guidance</b> .....                            | 38 |
| 3.1 Brief Historical Overview and Legislation .....        | 38 |
| 3.2 Development of the Field .....                         | 40 |
| 3.3 Service Provision and Target Groups .....              | 42 |
| 3.4 Qualification and Training of Guidance Personnel ..... | 47 |