## MINISTRY OF SOCIAL AFFAIRS OF ESTONIA

# SOCIAL SECTOR IN FIGURES 2006

## **EXPLANATION OF SYMBOLS**

... no reliable data available

.. term not applicable

- magnitude nil

ISCED International Standard Classification of Education

OECD Organisation for Economic Co-operation and Development

GDP Gross domestic product

M Males F Females

Data compiled by the Social Policy Information and Analysis Department, Labour Policy Information and Analysis and Health Information and Analysis Departments were involved in compiling the publication.

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### **DEAR READER!**

In the past few years, more attention has been paid to making the policy planning process knowledge-based, to a better understanding of ongoing processes.

Statistical data and indicators play a role in decision-making that cannot be underestimated – the data are of assistance in designing policies, evaluating the results of implemented measures and drawing attention to problems that need to be solved.

Social Sector in Figures 2006 contains basic statistical data on social security, health and labour domains. Various statistical data from several sources have been used for compiling this collection, the majority of which have been gathered by the Ministry of Social Affairs and its subordinate boards and inspectorates. Statistical survey data produced by the Statistics Estonia and other relevant institutions have also been used. Depending on availability, comparison data have been provided for the period 1995-2005.

The introduction to each section includes a description of the legal acts governing the domain and of changes therein, definitions of the terms used and a brief statistical overview.

The Ministry of Social Affairs has been publishing this collection since 1999, thereby creating a consistent basis for observing the indicators. This year's collection gives thorough consideration to the people's own evaluations of their health and medical services. It also provides an overview of the results of a new gender equality monitoring survey.

This collection is foremost directed at policy designers, aiming to assist them in initiating, elaborating and evaluating policies. However, the information can be a useful and interesting source of data for anyone interested in changes occurring in Estonian society.

# Maarja Mändmaa

Secretary General Ministry of Social Affairs

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## **GENERAL DATA**

System of government Parliamentary republic

Capital Tallinn

Currency unit Eesti kroon (EEK)

1 EUR=15,6466 EEK

Population as of 1 January 2006 1 344 684

Population density (inhabitants per km²) 30

Total area (km²) 45 227

Administrative division of Estonian territory



### POPULATION<sup>1</sup>

The population of Estonia has been characterised by a tendency of decrease already since the beginning of the 1990s. The rate of decrease has, however, slowed down a little in the last couple of years due to the birth rate growing somewhat and the death rate decreasing.

The decreased proportion of young people is due to a rapid decrease in the birth rate starting in the 1990s. In 1995, people from the age group of 0-14 formed 20.9 percent of the population, but by 2006 this percentage had sunk to 15.1 percent. At the same time the percentage of people over 65 rose from 13.3 percent to 16.7 percent.

In 2005, the labour market reprisal index fell below 1 for the first time, indicating that theoretically there are more people leaving the labour market than entering it. The age dependency rate is also continuing to deteriorate – while in 2000 there was nearly 4.5 working-age people per every person aged 65 and older in Estonia, then in 2005 the figure was only 4.1.

The lowest point in the birth rate was in 1998. Ever since, the birth rate has shown an increasing trend (although with slight fluctuations). The birth rate increased somewhat in 2004. The growth continued in 2005, albeit at a slower pace.

While the increase of the birth rate has in recent years mainly been due to the growth of the number of first-born children, then in 2005 the number of second-born children increased most, as did their percentage of all live births. The first-born children make up almost a half of live births, while second-born children make up a third and third-born children a tenth of live births. The number of fourth-born and later-born children has been decreasing year by year and the trend continued also in 2005.

The average age of mothers giving birth, including the average age at first birth, has continuously increased since 1993. In recent years there have been more births by women between the ages of 30-39. At the same time, birth activity among women under 25 has continuously decreased.

Bearing witness to positive changes in family planning habits is the fact that in recent years the absolute number of induced abortions and the number of abortions per 1,000 women between the ages of 15-49 has steadily decreased.

Source for all data presented in this section - Statistics Estonia.

In 2000, the number of induced abortions fell below the number of live births for the first time and this tendency of decrease has continued ever since. While in 2000 the number of legally induced abortions per 100 live births was 97.5, then in 2005 the corresponding figure was 67.0.

Life expectancy at birth was the lowest in 1994 (66.9 years). Since then, the average age has risen slightly (72.8 years in 2005), but still the difference in life expectancy between men and women is over 10 years.

Death indicators have decreased a little in the last 5 years, both as an overall figure and the death rate. Over half of the deaths are caused by diseases of the circulatory system, followed by cancer (20%) and accidents, poisonings and acute injuries (10%). The causes of death differ by gender – in 2005 60% of women's deaths were caused by diseases of the circulatory system (men – 46%), 18% by cancer, (men – 22%) and less than 5% by accidents, poisonings and acute injuries (men – 14%).

The death rate for men exceeds the figure for women by far, especially in younger age groups. For instance, the difference in the age group 15-64 is almost threefold (in 2005, 818 cases per 100,000 for men and 286 cases per 100,000 for women).

In 2005, accidents, poisonings and acute injuries proved fatal for 1,659 people. However, it is evident that the figures per 100,000 inhabitants have improved in this respect – while in 2000, 255 men and 66 women perished per 100,000 inhabitants, then in 2005 the corresponding indicators were 206 and 53.

The main causes here are suicides, motor vehicle accidents and alcohol poisonings. In 2005, 20 people per 100,000 lost their life through suicide, 15 in traffic accidents and 14 due to alcohol poisoning. Suicides are showing a declining trend, but unfortunately the same cannot be said about motor vehicle accidents. The death rate due to alcohol poisoning has generally decreased compared to the indicators from the last decade, but recent years show neither a uniform increase nor decrease.

Table 1. Population by age, 1 January

Age				Population			
group	1995	2000	2002	2003	2004	2005	2006
Total	1 448 075	1 372 071	1 361 242	1 356 045	1 351 069	1 347 510	1 344 684
0 - 14	302 490	250 503	233 829	224 761	215 718	208 110	202 429
0 - 4	83 940	61 440	61 352	62 175	63 347	65 197	66 534
5 - 14	218 550	189 063	172 477	162 586	152 371	142 913	135 895
15 - 64	952 702	915 938	916 273	915 834	916 316	916 671	916 933
15 - 39	503 233	479 245	478 942	480 457	483 204	485 545	487 283
40 - 64	449 469	436 693	437 331	435 377	433 112	431 126	429 650
65 +	192 883	205 189	210 699	215 009	218 658	222 405	225 066
65 - 74	123 752	130 577	130 878	131 984	132 263	132 815	132 132
75 - 84	53 493	56 970	63 067	67 227	70 616	73 956	77 289
85 +	15 638	17 642	16 754	15 798	15 779	15 634	15 645
Unknown	-	441	441	441	377	324	256

Figure 1. Age structure of population, %

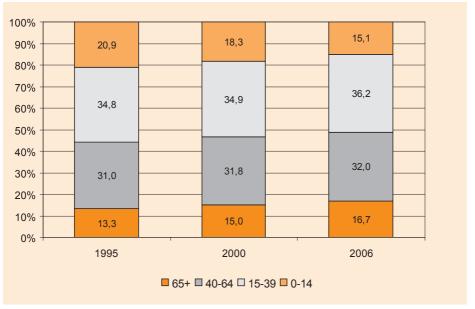


Table 2. Population by sex and age, 1 January

Sex, age				Population			
group	1995	2000	2002	2003	2004	2005	2006
Men	671 264	632 709	627 591	624 961	622 450	620 600	619 299
0 - 14	154 779	128 511	120 184	115 433	110 786	106 828	103 988
15 - 64	455 686	437 015	437 822	438 260	439 071	439 872	440 558
65 +	60 799	66 918	69 320	71 003	72 361	73 710	74 618
unknown	-	265	265	265	232	190	135
Women	776 811	739 362	733 651	731 084	728 619	726 910	725 385
0 - 14	147 711	121 992	113 645	109 328	104 932	101 282	98 441
15 – 64	497 016	478 923	478 451	477 574	477 245	476 799	476 375
65 +	132 084	138 271	141 379	144 006	146 297	148 695	150 448
unknown	-	176	176	176	145	134	121

Table 3. Number of households, annual average, thousand

	2000	2002	2003	2004	2005
Total number of households	575,3	566,7	566,1	564,7	566,8
Single-member households	179,6	175,9	173,0	178,7	180,2
With two and more members	395,7	390,8	393,1	386,0	386,6
2 adults <sup>1</sup>	111,4	108,5	112,0	113,7	116,3
1 parent with child (children) <sup>2</sup>	26,2	21,9	25,9	19,2	16,8
2 adults <sup>1</sup> with children <sup>2</sup>	90,5	87,2	79,6	79,6	77,8
with 1 child	44,6	42,1	40,8	40,2	40,5
with 2 children	35,8	37,1	32,6	32,1	27,4
with 3 and more children	10,2	8,0	6,2	7,4	9,9
other	167,5	173,2	175,6	173,4	175,7

<sup>1</sup> Both common-law and married couple.

Source: Statistics Estonia, household budget survey (estimated figure, calculated on the basis of census data and population registration data).

<sup>2</sup> Age 0-15.

Table 4. Main demographic indicators

Indicator	1995	1998	2000	2001	2002	2003	2004	2005
Number of live births	13 509	12 167	13 067	12 632	13 001	13 036	13 992	14 350
Percentage of legitimate births, %	55,8	47,5	45,6	43,8	43,7	42,2	42,0	41,5
Live births per 1000 women aged 15-49	38,2	35,3	38,1	36,9	38,0	38,0	40,8	41,9
Crude birth rate (per 1000 inhabitants)	9,4	8,8	9,5	9,3	9,6	9,6	10,4	10,7
Total fertility rate <sup>1</sup>	1,38	1,28	1,39	1,34	1,37	1,37	1,47	1,50
Number of deaths	20 828	19 445	18 403	18 516	18 355	18 152	17 685	17 316
Crude death rate (per 1000 inhabitants)	14,5	14,0	13,4	13,6	13,5	13,4	13,1	12,9
Infant mortality rate <sup>2</sup>	14,8	9,3	8,4	8,8	5,7	7,0	6,4	5,4
Mortality rate of 0-64-year-olds (per 1000 inhabitants)	6,5	5,7	5,2	5,4	5,2	5,0	4,8	4,5
M	9,7	8,4	7,6	8,0	7,8	7,3	7,2	6,7
F	3,4	3,1	3,0	3,0	2,8	2,8	2,5	2,5
Mortality rate of 65-year- olds and older (per 1000 inhabitants)	65,3	62,3	58,7	57,8	57,8	57,6	55,4	54,4
M	79,0	75,3	71,0	71,5	70,8	71,9	69,3	69,1
F	58,9	56,0	52,8	51,2	51,4	50,5	48,5	47,2
Natural increase	-7 319	-7 278	-5 336	-5 884	-5 354	-5 116	-3 693	-2 966
Rate of natural increase (per 1000 inhabitants)	-5,1	-5,3	-3,9	-4,3	-3,9	-3,8	-2,7	-2,2
Dependency ratio <sup>3</sup> , beginning of year	52,0	51,6	49,8	49,1	48,5	48,0	47,4	47,0
Labour market reprisal index4, beginning of year	1,27	1,24	1,20	1,18	1,14	1,09	1,03	0,96
Age dependency ratio⁵, beginning of year	4,94	4,54	4,46	4,41	4,35	4,26	4,19	4,12

<sup>1</sup> The average number of live-born children per woman during her lifetime (based on age-specific fertility rates of a current year).

<sup>2</sup> Deaths under 1 year of age per 1000 live births.

<sup>Proportions of inhabitants aged 0-14 and 65 and older to those aged 15-64.
Proportion of inhabitants aged 5-14 to those aged 55-64 (shows the ratio of people entering the labour</sup> market and people leaving the labour market in the coming decade. If the index is higher than 1, then the number of people entering the labour market is higher than the number of people leaving.)

<sup>5</sup> Proportion of inhabitants aged 15-64 compared to those aged 65 and older.

Table 5. Average age of birthgiver

Indicator	1995	1998	2000	2001	2002	2003	2004	2005
Average age of a woman at delivery	25,6	26,4	27,0	27,2	27,5	27,7	27,9	28,2
Average age of a woman at first delivery	23,0	23,6	24,0	24,2	24,6	24,8	25,0	25,2

Table 6. Live births, by birth order and mother's age

Table 0. LIVE		3, Dy		oraci	una i	11101111	51 <b>3</b> G	ge			
Indicator	1995	1998	2000	2001	2002	2003	2004	2005	% of	all live bi	rths
									1995	2000	2005
Number of live births <sup>1</sup>	13 509	12 167	13 067	12 632	13 001	13 036	13 992	14 350	100	100	100
By birth order											
As 1st child	6 705	6 103	6 320	6 099	6 264	6 422	6 900	6 945	49,6	48,4	48,4
As 2nd child	4 316	3 804	4 195	4 106	4 299	4 252	4 525	4 825	31,9	32,1	33,6
As 3rd child	1 514	1 392	1 582	1 542	1 567	1 505	1 715	1 738	11,2	12,1	12,1
As 4th and subsequent child	970	866	969	883	870	857	852	842	7,2	7,4	5,9
By age of the mother											
under 20	1 847	1 348	1 307	1 229	1 139	1 097	1 126	1 116	13,7	10,0	7,8
20-24	5 197	4 196	4 038	3 795	3 644	3 612	3 753	3 583	38,5	30,9	25,0
25-29	3 632	3 660	4 009	3 872	4 105	4 104	4 403	4 542	26,9	30,7	31,7
30-34	1 874	1 917	2 470	2 462	2 729	2 798	3 103	3 315	13,9	18,9	23,1
35-39	787	856	982	1 045	1 125	1 178	1 339	1 501	5,8	7,5	10,5
40+	168	188	259	227	258	247	267	293	1,2	2,0	2,0

<sup>1</sup> includes cases where birth order or mother's age is unknown.

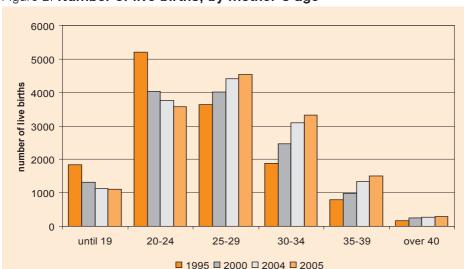


Figure 2. Number of live births, by mother's age

Table 7. **Abortions** 

	1995	1998	2000	2001	2002	2003	2004	2005
Total number of abortions	20 518	18 424	15 331	14 049	13 149	13 008	12 625	11 835
per 1000 women aged 15-49	58,1	53,4	44,7	41,0	38,4	38,0	36,8	34,6
per 100 live births	151,9	151,4	117,3	111,2	101,2	99,8	90,2	82,5
Total number of <b>legally</b> induced abortions <sup>1</sup>	17 671	15 798	12 743	11 653	10 834	10 619	10 074	9 610
per 1000 women aged 15-49	50,0	45,8	37,2	34,0	31,6	31,0	29,4	28,1
per 100 live births	130,8	129,8	97,5	92,2	83,3	81,5	72,0	67,0

<sup>1</sup> The termination of pregnancy at the pregnant woman's wish and on medical indications.



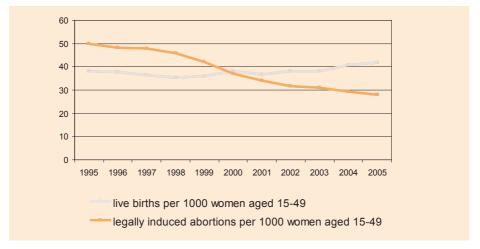


Table 8. Life expectancy at birth

	1995	1998	2000	2001	2002	2003	2004	2005
Total	67,6	69,5	70,6	70,4	71,0	71,6	72,0	72,8
М	61,3	63,7	65,1	64,6	65,1	66,0	66,3	67,3
F	74,1	75,3	76,0	76,2	77,0	76,9	77,8	78,1

Table 9. Deaths and death rate by age, sex and cause of death, 2005

Table 9. Deaths and deat			of death	Dea	th rate ants in	per 100 respect oup	000	
	Total 1	0-14	15-64	65+	Total	0-14	15-64	65+
All causes of death	17 315	133	4 960	12 174	1 286	65	541	5 441
M	8 833	71	3 599	5 121	1 425	67	818	6 905
F	8 482	62	1 361	7 053	1 168	62	286	4 715
Diseases of the circulatory system	9 231	3	1 495	7 730	686	1	163	3 455
M	4 078	2	1 131	2 942	658	2	257	3 967
F	5 153	1	364	4 788	710	1	76	3 201
Cancers	3 525	10	1 080	2 435	262	5	118	1 088
M	1 957	6	643	1 308	316	6	146	1 764
F	1 568	4	437	1 127	216	4	92	753
Accidents, injuries and poisonings	1 659	37	1 276	320	123	18	139	143
M	1 276	18	1 044	192	206	17	237	259
F	383	19	232	128	53	19	49	86
Diseases of the digestive system	690	1	344	344	51	-	38	154
M	391	1	235	155	63	1	53	209
F	299	-	109	189	41	-	23	126
Diseases of the respiratory system	473	4	159	308	35	2	17	138
M	331	3	131	195	53	3	30	263
F	142	1	28	113	20	1	6	76
Other causes	1 737	78	606	1 037	129	38	66	463
M	800	41	415	329	129	39	94	444
F	937	37	191	708	129	37	40	473

<sup>1</sup> Including deaths of persons of unidentified age.

Table 10. Number of deaths caused by accidents, poisonings and acute injuries per 100 000 inhabitants, by sex (main causes)

	1995	1998	2000	2001	2002	2003	2004	2005
All causes	202,4	169,8	152,8	170,8	147,9	135,7	130,9	123,2
M	344,1	286,6	254,9	284,7	250,1	228,8	226,1	205,8
F	80,3	69,7	65,5	73,3	60,5	56,2	49,6	52,7
incl								
Suicide	41,4	34,8	27,5	29,4	27,3	25,3	23,9	20,3
M	70,2	62,7	45,8	50,1	47,7	44,3	42,5	35,5
F	16,6	10,9	11,9	11,7	9,8	9,0	8,1	7,3
Motor vehicle accident	28,6	24,7	18,4	17,4	18,2	14,3	15,0	15,1
M	49,3	42,2	29,6	28,8	31,0	24,7	24,8	24,2
F	10,8	9,6	8,8	7,6	7,2	5,3	6,7	7,3
Alcohol poisoning	23,7	18,3	20,4	25,4	14,2	13,7	15,2	13,7
M	39,7	29,9	34,5	43,6	24,3	21,2	26,4	21,6
F	10,0	8,4	8,4	9,8	5,6	7,4	5,6	6,9
Exposure to excessive natural cold						14,0	12,1	11,2
M						23,9	21,9	19,0
F						5,5	3,7	4,5
Exposure to smoke, fire and flames						11,3	10,2	10,1
M						18,1	17,1	16,1
F						5,5	4,3	5,0
Accidental fall	15,0	13,9	9,8	10,2	10,4	11,2	8,6	9,4
M	23,0	21,7	15,5	15,9	13,9	16,0	12,1	13,4
F	8,2	7,1	4,9	5,3	7,4	7,1	5,6	6,1
Assault	22,8	19,3	13,9	15,2	11,7	10,9	8,1	9,1
М	42,8	33,1	24,7	25,8	19,6	17,3	14,5	14,8
F	5,6	7,4	4,6	6,1	4,9	5,5	2,6	4,3

### LIVING STANDARD AND POVERTY

#### **Overview of methods**

The following chapter reflecting the population's living standard, inequality, poverty and poverty risk is mainly based on data from the Statistics Estonia's household budget surveys and consumer price statistics. The indicators and calculation methods used for measuring the living standard and the poverty level vary to a great extent and this has to be kept in mind in using the data provided in this collection. Definitions for the terms used are provided under the respective tables.

There are various ways to reflect changes in the living standard, but in this case changes in real income (considering the inflation) and in the income of different types of households have been reviewed. The data in the tables show the average monthly income of various households per household member, not considering the consumption scales. When consumption scales are used, a special note is provided under the table.

When discussing the economic status of inhabitants with lower income, the indicators of absolute and relative poverty are used<sup>1</sup>.

Households living in absolute poverty have an income below the absolute poverty line, which is defined as the level of income necessary to sustain a socially acceptable living standard.

Until 2004, two essentially rather similar poverty indicators were used: the subsistence minimum and the absolute poverty line. These indicators differed, as they were calculated by different methods.

In the course of the project "Updating the methods of evaluating the subsistence minimum, the poverty line, and the consumption scales used in finding social indicators" implemented under the orders of the Ministry of Social Affairs in 2005 researchers and experts evaluated the calculation methods used in regards to the subsistence minimum and the poverty line and the possibility of unifying them. As there is no international calculation methodology for these indicators, it was found that the indicators could from now on be unified in national calculations.

<sup>1</sup> While until 2003 the poverty indicators were calculated on the basis of the Household Budget Survey, then in the case of relative poverty indicators the Statistics Estonia started to use the Estonian Social Survey Data.

<sup>2</sup> Only available in Estonian.

Both terms will still be used: subsistence minimum or the absolute poverty<sup>3</sup>, calculated according to uniform methods and thus constituting one and the same value.

Upon calculating the subsistence minimum, or the absolute poverty line, three cost components are used, similarly to the former subsistence minimum methodology: the cost of food, the cost of dwelling and individual expenditure not related to food.

The calculation of the new subsistence minimum uses the renewed minimum food basket developed by the Estonian Nutrition Science Society, with the average 24h energy content of 2,400 kcal. Differently from the former calculation methods, the new calculation of the cost of the food basket (per 30 days) uses the average purchase prices of households with a lower level of income ( $1^{\rm st}$  to  $5^{\rm th}$  cost decile).

The coefficients of dwelling and individual non-food expenditure have also been adjusted under the new methods (based on the analysis of the households' expenditure in 2000-2004 performed in the course of the project). Instead of average expenditure, the new subsistence minimum calculation method uses median expenditure.

Although the subsistence minimum calculation methodology was finally approved in 2006, Statistics Estonia calculated the indicator for 2005 and retrospectively also for 2004. The subsistence minimum of households of different sizes is calculated using international consumption scales. According to the analysis performed, OECD's traditional consumption scales – 1:0.7:0.5 – were the most suitable ones for Estonia in the economic situation of 2004.

The relative poverty rate is calculated on the basis of uniform European Union methods. Relative poverty shows the percentage of inhabitants whose income remains below a certain percentage of the median income of inhabitants. In the European Union and in Estonia, people whose income is lower than 60% of the income median are considered to be living below the relative poverty line. In calculating the relative poverty indicators, the consumption scales recognised in Europe are used: 1:0.5:0.3.

The relative poverty indicators do not allow for a direct evaluation of an improvement or deterioration in people's subsistence, as relative poverty reflects the distribution of incomes in the society – this means that when the people's incomes increase while the distribution of incomes remains the same, then the level of relative poverty remains the same.

<sup>3</sup> Statistics Estonia uses the term "subsistence minimum".

### Statistical overview<sup>4</sup>

The economic subsistence of people improves when incomes grow faster than prices (i.e. real incomes increase). Over the recent years we have seen positive developments in this respect: compared to the previous year the real increase in average old-age pensions in the last three years has exceeded the real increase in the average gross wages, but remained somewhat lower than the increase in the average disposable income per household member in 2005. Thus, the old age pension grew in real terms by 9.5%, the average monthly gross wages by 6.4% and the average disposable income per household member by 10.3% and from 2004 to 2005 (in 2004, the figures compared to the previous year were 9.8; 5.2 and 5.4% respectively).

Estonia has managed to adhere to the minimum standard of the European Social Insurance Code, according to which the average pension of a pensioner with 30 years of pensionable service must be at least 40% of the average net wages of an unskilled male worker.

According to the data from the household budget survey, the average disposable income per household member has shown relatively steady growth – by about a tenth in a year. 2005 is somewhat exceptional here – with a growth of nearly 15% compared to 2004, amounting to 3,476 EEK per household member a month.

On the average, income has grown in all types of households. Differences between the monthly income per household member in various types of households and in households with different levels of income (income deciles) have still remained worthy of note.

Households with a head of household with higher education receive the largest average income – in 2005, 42 higher than the per capita income of an average household. By types of households, those with two adults receive the largest average income – 4,242 EEK per household member a month (i.e. 22% higher than the per capita income of an average household).

Households with 3 or more children, households with a single parent, and households with a pensioner or a person without professional training as head of household (responsible household member), receive the smallest income.

The difference between the income of households with a male head of household and households with a female head of household has remained around 10%, i.e. the income of households with a female head of household has in recent years formed nearly 90% of the income of households with a male head of household (the difference in absolute terms being more than 300 EEK per household member).

<sup>4</sup> Source for all data presented in this section - Statistics Estonia

Due to positive changes in the Estonian economy (employment growth, increased wages and pensions) and as a result of the growth in real incomes the number of people living below the absolute poverty level (subsistence minimum) has decreased from year to year. Due to changes in the calculation methods and consumption scales, no uniform trend can be pointed out. Comparable data exists only for 2004 and 2005. In 2005, 12.4% of households lived below the absolute poverty line, which is 2.4 percentage points less than in 2004. 16.8% of children lived below the absolute poverty line in 2005 (20.3 % in 2004).

As the data source for calculating relative poverty indicators was changed in 2003, it is only possible to evaluate changes in poverty rates for 2003 and 2004.

The average relative poverty rate decreased by 2 percentage points during that period (in 2004 18.3% of inhabitants lived below the relative poverty line). This means that inequality in the distribution of incomes has decreased a little. The decrease in relative poverty rate can be noted both for men and women and also for all age groups.

## **Consumer prices**

Table 1. Changes in the consumer price index, compared to the previous year, %

	1995	1998	2000	2001	2002	2003	2004	2005
Total	29,0	8,2	4,0	5,8	3,6	1,3	3,0	4,1
goods	18,0	6,2	3,3	4,9	1,9	-0,2	2,9	4,0
food	16,3	6,0	2,6	7,1	2,7	-0,6	3,7	3,7
manufactured goods	20,8	6,5	4,2	2,4	1,1	0,3	2,2	4,3
services	45,3	12,7	5,4	7,6	6,8	4,3	3,3	4,2
dwelling		11,2	2,7	9,8	8,2	3,0	4,1	7,0
health care		5,1	5,5	11,0	8,3	13,6	4,7	2,2
transport		9,6	16,1	2,9	-2,3	-0,3	5,4	9,3
communications		11,4	6,1	-2,0	1,6	5,2	-1,6	-4,1
education and children's institutions		19,8	8,1	7,4	4,7	3,8	2,8	3,4

#### **Incomes**

Table 2. Changes in incomes

1995	1998	2000	2001	2002	2003	2004	2005
	1 911	2 183	2 289	2 500	2 789	3 029	3 476
2 375	4 125 (4 021)	4 907	5 510	6 144	6 723	7 287	8 073
670	1 247	1 532	1 583	1 758	1 985	2 244	2 558
36,5	39,2	39,9	36,5	36,9	38,3	39,4	39,5
	51,7	56,9	48,0	52,4	50,3	52,3	
	41,4	44,4	37,4	41,6	40,5	40,5	
	16,4	8,3	4,9	9,2	11,6	8,6	14,8
37,0	15,4	10,5	12,3	11,5	9,4	8,4	10,8
48,1	12,3	-0,8	3,3	11,1	12,9	13,0	14,0
	7,6	4,1	-0,9	5,4	10,1	5,4	10,3
6,2 14.8	6,7 3.8	6,3 -4.7	6,1 -2.3	7,6 7.2	8,0 11.5	5,2 9.8	6,4 9,5
	 2 375 670 36,5   37,0 48,1	1 911 2 375 4 125 (4 021) 670 1 247 36,5 39,2 51,7 41,4 16,4 37,0 15,4 48,1 12,3 7,6 6,2 6,7	1 911 2 183 2 375 4 125 4 907 670 1 247 1 532 36,5 39,2 39,9 51,7 56,9 41,4 44,4 16,4 8,3 37,0 15,4 10,5 48,1 12,3 -0,8 7,6 4,1 6,2 6,7 6,3	1911 2183 2289 2375 4125 4907 5510 670 1247 1532 1583 36,5 39,2 39,9 36,5 51,7 56,9 48,0 41,4 44,4 37,4 16,4 8,3 4,9 37,0 15,4 10,5 12,3 48,1 12,3 -0,8 3,3 7,6 4,1 -0,9 6,2 6,7 6,3 6,1	1 911 2 183 2 289 2 500 2 375 4 125 4 907 5 510 6 144 670 1 247 1 532 1 583 1 758 36,5 39,2 39,9 36,5 36,9 51,7 56,9 48,0 52,4 41,4 44,4 37,4 41,6 16,4 8,3 4,9 9,2 37,0 15,4 10,5 12,3 11,5 48,1 12,3 -0,8 3,3 11,1 7,6 4,1 -0,9 5,4 6,2 6,7 6,3 6,1 7,6	1 911       2 183       2 289       2 500       2 789         2 375       4 125 (4 021)       4 907       5 510       6 144       6 723         670       1 247       1 532       1 583       1 758       1 985         36,5       39,2       39,9       36,5       36,9       38,3          51,7       56,9       48,0       52,4       50,3          41,4       44,4       37,4       41,6       40,5          16,4       8,3       4,9       9,2       11,6         37,0       15,4       10,5       12,3       11,5       9,4         48,1       12,3       -0,8       3,3       11,1       12,9          7,6       4,1       -0,9       5,4       10,1         6,2       6,7       6,3       6,1       7,6       8,0	1 911       2 183       2 289       2 500       2 789       3 029         2 375       4 125 (4 021)       4 907       5 510       6 144       6 723       7 287         670       1 247       1 532       1 583       1 758       1 985       2 244         36,5       39,2       39,9       36,5       36,9       38,3       39,4          51,7       56,9       48,0       52,4       50,3       52,3          41,4       44,4       37,4       41,6       40,5       40,5          16,4       8,3       4,9       9,2       11,6       8,6         37,0       15,4       10,5       12,3       11,5       9,4       8,4         48,1       12,3       -0,8       3,3       11,1       12,9       13,0          7,6       4,1       -0,9       5,4       10,1       5,4         6,2       6,7       6,3       6,1       7,6       8,0       5,2

Since 1999 the average gross wages do not include the benefits for temporary incapacity for work as these are paid by the Estonian Health Insurance Fund. The recalculated average gross wages without the benefits for temporary incapacity for work are given in brackets.

<sup>2 1%</sup> unemployment insurance (since 1 January 2002, 0,6% since 2006) and income tax (taking into account the income tax rate and tax free minimum in respective year) is deducted for the average calculated net wages.

Figure 1. Average gross wages, old-age pension and disposable income per household member

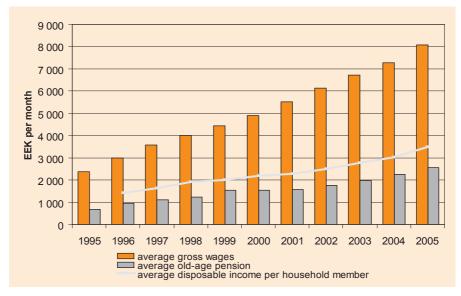


Table 3. Average disposable income in different household types

Household type	A	Average monthly disposable income, EEK									
	1998	2000	2001	2002	2003	2004	2005	2000	2005		
Average of households	1 911	2 183	2 289	2 500	2 789	3 029	3 476	100	100		
Single adult	2 292	2 520	2 561	2 829	3 186	3 234	3 975	115	114		
2 adults	2 282	2 743	2 833	2 975	3 379	3 650	4 242	126	122		
2 adults with children	1 864	2 144	2 274	2 539	2 755	3 192	3 320	98	96		
with 1 child	2 216	2 510	2 547	2 733	3 149	3 605	3 903	115	112		
with 2 children	1 719	2 006	2 116	2 525	2 568	2 982	3 093	92	89		
with 3 and more children	1 553	1 556	1 910	2 021	1 874	2 565	2 417	71	70		
Single adult with a child (children)	1 410	1 659	1 763	2 106	2 385	2 301	2 565	76	74		
Household with pensioner as head of household	1 382	1 640	1 659	1 848	2 035	2 351	2 534	75	73		
Urban household	2 044	2 326	2 430	2 668	2 952	3 217	3 647	107	105		
Rural household	1 551	1 866	1 973	2 119	2 453	2 678	3 133	86	90		
Household with a male as head of household	2 048	2 272	2 409	2 594	2 930	3 169	3 629	104	104		

to be continued▶

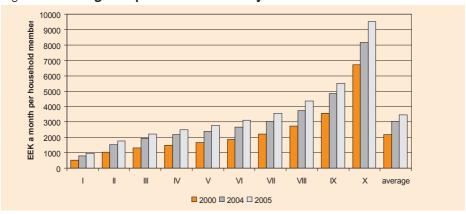
Household type	A	Average monthly disposable income, EEK									
	1998	2000	2001	2002	2003	2004	2005	2000	2005		
Household with a female as head of household	1755	2 077	2 139	2 371	2 596	2 853	3 283	95	94		
Household with the head of household with no professional training		1 937	1 989	2 119	2 378	2 534	3 046	89	88		
Household with the head of household with higher education		3 225	3 334	3 639	4 364	4 370	4 951	148	142		

Table 4. Average monthly disposable income in income deciles, average and median income of the households, per household member per month, EEK

		Income deciles <sup>1</sup>										
	1	- II	III	IV	٧	VI	VII	VIII	IX	Х		an²
1996	326	708	888	1 015	1 133	1 291	1 519	1 832	2 330	4 274	1 433	1 200
1998	500	956	1 158	1 298	1 452	1 661	1 964	2 410	3 110	5 942	1 911	1 539
2000	505	1 030	1 320	1 503	1 657	1 874	2 229	2 741	3 549	6 704	2 183	1 750
2001	608	1 116	1 394	1 571	1 742	1 974	2 313	2 863	3 811	6 710	2 289	1 833
2002	652	1 193	1 515	1 717	1 898	2 128	2 493	3 064	4 105	7 295	2 500	1 994
2003	754	1 347	1 705	1 945	2 148	2 417	2 809	3 401	4 431	8 159	2 789	2 211
2004	805	1 530	1 946	2 168	2 390	2 649	3 043	3 739	4 847	8 158	3 029	2 468
2005	975	1 758	2 207	2 495	2 760	3 098	3 572	4 344	5 504	9 520	3 476	2 827

<sup>1</sup> The income deciles are derived by dividing all households according to the size of the average income per household member into 10 income groups (deciles). The first decile contains households with the lowest and the tenth with the highest income per household member.

Figure 2. Average disposable income by income deciles



<sup>2</sup> The median is calculated by ranking all household members according to the size of average income per household member and the household member that is in the middle is the median, i.e. 50% of all household members had lower incomes than the median and 50% of all household members had higher income than the median.

Table 5. Gini coefficient<sup>1</sup> according to expenditure

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Without consumption scales <sup>2</sup>	0,34	0,37	0,38	0,38	0,37	0,38	0,37	0,36	0,36	0,37
Consumption scales 1.0 and 0.83	0,34	0,36	0,37	0,37	0,36	0,37	0,36	0,35	0,36	0,36
Consumption scales 1.0:0.5 and 0.34	0,33	0,36	0,37	0,37	0,36	0,36	0,36	0,35	0,36	0,36

<sup>1</sup> The Gini coefficient shows the level of economical inequality in the society. The closer its value is to 1, the bigger the inequality. Income distribution is considered very uneven, when the value of the coefficient falls between 0.5-0.7, and relatively even, when the range is 0.2-0.35.

## Table 6. Inequality in the distribution of income

	1996	1997	1998	1999	2000	2001	2002	2003²	2004
Difference in the incomes of the V and I quintile <sup>1</sup>	7,0	7,0	6,7	6,5	6,3	6,1	6,1	7,2	5,9

Difference in the incomes of 20% wealthier households and 20% poorer households

## Subsistence minimum, absolute poverty

Table 7. Estimated subsistence minimum (absolute poverty line) and minimum food basket<sup>1</sup>, EEK

	2004	2005
Subsistence minimum/absolute poverty line	1 836	1 938
incl minimum food basket	762	816

<sup>1</sup> Estimated subsistence minimum in a month (30 days) of single adult household, contains the cost of minimum food basket, dwelling expenses and other individual expenses.

Table 8. Absolute poverty layers<sup>1</sup>. Distribution of households, inhabitants and children by poverty layers

	Year Below		in	cl	In poverty	Out of poverty risk			
		poverty line (APL)	e in direct in povert poverty endangeri subsisten		risk				
Monthly income per household member by poverty layers¹ (EEK)									
	2004	up to 1836	-"- 1469	1470-1836	1837-2295	over 2295			
	2005	up to 1938	-"- 1550	1551-1938	1939-2423	over 2423			
Distribution by pover	ty layers	, %							
Households	2004	14,8	8,5	6,3	14,6	70,6			
	2005	12,4	6,9	5,5	9,9	77,7			
Household members	2004	16,1	9,9	6,2	11,9	72,0			
	2005	13,2	7,7	5,5	8,8	78,0			
Children (0-15)	2004	20,3	13,6	6,7	11,2	68,5			
	2005	16,8	11,0	5,8	9,0	74,2			

<sup>1</sup> Poverty layers: direct poverty – up to 80% APL; poverty endangering subsistence – 81-100% APL; poverty risk 101-125% APL; out of poverty risk – over 125% APL. With consumption scales 1,0: 0,7(second and subsequent adult household member): 0,5 (children below 14).

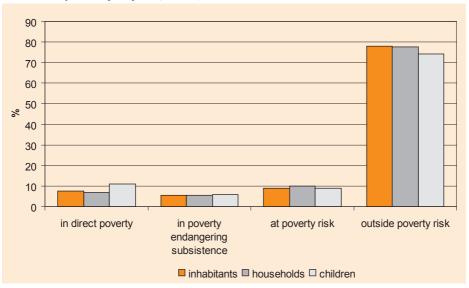
<sup>2</sup> All household members are calculated with the coefficient of 1.0.

<sup>3</sup> The first household member is calculated with the coefficient of 1.0 and every following member with the coefficient of 0.8.

<sup>4</sup> The modified OECD scale, where the first household member is calculated with the coefficient of 1.0, the following member over 14 years of age with 0.5 and children under 14 years with 0.3 (allows comparability with EU member states).

<sup>2</sup> Since 2003 the indicator is calculated on the basis of Estonian Social Survey data instead of Household Budget Survey data. Therefore the data for 2003 differ from the data presented in previous publication.

Figure 3. Distribution of inhabitants, households and children by absolute poverty layers, 2005, %



## **Relative poverty**

Since 2003 the Statistics Estonia calculates relative poverty indicators basing on Estonian Social Survey data, instead of Household Budget Survey data. Therefore the data for 2003 differ from the data presented in previous publication.

Table 9. Relative poverty line<sup>1</sup>

			_			
	1998	2000	2001	2002	2003	2004
EEK per month						
1-member household	1 244	1 490	1 575	1 731	2 006	2 332
2 adults + 2 dependent children	2 613	3 129	3 308	3 634	4 213	4 897
EUR per month						
1-member household	79	95	101	111	128	149
2 adults + 2 dependent children	166	200	211	232	269	313

<sup>1</sup> Unlike the absolute poverty indicators, the relative poverty is calculated using consumption scales of 1:0.5:0,3.

Table 10. Relative poverty rate¹ by sex, age and employment status

	1998	2000	2001	2002	2003	2004
Total	19,4	18,3	18,2	17,9	20,2	18,3
M	17,6	17,3	17,4	17,0	19,5	17,4
F	20,7	19,1	18,9	18,7	20,7	19,2
By age						
0-15	19,5	21,3	18,9	17,8	22,9	21,5
16-24	18,6	21,7	20,5	20,9	21,1	18,2
25-49	16,6	18,5	17,6	17,1	18,8	16,2
50-64	20,6	13,9	17,1	19,0	19,0	18,0
65+	24,6	16,0	18,1	15,8	20,5	20,3
Total unemployed	50,1	49,5	46,9	48,4	58,7	59,4
M	52,6	49,0	50,0	49,8	60,5	60,5
F	47,3	50,0	43,4	46,8	55,4	57,6
Total pensioners	27,2	18,1	21,0	20,6	25,0	22,7
M	19,2	14,3	15,7	15,2	22,8	11,0
F	30,7	20,0	23,7	23,4	26,2	27,8

<sup>1</sup> Proportion of the population at large whose net income after social transfers remains under the relative poverty line (60% of the median net income of household members).

Table 11. Relative poverty rate by type of household

Table 11. Helative poverty rate by type of flouseficia								
	1998	2000	2001	2002	2003	2004		
1-member household	33,5	30,1	33,3	34,9	36,8	36,4		
M	29,2	31,7	32,5	35,2	38,7	34,8		
F	35,1	29,3	33,6	34,8	35,8	37,2		
1-member household by age:								
under 30 years old	14,3	33,6	31,2	39,0				
30-64 years old	30,3	28,5	32,3	35,9	36,3	36,0		
65 years and older	43,0	31,0	34,9	32,7	37,6	40,9		
Single parent household, 1 or more dependent children	26,8	37,2	29,2	35,2	44,7	40,3		
Household with 2 adults with no dependent children:								
under 65 years old	14,7	11,8	13,6	14,6	14,9	14,8		
1 member 65 or older	8,9	9,0	10,2	6,9	11,6	10,6		
Household with 2 adults and dependent children:								
with 1 child	13,0	13,0	15,6	12,7	16,1	13,0		
with 2 children	14,1	16,4	15,1	15,2	17,2	12,4		
with 3 and more children	24,7	22,9	20,8	20,0	26,3	25,0		

Table 12. Relative poverty rate by form of ownership of residence

	1998	2000	2001	2002	2003	2004
Owner or free residence	19,6	16,9	16,9	16,9	18,9	17,5
Tenant	18,6	27,0	29,0	26,3	41,2	33,6

### LABOUR MARKET

## **Overview of legal acts**

The new Employment Services and Benefits Act entered into force on 1 January 2006, bringing about considerable changes in the principles of providing employment services to the registered unemployed <sup>1</sup>. The most important one is the implementation of the principle of a case-specific network approach in providing the services.

Compared to the Employment Service Act previously in force, the new law contains considerably more types of employment services, including providing information about the situation on the labour market and about employment services and subsidies; employment mediation; employment training; career counselling; practical training; public work; work practice; subsidised wages; subsidies for starting a business; adaptation of workplaces and equipment; free use of technical equipment necessary for work; assistance at job interviews; and working with a support person. These employment services are provided to the unemployed on the basis of an individual job seeking plan.

According to the new Act, there are three types of employment benefits: the unemployment benefit, stipend and travel and accommodation benefit.

Persons who have been employed or engaged in an activity equal to work for at least 180 days during the twelve months prior to registration as unemployed and who have no income in the extent of the unemployment benefit have the right to receive unemployment benefit.

Work and activities equal to work are:

- 1) working under an employment contract or in public service in Estonia or as an employee assigned from Estonia in a foreign country;
- 2) working in Estonia under an employment contract, authorisation agreement or other contract concluded for providing services on the basis of the Law of Obligations Act;
- 3) operating in Estonia as a sole proprietor;
- 4) studying in daytime or full-load form of study in an educational institution, if the person has suspended or terminated his/her studies;
- 5) fulfilling the military service obligation.

There is no previous employment or engagement in an activity equal to work requirement in case of persons who have for at least 180 days within the 12 months prior to registration as unemployed:

1) raised, as a parent or a guardian, a child of up to 18 years of age with a moderate,

<sup>1</sup> An unemployed person is a person (from 16 to pensionable age) who is not working, has been registered as unemployed in a regional structural unit of the Labour Market Board and is looking for a job.

severe or profound disability, a child under 8 years of age or a child of 8 years of age until the child completed year one at school;

- 2) underwent hospital treatment;
- 3) cared for a sick person, a person who is permanently incapacitated for work or an elderly person on the basis of §15(2) of the Social Welfare Act, or received care-taker's benefit on the basis of §8 of the Social Benefits for the Unemployed Act or §23(2) of the Social Welfare Act:
- 4) were not employed due to declaration as permanently incapacitated for work;
- 5) were in custody or served a sentence in prison or detention centre.

Unemployed persons who take part in practical training, work practice or employment training with a duration of at least 40 hours have the right to receive a stipend. Participants in employment training and practical training have the right to apply for travel and accommodation benefit.

The Unemployment Insurance Act enforced in 2002 introduced unemployment insurance in Estonia, which is a type of compulsory insurance based on the principle of solidarity and administered by the Unemployment Insurance Fund.

The collection of unemployment insurance contributions started in 2002, and the first benefits were paid out in the beginning of 2003. Unemployment insurance is financed from unemployment insurance contributions. For the insured, or the employee, the unemployment insurance contribution rate may be 0.5 to 2.0 percent and for the employer 0.25 to 1 percent of the wages paid to the employee. In 2002-2005, the unemployment insurance contribution rate was 1 percent for employees and 0.5 percent for employers, and in 2006, 0.6 and 0.3 percent respectively. Insured persons, who have been registered as unemployed and who have been insured for at least 12 months during the 24 months prior to registration as unemployed, have the right to receive unemployment insurance benefits. No unemployment insurance benefit is paid, if the employee left work due to a breach of work or service duties, loss of trust, an indecent act or an act of corruption. A person is also not entitled to receive benefits, if he/she left work upon mutual agreement or voluntarily, unless the reason for leaving was a breach of contract terms and conditions by the employer or changes in production and work organisation.

The amount of the unemployment insurance benefit depends on the previous salary. The amount is 50% of the previous salary on the first 100 days of the benefit period and 40% of the previous salary from there on. The maximum amount of the unemployment insurance benefit is 50% and 40%, respectively, of an amount three times the average salary of insured people in Estonia per calendar day in the previous calendar year.

The unemployment insurance benefit period depends on the length of the insurance period. Pursuant to the rules applicable until the end of 2006, everyone with an insurance period shorter than 5 years is paid unemployment insurance benefit for 180 days. In case of collective termination of employment contracts the Unemployment Insurance

Fund shall pay a benefit for collective termination of employment contracts in the extent of 50% of the benefit prescribed for the employee, but not more than the employee's two months' average wages. The employer is responsible for the employee receiving the entire benefit for the termination of an employment or service relationship prescribed by law, having to pay the part not covered by the Unemployment Insurance Fund. In case of insolvency of the employer the Unemployment Insurance Fund shall cover the unreceived wages, holiday pay and other benefits up to the total of three months of average wages for the employee, but not exceeding the Estonian average for three months' of wages.

#### Statistical overview

The European Union has established three main objectives with regard to the labour market: by 2010 the member states will have to make their best efforts to increase the average employment rate to 70 percent and the women's employment rate to 60 percent of the working-age (15-64) population. Another objective is to increase the employment rate of elderly people (55-64) to 50 percent. Estonia has already achieved the objectives related to the employment rate of women and elderly people. The main reasons for the positive developments in the labour market are the rapid economic growth and the gradual postponement of the retirement age.

In 2005, various positive trends could be observed in the Estonian employment market. As a result of the rapid economic growth (10.5%), the increase in the employment rate was the highest among the last five years. According to the labour force survey of the Statistics Estonia, 607.4 thousand people aged 15-74 were employed, 52.2 thousand unemployed and 389 thousand non-active. The number of employed people grew by 2%, or by 11,900 people from 2004. Compared to 2000, the number of employed people grew by about 35 thousand and the employment rate grew by 3.3 percentage points, to 64%<sup>2</sup>.

The employment rate of both men and women has grown since 2001, whereas the employment rate of women grew especially rapidly in 2005, with the average level reaching 61.9%. An influencing factor here is definitely the gradual increase of the retirement age of women, due to which the women leave the employment market later, as well as the low pensions, due to which many women wish to continue working. The latter is also the reason for an increase in the employment rate of older people (aged 55-64), which exceeded the Lisbon objective in Estonia already in 2002 and reached 55.7% in 2005 (58.6% for men and 53.4% for women). By age groups, the employment rate grew most among people aged 55-59.

The number of unemployed people decreased by 18% from 2004, or by 11,400 unemployed. In 2005, the favourable economic climate, which brought about the

<sup>2</sup> In order to enable international comparisons, the employment rate and labour force participation rate have been calculated on the basis of people aged 15-64, and the unemployment rate on the basis of those aged 15-74.

creation of new jobs, reduced the unemployment rate to the lowest in recent years (to 7.9%). Compared to 2004, the unemployment rate dropped for both men and women. With regard to the comparison of men and women, the unemployment rate of men is a little higher than that of women in Estonia (unlike in most European Union countries) (8.8 and 7.1 percent respectively). The unemployment rate was this low last in 1994. For the first time, the unemployment rate in Estonia is lower than the European Union average, and several regions of Estonia we can already talk about a lack of workforce.

The unemployment rate dropped for both Estonians and non-Estonians from 2004, although the difference is still 2.5-fold. In 2005, the unemployment rate was 5.3% for Estonians and 12.9% for non-Estonians. This difference is first of all due to the high unemployment rate in north-eastern Estonia, where the population is mostly Russian-speaking. At the same time non-Estonians are more active job-seekers and there are fewer discouraged people among them than among Estonians.

In conjunction with the overall decrease in the unemployment rate in 2005 there was also a steep decrease in the unemployment rate of young people, which dropped from 21.7% in 2004 to 15.9% in 2005. The proportion of young unemployed people was 5.4% of the population aged 15-24. The number of long-term unemployed also dropped. There were 27.9 thousand (13.9 thousand men and 14 thousand women) long-term unemployed (looking for a job for 12 months and longer) in 2005 and they made up 53% of the unemployed (i.e. 4.2% of the workforce). For the first time during the last ten years, the number of the long-term unemployed dropped below 30 thousand. Two-thirds of the long-term unemployed had been looking for a job for two or more years. If we added the 14.7 thousand dejected people – who wish to work, but have lost hope and given up job-seeking – to the number of the long-term unemployed, we would get over 42 thousand people who wish to work, but for various reasons have trouble finding a job. Compared to 2004, the number of the long-term unemployed decreased by 5,300 and the number of dejected people by 3,000.

The number of the registered unemployed also continued to drop in 2005, with the total of 71.7 thousand unemployed persons registered in employment offices in 2005 (55% women and 45% men), which is 19% less than in 2004. The total of 46,618 new people were registered as unemployed in 2005. The employment offices received 29.2 thousand new job offers during the year, which is considerably less than the number of new job-seekers, but still 41% more than in 2004.

The expenditure on active labour market measures has increased, thanks to the implementation of the European Social Fund. Compared to 2004, the expenditure on labour market policy measures grew by 54.8% in 2005, amounting to 258.1 million EEK. Of this, 20.4% was spent on passive measures and 79.6% on active measures.

The proportion of state expenditure in GDP (incl. foreign aid) formed 0.15%. Together with the unemployment insurance benefit, the expenditure aimed at the unemployed formed 0.26% of GDP in 2005.

The expenditure on the unemployment benefit has decreased in recent years, mainly due to the decreased number of the unemployed. In 2001 unemployment benefits were paid to an average of 28.9 thousand people a month and in 2003 to 19.6 thousand, but in 2005 benefits were paid to 11.6 thousand people. The average length of the unemployment benefit period in 2005 was 122 days.

The Unemployment Insurance Fund appointed unemployment insurance benefit to 8,749 people in 2005, which is 25% less than in 2004. On the average, unemployment insurance benefit was appointed to every fifth person registered as unemployed in 2005.

The Unemployment Insurance Fund paid the benefit for collective termination of employment contracts to 1,349 people in 2005, which is 33% less than in 2004. The number of people receiving the benefit for the insolvency of the employer decreased by 821 people, or by 27%.

Similarly to the average salary, the amount of the average unemployment insurance benefit grew in 2003-2005. While in 2003 the average unemployment insurance benefit for the first hundred days of the benefit period was 80 EEK per day, in 2005 it was 95 EEK. The average monthly benefit on the first hundred days of the unemployment insurance benefit period (2,860 EEK in 2005) has constantly been a bit higher than the minimum salary (2,690 EEK in 2005). After the hundredth day, when the replacement rate drops to 40%, the average benefit has been a bit lower than the minimum salary (2,290 and 2,690 EEK in 2005, respectively). Approximately 3 percent of the recipients of the benefit have received less than 50 percent of their previous income in 2003-2005, because their previous salary is more than three times the Estonian average monthly salary.

The amounts of the benefits for the collective termination of employment contracts and the insolvency of the employer have also grown. While in 2003 the average benefit paid for the collective termination of employment contracts was 7,700 EEK and the average benefit paid for the insolvency of the employer was 11,170 EEK, in 2005 the respective figures were 8,610 EEK and 12,320 EEK.

Due to their lower salary, the benefits paid to women have in all benefit types been an average of 75% of the amount of benefits paid to men.

Table 1. Working-age population by sex and economic status, annual average, thousand

	1998	2000	2002	2003	2004	2005
Population						
Total 15-74	1 051,1	1 046,5	1 047,2	1 047,8	1 047,8	1 048,6
M	486,1	485,2	487,0	487,7	487,7	488,5
F	565,0	561,3	560,2	560,1	560,1	560,0
Total 15-64	919,1	915,9	916,3	915,8	916,3	916,3
M	438,5	437,0	437,8	438,3	439,1	438,9
F	480,6	478,9	478,5	477,6	477,2	477,4
Labour force <sup>1</sup>						
Total 15-74	672,6	662,4	652,7	660,5	659,1	659,6
M	346,7	340,6	333,6	336,7	333,9	329,3
F	326,0	321,8	319,1	323,8	325,3	330,3
Total 15-64	658,7	645,2	632,0	638,9	636,4	637,9
M	339,3	332,5	324,6	326,3	322,3	319,3
F	319,5	312,7	307,5	312,6	314,1	318,5
Employed						
Total 15-74	606,5	572,5	585,5	594,3	595,5	607,4
M	309,3	291,1	297,5	302,5	299,1	300,5
F	297,2	281,4	288,1	291,8	296,4	306,9
Total 15-64	593,0	555,9	565,6	572,9	573,3	586,3
M	302,1	283,1	289,0	292,2	287,7	290,7
F	290,9	272,7	276,6	280,8	285,6	295,5
Unemployed						
Total 15-74	66,1	89,9	67,2	66,2	63,6	52,2
M	37,4	49,5	36,1	34,2	34,7	28,9
F	28,7	40,5	31,0	32,0	28,9	23,3
incl long-term unemployed <sup>2</sup>	31,1	40,8	35,5	30,4	33,2	27,9
M	17,0	23,5	21,3	16,2	18,8	13,9
F	14,1	17,3	14,3	14,2	14,4	14,0
Total 15-64	65,8	89,3	66,5	66,0	63,1	51,6
M	37,2	49,4	35,6	34,2	34,5	28,6
F	28,6	40,0	30,9	31,8	28,6	23,0
Inactive population						
Total 15-74	378,5	384,1	394,4	387,4	388,7	389,0
M	139,4	144,7	153,4	151,0	153,8	159,2
F	239,1	239,4	241,0	236,4	234,9	229,8
incl discouraged persons <sup>3</sup>	17,2	19,1	17,7	18,1	17,7	14,7
M	9,7	10,6	10,4	10,8	10,2	9,1
F	7,5	8,5	7,3	7,3	7,5	5,6
Total 15-64	260,3	270,7	284,2	276,9	279,4	278,4
M	99,2	104,5	113,3	111,9	116,0	119,6
F	161,1	166,2	171,0	165,0	163,4	158,9

Source: Statistics Estonia, Labour Force Survey

Employed and unemployed.
 12 months or longer.
 People who have lost hope of finding work.

Table 2. Labour force participation, employment and unemployment rate, %

rable 2. Labour force participation, em	picyllic	FIIL all	u unci	пріоўі	HOIR I	ate, 70
	1998	2000	2002	2003	2004	2005
Labour force participation rate <sup>1</sup>						
Total 15-74	64,0	63,3	62,3	63,0	62,9	62,9
M	71,3	70,2	68,5	69,0	68,5	67,4
F	57,7	57,3	57,0	57,8	58,1	59,0
Total 15-64	71,7	70,4	69,0	69,8	69,5	69,6
M	77,4	76,1	74,1	74,5	73,5	72,8
F	66,5	65,3	64,3	65,5	65,8	66,7
Employment rate <sup>2</sup>						
Total 15-74	57,7	54,7	55,9	56,7	56,8	57,9
M	63,6	60,0	61,1	62,0	61,3	61,5
F	52,6	50,1	51,4	52,1	52,9	54,8
Total 15-64	64,5	60,7	61,7	62,6	62,6	64,0
M	68,9	64,8	66,0	66,7	65,7	66,2
F	60,5	57,0	57,8	58,8	59,8	61,9
Unemployment rate <sup>3</sup>						
Total 15-74	9,8	13,6	10,3	10,0	9,7	7,9
M	10,8	14,5	10,8	10,2	10,4	8,8
F	8,8	12,6	9,7	9,9	8,9	7,1
Unemployment rate in age group 15-24 (Youth unemployment rate)	15,8	23,8	17,6	20,6	21,7	15,9
M	17,0	23,9	14,3	16,9	21,2	16,6
F	14,2	23,7	22,5	26,0	22,4	14,9
Unemployment rate in age group 25-49	10,0	12,9	9,7	8,6	8,7	7,5
M	10,5	13,4	9,9	8,9	9,3	7,9
F	9,5	12,3	9,5	8,3	8,1	7,1
Unemployment rate in age group 50-74	6,1	10,3	8,9	8,8	7,2	5,8
M	7,8	12,1	11,5	9,8	7,7	7,0
F	4,3	8,5	6,6	8,0	6,7	4,7
Unemployment rate in age group 15-64	10,0	13,8	10,5	10,3	9,9	8,1
M	11,0	14,9	11,0	10,5	10,7	9,0
F	8,9	12,8	10,1	10,2	9,1	7,2
Percentage of unemployed youth in age group 15-24	6,9	9,8	5,9	7,5	7,4	5,4
M	8,4	11,2	5,6	7,1	8,6	6,4
F	5,4	8,4	6,3	8,0	6,2	4,3
Percentage of long-term unemployed in total number of the unemployed	47,0	45,4	52,8	45,9	52,2	53,4
M	45,5	47,5	59,0	47,4	54,2	48,1
F	49,1	42,7	46,1	44,3	49,8	60,1

<sup>1</sup> The share of labour force in the relevant age group.

Source: Statistics Estonia, Labour Force Survey

The share of employed people in the relevant age group.

<sup>3</sup> The share of the unemployed in the labour force.

Table 3. Employed, by economic activity

Table 6. Zilipieyea, B		Employe	<b>d,</b> annual	average,	thousan	d	Share	of won	nen, %
	1998	2000	2002	2003	2004	2005	2000	2004	2005
Total	606,5	572,5	585,5	594,3	595,5	607,4	49	50	51
Agriculture, fishing, hunting, forestry	53,8	41,2	40,7	36,7	35,0	32,2	31	29	32
Mining and quarrying	7,5	7,2	5,7	5,7	8,0	5,9			
Manufacturing	131,8	129,2	128,2	134,1	140,9	139,5	45	47	47
Electricity, gas and water supply	17,2	14,7	10,5	10,2	12,0	12,5	28	29	25
Construction	44,1	39,7	38,9	42,9	46,8	48,7	10	10	9
Wholesale and retail trade; repair of motor vehicles and household appliances	85,7	79,3	86,3	80,8	80,0	80,6	57	58	59
Hotels and restaurants	13,7	19,9	17,9	17,4	16,2	22,1	78	73	78
Transport, storage and communication	55,3	56,9	54,5	56,2	51,5	54,6	31	31	29
Financial intermediation	8,1	7,7	7,9	7,6	7,9	6,9	56	72	83
Real estate, renting and business activities	37,4	40,0	44,3	44,4	39,4	46,4	49	43	41
Public administration and defence; compulsory social insurance	34,7	34,1	33,2	34,5	36,9	37,2	52	50	53
Education	54,2	44,6	55,6	56,9	54,5	54,9	83	81	83
Health and social welfare	33,9	28,5	31,6	36,4	37,5	35,0	88	85	86
Other	29,0	29,6	30,1	30,4	28,8	31,1	63	63	67

Source: Statistics Estonia, Labour Force Survey

Table 4. Employed, by occupation

	Е	mploye	<b>d,</b> annual	average	thousan	d	Share	of won	nen, %
	1998	2000	2002	2003	2004	2005	2000	2004	2005
Total	606,5	572,5	585,5	594,3	595,5	607,4	49	50	51
Legislators, senior officials, managers	82,4	72,4	69,6	69,8	73,6	76,9	37	35	37
Professionals	66,9	75,7	84	82,6	78,9	85,9	71	65	67
Technicians and midlevel specialists	81,8	80,3	74,8	71,7	78,5	80,7	65	70	72
Clerks	28,3	27	30,2	30,2	25,9	29,4	76	77	67
Service and sales workers	65,9	62,1	67,3	76,3	71,6	73,5	75	77	77
Skilled agricultural and fishery workers	26,7	21,3	19,2	15	15,4	14,4	40	40	42
Craft and trade workers	103,5	90,7	88,7	93,6	94,1	92,7	17	16	15

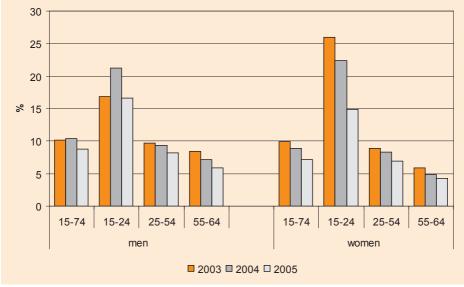
to be continued▶

### **▶** continuation

	E	mploye	b	Share of women, %					
	1998	2000	2002	2003	2004	2005	2000	2004	2005
Plant and machine operators	78,9	79	81,4	83	83,2	84,1	25	29	29
Unskilled labour	69,6	62,5	67,5	68,4	71,4	65,9	60	61	62

Source: Statistics Estonia, Labour Force Survey

Figure 1. Unemployment rate by sex and age, %



Source: Statistics Estonia, Labour Force Survey

Table 5. Unemployment rate of men and women by level of education<sup>1</sup> (15-74), %

			•		•	
	1998	2000	2002	2003	2004	2005
Total	9,8	13,6	10,3	10,0	9,7	7,9
Level I	16,6	23,8	20,7	16,9	18,4	14,5
Level II	10,8	14,6	10,9	10,6	10,5	9,2
Level III	5,1	7,3	5,7	6,5	5,1	4,0
М	10,8	14,5	10,8	10,2	10,4	8,8
Level I	17,5	25,3	21,9	16,8	19,9	16,3
Level II	11,5	15,0	10,2	10,2	10,4	9,5
Level III	4,4	6,1	6,5	6,4	5,2	3,9
F	8,8	12,6	9,7	9,9	8,9	7,1
Level I	15,1	21,4	18,5	17,1	15,8	11,5

to be continued▶

#### **▶** continuation

	1998	2000	2002	2003	2004	2005
Level II	9,9	14,1	11,7	11,1	10,6	8,8
Level III	5,5	8,2	5,2	6,5	5,1	4,0

<sup>1</sup> The division of levels of education by the ISCED:

Level I: primary and basic education

Level II: secondary education, vocational education and vocational training after basic education Level III: vocational training after basic education, higher education, M.A. degree, doctor's degree

Source: Statistics Estonia, Labour Force Survey

Table 6. Indicators of registered unemployment, thousands

	1995	2000	2002	2003	2004	2005
Registered unemployed persons <sup>1</sup> total, during the year	77,3	120,9	108,0	99,0	88,5	71,7
M				45,1	40,3	31,9
F				53,9	48,3	39,8
incl new entrants	46,6	81,5	64,5	59,8	52,1	46,6
Recipients of unemployment benefit	39,8	67,4	56,9	47,4	39,3	31,3
Participants in active labour market measures						
re-specialisation	9,8	8,2	10,0	9,0	7,0	9,9
community placements <sup>2</sup>	5,7	4,2	0,5	0,6	0,4	0,2
employment subsidy for the unemployed for starting a business	0,5	0,4	0,4	0,4	0,3	0,3
employment subsidy for employers to employ less competitive unemployed persons	0,1	0,2	0,2	0,5	0,5	0,7
vocational guidance (number of consultations)3	-	2,1	8,1	8,9	7,9	9,5
<b>Vacancies received</b> by state employment offices, per year	15,1	14,9	16,1	14,4	20,7	29,2
Employed persons, per year <sup>4</sup>	15,0	21,8	23,4	17,3	22,4	19,3
Registered unemployed <sup>1</sup> , monthly average	34,9	46,3	48,2	43,3	37,0	29,8
incl unemployment benefit recipients	13,9	26,6	23,5	19,6	14,4	11,6
Registered unemployed (average per month) by sex, %						
M	42,5	42,5	44,3	45,6	45,5	42,9
F	57,5	57,5	55,7	54,4	54,5	57,1
Share of registered unemployed (average per month) of the whole population between 16 to retirement age, %	4,1	5,3	5,9	5,3	4,5	3,5

<sup>1</sup> The number of unemployed persons may include cases in which unemployed persons registered as unemployed several times during the year.

Source: Labour Market Board

<sup>2</sup> The number of participants in community placements decreased sharply in 2001 due to the cut of financing for these services from the state budget.

<sup>3</sup> Since 1 October 2000, a new type of service was established with the Employment Service Act, which aims to help job seekers solve problems concerning work choice, professional career and finding or losing work.

<sup>4</sup> This also includes those employed on vacant positions offered outside employment offices.

Table 7. Registered unemployed by sex, age and level of education (ISCED), thousands

	Total		N	И	ı	F
	2004	2005	2004	2005	2004	2005
Total	88,5	71,7	40,3	31,9	48,3	39,7
By age						
16-24	15,1	11,2	7,6	5,6	7,5	5,6
25-49	52,4	41,7	22,5	17,5	29,9	24,2
50+	21,0	18,7	10,1	8,8	10,9	9,9
By level of education (ISCED)						
Level I	20,9	17,6				
Level II	52,8	42,4				
Level III	14,8	11,6				

Source: Labour Market Board

Figure 2. Persons registered as unemployed and receivers of unemployment benefit and unemployment insurance benefit, monthly average

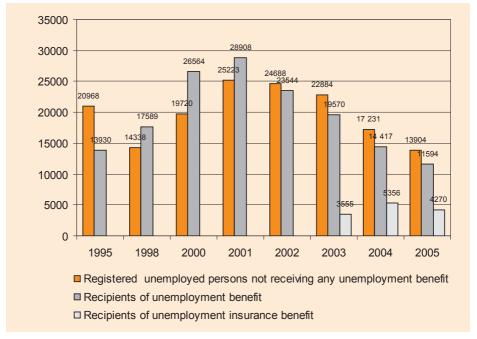


Table 8. Monthly unemployment benefit rate and employment training stipends, EEK

		Date of validation										
	01.10.1992	01.10.1994	01.07.1996	01.03.1998	01.01.1999							
Unemployment benefit	180	-	240	300	400							
Employment training stipends	270	450	-	-	600							

Table 9. **Expenditure on state social protection of the unemployed** (excl. unemployment insurance)

Type of expenditure		<b>Total,</b> mi	llion EEK		Structure of expenditures,%			
	2000	2003	2004	2005	2000	2003	2004	2005
Total	286,3	197,1	166,7	258,1	100	100	100	100
Expenditure on passive measures:	220,5	97,3	64,5	52,7	77,0	49,4	38,7	20,4
unemployment benefit	119,8	81,1	55,0	42,5	41,8	41,1	33,0	16,5
social tax for the unemployed paid from state budget	100,7	16,2	9,5	10,2	35,2	8,2	5,7	3,9
Expenditure on active measures:	65,8	97,7	102,2	205,4	23,0	50,6	61,3	79,6
Equal projects	-	-	-	8,9	-	-	-	3,4
ESF projects (partners)	-	-	-	23,9	-	-	-	9,3
employment training	32,2	46,5	41,7	62,7	11,3	23,6	25,0	24,3
employment training stipends	6,1	7,2	7,8	10,3	2,1	3,7	4,7	3,9
community placements <sup>1</sup>	3,2	-	-	-	1,1	-	-	-
employment subsidy for starting a business	4,3	6,4	5,8	8,9	1,5	3,2	3,5	3,4
employment subsidy for employers for employing less competitive unemployed persons	2,1	3,8	9,4	14,2	0,7	1,9	5,6	5,5
Labour Market Board administrative expenses <sup>2</sup>	17,9	33,8	37,5	76,5	6,3	18,2	22,5	29,6
Percentage of expenditure of GDP	0,31	0,15	0,11	0,15				

<sup>1</sup> According to the Employment Service Act the payment to an unemployed person participating in community placement is disbursed by the organiser of the community placement at the minimum rate of the community placement benefit prescribed by the Government of the Republic.

<sup>2</sup> Including the administrative expenses of Employment Offices.

Table 10. Unemployment insurance

Table 10. Offernployment insurance				
	2002	2003	2004	2005
Number of people paying unemployment insurance contributions <sup>1</sup> (during the year), thousand	638,2	592,4	602,4	619,0
Total unemployment insurance contributions received, million EEK	535,8	575,0	643,9	735,5
<b>Unemployment insurance expenditure</b> , million EEK:	7,3	202,6	244,1	189,4
Percentage of unemployment insurance expenditure of GDP	0,01	0,15	0,17	0,11
Expenditure on benefits <sup>2</sup> , million EEK:	-	191,3	232,8	176,1
unemployment insurance benefit	-	106,0	129,1	99,7
benefit for collective termination of employment contracts	-	30,8	30,8	20,8
benefit in case of insolvency of the employer	-	23,0	34,6	26,9
social tax paid on benefits	-	31,5	38,3	28,7
Other expenditure (incl the operating, banking and mailing costs of the Unemployment Insurance Fund), million EEK	7,3	11,3	11,3	12,8
Number of persons to whom benefit was appointed:				
unemployment insurance benefit	-	10 066	11 616	8 749
benefit for collective termination of employment contracts	-	4 001	3 769	2 420
benefit in case of insolvency of the employer	-	2 058	3 007	2 186
Average monthly number of unemployment insurance benefit receivers		3 163	5 356	4 270
Maximum amount of unemployment insurance benefit, EEK a calendar month	-	6 563	7 786	8 704
Average length of unemployment insurance benefit period in calendar days <sup>3</sup>		144	134	131

<sup>1</sup> The figure includes all employees who at least once in the year have received payment from which the unemployment insurance payment has been withheld. The number of people who paid the unemployment insurance payment was the highest in 2002, as that year the unemployment insurance payment was withheld also from the wages of people at retirement age and people receiving early-retirement pension.

Source: Unemployment Insurance Fund

<sup>2</sup> The expenditure on benefits is shown on accrual basis, i.e. the expenditure includes the obligations arising upon the payment of benefits.

<sup>3</sup> This includes the unemployed, whose period of unemployment ended in the year under observation.

Figure 3. Expenditure of the social protection of the unemployed (inclunemployment insurance benefit) and percentage of GDP

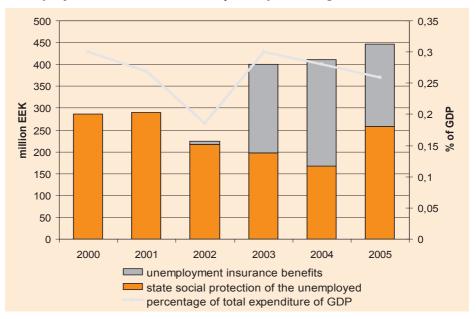
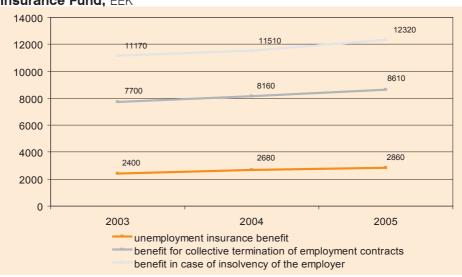


Figure 4. Average amount of benefits<sup>1</sup> paid by Unemployment Insurance Fund, EEK



<sup>1</sup> The gross amounts of benefits presented in the figure (EEK per calendar month) have been calculated on the basis of a 30-day month on the first hundred days, when the substitution rate of the unemployment insurance benefit is 50 percent of the person's previous income.

Source: Unemployment Insurance Fund

benefit for collective

termination of employment

contracts

■ women

benefit in case of insolvency of

the employer

■ men

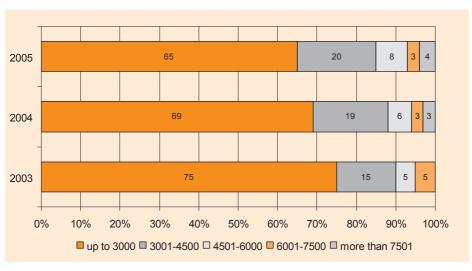
Figure 5. Receivers of benefits paid by Unemployment Insurance Fund, by sex

Source: Unemployment Insurance Fund

unemployment insurance

benefit (new cases)

Figure 6. Distribution of new cases of unemployment insurance benefit by amount of monthly benefit¹ (during first 100 days of benefit), %



<sup>1</sup> The gross amounts of benefits presented in the figure (EEK per calendar month) have been calculated on the basis of a 30-day month on the first hundred days, when the substitution rate of the unemployment insurance benefit is 50 percent of the person's previous income.

Source: Unemployment Insurance Fund

## WORKING ENVIRONMENT

# **Overview of legal acts**

The working environment is the surroundings people work in. Physical, chemical, biological, physiological and psychological factors present in the working environment must not endanger the life or health of workers or that of other persons in the working environment.

First and foremost, this area is regulated by the Occupational Health and Safety Act, which defines occupational health as the application of work-related organisational and medical measures to prevent damage to the health of workers, adaptation of work to the abilities of workers, and promotion of the physical, mental and social well-being of workers. Occupational safety is defined as a system of work-related organisational and technical measures to provide a working environment which enables workers to work without endangering their health. The employer's actions in organising working environment related programmes at workplaces are one of the basic principles in ensuring safe and healthy working conditions. National enforcement of this act and the requirements prescribed in legislation based on this act is carried out by the Labour Inspectorate. Employers who did not fulfil the requirements prescribed by legal acts regulating occupational health, occupational safety and occupational relations are presented with a list of requirements to remedy these violations.

An occupational accident is damage to the health or death of a worker which occurs in the performance of a duty assigned by an employer or in other work performed with the employer's permission, during a break included in the working time, or during other activity in the interests of the employer. Accidents happening on the way to or from work are since 1 July 2003 no longer considered occupational accidents.

An occupational disease is a disease which is brought about by risk factors present in the working environment and included in the list of occupational diseases, or the nature of the work.

An employee who has sustained health damage in the performance of work duties is entitled to demand compensation for the damages caused from the employer. A person is entitled to compensation for damages, if the health damage has been caused through the employer's fault.

The compensation for damages means cash payments in the extent of the income (or a part thereof) the person lost due to loss or reduction of capacity for work. In addition to compensating the employee for income lost due to health damage the employer liable for the damages shall compensate the employee

for additional expenses incurred in relation to the health damage, including prostheses and auxiliary devices; prescription drugs; rehabilitation centre expenses; travel expenses to treatment institutions and rehabilitation centres and the employee's nursing expenses.

The national social insurance shall assume the above mentioned obligations, if the employer liable for the damages has been liquidated without legal successor.

## Statistical overview

From 2000 to 2005, i.e. after the entry into force of the Occupational Health and Safety Act and its implementing acts, 36,358 inspections have been conducted. Of these, 8,313 inspections were focused on evaluating the condition of the working environment as a whole on the basis of the methods developed by the Labour Inspectorate. In 2005 in total 8,295 inspections there conducted, which covered 3,305 enterprises (with the working environment as a whole evaluated in 1,480 enterprises). On the basis of the inspection of the fulfilment of precepts it can be concluded that the working environment has improved in the majority of previously inspected enterprises.

The number of registered occupational accidents and workdays lost due to occupational accidents increased until 2002. This growth was caused by neglect of safety requirements, improved registration of accidents and an amendment to the law, according to which the benefit for temporary incapacity for work in the extent of 100% of average income is since 1999 paid for all occupational accidents (previously only for occupational accidents caused through the employer's fault). The decrease in the figures since 2003 does not reflect an improvement in the situation, but rather stems from amendments to the law, according to which accidents happening on the way to or from work are since 1 July no longer considered occupational accidents. While the number of fatal accidents decreased from the previous year in 2005 (34 and 24 respectively), the number of accidents resulting in severe damage to health grew (973 and 1,002 respectively).

Compared to the previous year, the number of first diagnoses of occupational diseases decreased in 2005, but these changes are not entirely unequivocal. Diagnosis of occupational diseases is aggravated by several factors: proving the presence of links between the disease and the risk factors in the working environment is particularly problematic. This indicator is also influenced by the availability of occupational health care services (incl. the presence of an occupational health physician in the county).

Among the cases diagnosed in recent years, the number of vibration syndromes has decreased and the number of repetitive strain injuries (caused by handling loads, incorrect working posture, forced posture) has risen. While in 2004 the proportion of repetitive strain injuries in the number of first diagnoses of occupational diseases was 50%, in 2005 it was already 63%.

Table 1. Evaluation of working environment

		2004			2005	
Number of enterprises inspected		1243			1480	
Condition of the working environment, % of enterprises	Low	Medium	High	Low	Medium	High
Risks arising from technical risk factors	31,2	66,9	1,9	36,6	61,6	1,8
Risks arising from physical, chemical, biological and physiological risk factors	31,9	64,2	3,9	36,1	59,9	3,9
	Satis- factory	Defi- ciencies found	Unsatis- factory	Satis- factory	Defi- ciencies found	Unsatis- factory
Employer's activities in fulfilling legal requirements	22,5	61,1	16,4	20,5	60,9	18,4
Workers' common environment	72,4	23,7	3,9	78,3	18,9	2,7
Working environment on the whole	16,9	81,6	1,5	17,4	81,4	1,1

Table 2. Fulfillment of requirements established by the Occupational Health and Safety Act<sup>1</sup> (% of enterprises, where requirements are not met)

Activity or situation inspected and evaluated	2004	2005
Existing and active working environment council (enterprises with over 50 workers)	10,5	8,2
Training of member of the working environment council	15,0	7,9
Election of working environment representatives	34,5	32,9
Training of working environment representatives	46,7	43,0
Working environment risk assessment plan for reducing health risks	54,4	54,2
Organisation of internal control	38,4	42,2
Health care service agreement	60,7	60,3
Medical examination of workers	38,2	39,8
First aid training	29,0	29,7
Instruction of workers in the sphere of occupational health and safety	12,3	17,2
Provision with personal protection equipment	1,9	2,2
Investigation of occupational accidents and cases of occupational disease	57,7	62,8
Application of measures intended for the prevention of occupational accidents and diseases	3,8	3,1

<sup>1</sup> Since 2004, only the results of the first inspections of enterprises are included, not the results of follow-up inspections. Due to this the data is not comparable to the data presented in the last year's publication.

Table 3. Occupational accidents and diseases

	1995	2000	2002	2003	2004	2005
Total number of occupational accidents <sup>1</sup>	2 460	2 965	4 033	3 783	3 326	3 425
incl, % M		67	62	70	70	68
F		33	38	30	30	32
accidents resulting in severe health damage <sup>1</sup>	290	692	1316	1163	973	999
incl, % M					73	74
F					27	26
fatal accidents1		27	39	33	34	24
incl, % M		93	91	100	71	83
F		7	9	-	29	17
Number of occupational accidents per 100 000 employees <sup>2</sup>	303	424	532	544	559	564
Number of persons diagnosed with occupational disease for the first time		296	117	95	132	94
incl, % M			62	49	55	54
F			38	51	45	46
Number of occupational diseases diagnosed for the first time	145	355	129	101	132	97
First diagnoses of occupational diseases per 100 000 employees	22,1	57,1	22,0	17,0	22,2	16,0

<sup>1</sup> Since 1 July 2003, accidents happening on the way to or from work are not considered as occupational accidents.

Source: Labour Inspectorate

Table 4. Occupational accidents at workplace resulting in death and severe injury, by fields of economic activity

Field of activity	1998	2000	2002	2003	2004	2005
Number of persons severely injured due to occupational accidents	389	496	935	906	973	999
Agriculture, hunting, fishing, forestry	47	27	79	54	57	79
Mining and quarrying	16	11	30	15	23	20
Manufacturing	96	179	336	345	390	374
Electricity, gas and water supply	27	10	15	12	13	10
Construction	60	64	102	93	101	120
Wholesale and retail trade	19	29	83	103	94	110
Transport, storage, communication	72	72	95	87	89	77
Financial intermediation, real estate activities	5	23	51	51	50	71
Public administration and defence, compulsory social insurance		40	55	61	56	58

to be continued▶

<sup>2</sup> The figures for all the years only represent the number of accidents at workplace.

### **▶** continuation

Field of activity	1998	2000	2002	2003	2004	2005
Education		11	41	37	37	30
Health care and social welfare		17	23	17	20	16
Other	47	13	28	31	43	34
Number of fatalities	56	27	35	31	34	24
Agriculture, hunting, fishing, forestry	8	3	3	2	2	1
Mining and quarrying	5	-	2	1	-	1
Manufacturing	10	9	6	8	5	4
Electricity, gas and water supply	2	3	-	1	2	1
Construction	12	4	9	4	5	1
Wholesale and retail trade	2	2	5	2	2	4
Transport, storage, communication	9	5	5	8	7	6
Financial intermediation, real estate activities	3	-	2	3	4	3
Public administration and defence, compulsory social insurance		-	2	1	3	-
Education		-	-	1	1	-
Health care and social welfare		-	-	-	-	1
Other	5	1	1	-	3	2

Figure 1. Occupational accidents resulting in severe injury or death, by fields of economic activity,  $2005,\,\%$ 

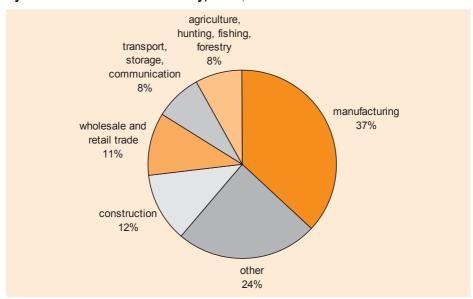


Table 5. Occupational accidents at workplace resulting in severe injury and death, by groups of occupation

Occupation	2001	2002	2003	2004	2005
Number of persons severly injured	770	935	906	973	999
Trade and craft workers	269	304	275	316	337
Plant and machine operators	192	203	206	239	221
Unskilled workers	133	177	121	146	193
Service and sales workers	41	61	77	77	65
Professionals	36	51	45	47	35
Technicians and midlevel specialists	31	54	38	47	49
Clerks	29	31	29	29	22
Skilled agricultural, forestry and fishery workers	17	20	18	29	46
Legislators, senior officials, managers	20	28	10	31	19
Other	2	6	81	12	12
Number of fatalities	30	35	31	34	24
Trade and craft workers	13	12	7	8	7
Plant and machine operators	4	8	7	9	6
Unskilled workers	5	7	4	5	2
Service and sales workers	-	2	2	1	1
Professionals	1	2	-	-	3
Technicians and midlevel specialists	3	-	3	3	4
Clerks	1	2	-	-	-
Skilled agricultural, forestry and fishery workers	1	-	-	2	1
Legislators, senior officials, managers	2	2	1	4	-
Other	-	-	6	2	-

Table 6. Occupational diseases, by disease and occupation

Table 6. Cocupational discuses, by all	oodoo	unu (	Jooah	Julioi		
Indicator	1998	2000	2002	2003	2004	2005
Total number of first diagnosed cases	269	355	129	101	132	97
By diseases						
vibration syndrome	109	137	45	15	30	12
repetitive strain injuries	72	128	47	54	66	61
hearing impairment	37	60	22	21	20	17
other occupational diseases	51	30	15	11	16	7
By occupation						
tractor drivers	90	114	41	28	22	23
car and bus drivers	32	50	16	2	4	4
farm labourers, stock farmers	26	55	17	21	28	16
excavator and crane drivers	16	15	6	3	4	4
sewers, weavers	5	12	3	6	2	3
joiners	17	6	4	1	-	-
processors of fish and meat products	15	8	6	6	5	1
forestry workers	4	5	3	3	4	3
medical workers	2	2	1	2	-	-
confectioners	3	1	3	1	-	3
painters	6	9	7	4	1	-
timber processors	-	-	1	1	3	5
mining workers	2	4	-	1	-	2
tool fitters	9	10	1	3	7	6
construction workers	2	3	1	-	4	-
welders	16	13	2	3	6	-
concreting workers	2	1	-	-	-	-
ship builders	-	2	-	1	-	-
manufacturers of dairy products	-	-	1	1	3	-
other fields of occupation	22	44	16	13	39	27

Table 7. Number of workdays lost and expenses incurred due to occupational accidents

	1995	2000	2002	2003	2004	2005
Number of workdays lost due to occupational accidents	83 643	157 051	171 850	146 411	118 941	125 314
Percentage of workdays lost due to occupational accidents in the total number of sick-leave days, %		3,1	3,7	3,1	2,3	2,3
Expenditure on benefits						
Occupational accident benefit <sup>1</sup> , million EEK	6,3	19,5	25,2	23,1	20,4	22,9
number of certificates of incapacity for work	2 783	6 921	7 572	6 871	5 863	5 996
Compensation for damages related to occupational accidents and occupational diseases <sup>2</sup> , million EEK		21,6	34,6	36,9	38,3	36,0
number of people receiving compensation for damages		1 111	1 553	1 646	1 745	2 216

<sup>1</sup> Health insurance benefit, 100% of the average income of one calendar day.

Source: Labour Inspectorate, Health Insurance Fund, Social Insurance Board

Table 8. The cost of occupational accidents on the national level<sup>1</sup>

	2002	2003	2004	2005
Number of occupational accidents	4 033	3 783	3 326	3 425
of which permanently incapacitated for work	157	173	161	166
Number of fatalities in accidents at workplace	35	31	34	24
Total costs, million EEK	57,9	67,2	61,2	82,9
benefit for temporary incapacity for work	20,3	19,0	16,8	17,3
medical treatment costs	7,8	8,9	8,0	9,0
permanent incapacity for work	25,8	35,6	33,0	53,0
fatalities	0,1	0,2	0,2	0,2
administration costs	3,9	3,5	3,2	3,3

<sup>1</sup> In 2003, models for calculating the cost of occupational accidents on the level of the enterprise, the state and the society were developed in cooperation between the Labour Inspectorate and the Danish Working Environment Office. This table presents the costs on the level of the state.

Source: Labour Inspectorate, Health Insurance Fund, Social Insurance Board

<sup>2</sup> The Social Insurance Board compensates for lost income and additional expenses, if the employer liable for the damages has been liquidated without legal successor.

## **GENDER EQUALITY**

Gender equality means equal rights, obligations and responsibility for women and men in working life, obtaining education and participating in other domains of social life. Both women and men experience gender inequality in society and thus representatives of both genders benefit from the promotion of gender equality. If we analyse the issue of health and life expectancy we can say that the situation is worse for men, but when we speak of the labour market, wages or participation in decision-making processes, we can say that the situation is generally worse for women. Furthermore, there are issues – like the reconciliation of professional and family life – where the situation needs to be changed for both men and women.

The gender equality monitoring survey¹ conducted in 2003 and 2005 on the order of the Ministry of Social Affairs studied attitudes related to equal opportunities in the Estonian society. The 2005 survey showed that in general, the situation has not changed from the previously monitored period. It can be said that the traditional patriarchal gender stereotypes are still prevalent in the Estonian society. The survey also showed that people's attitudes are often influenced more by their level of education than their gender. People with higher education are much more open to innovations – for instance, to women's higher participation in politics. There is also a visible tendency that positive experiences in certain areas can help change attitudes. For instance, people who had worked under the supervision of a female manager, did not support the argument that only men are suitable as leaders.

One impact of the widespread gender stereotypes is that men's life expectancy is considerably shorter than that of women. A project to study men conducted jointly by the Ministry of Social Affairs and the University of Tartu (2005)¹ provides two initial viewpoints to explain this situation. Firstly, men's health is influenced by social problems. In circumstances, where the society and the role of women has changed to such a great extent, the understanding of manliness and the expectations to men have remained in the century before. Men are still expected to be able to provide for a family, to have a successful career, while being serious and even aggressive. At the same time the society is already expecting a "softer" behaviour from men. Men are as if between two lines of fire, trying to fulfil new tasks valued in the society (for instance, spending more time with children), while simultaneously keeping up the traditional gender role related behaviour (having a career). The second explanation can be summarised with the expression "man as a social problem", meaning things like men (behaving in accordance with the established stereotype) fail to go to the doctor on time, do not ask help

<sup>1</sup> Only available in Estonian at the website of the Ministry of Social Affairs (www.sm.ee)

in case of problems, use alcohol excessively and resort to violence. Due to this, the causes of death for men include considerably more accidents, acute injuries, poisonings and, in the case of working-age people, also diseases of the circulatory system. Nevertheless, men's average life expectancy has grown by 6 years in the last decade. While in 1995 men's average life expectancy at birth was 61.3 years – which was 12.8 years less than that of women – then by 2005 men's life expectancy had risen to 67.3 years and the difference between men and women had decreased to 10.8 years.

Gender inequality is expressed in the different access of men and women to social resources (political power, decision-making, work, education, services, time etc.). According to the findings of the gender equality monitoring survey (2005) 47% of the male respondents find that their opportunities in the Estonian labour market are better than those of women. The same view is shared by 62% of women.

Similarly to other developed countries, Estonian men and women work in somewhat different occupations. Women are traditionally more prevalent in professions, which are not very prestigious in the society and where the wages are lower than the average (horizontal gender segregation). The proportion of women in leading positions is also significantly smaller compared to men (vertical gender segregation). In interpreting the employment figures by occupation, it has to be borne in mind that senior specialists (68.2% women) include education professionals (incl. primary school and kindergarten teachers), medical professionals (incl. doctors, nurses, dentists etc.), administrative clerks (incl. secretaries, accountants).

Since independence was regained in Estonia, the average salary of women has been almost 25% lower than that of men. In 2004, the proportion of women's average hourly salary of men's hourly salary was 76.5%. The estimated average difference between the men and women's hourly salary in the European Union countries was 15% in 2004.

According to the gender equality monitoring survey (2005), nearly 30% of men do not consider it important for their partner to have a sufficient income, while only 4% of women dare say the same. The survey also showed that in (commonlaw) marriages, 52% of women are materially dependent on their partners, while only 6% of men are dependent on their partners.

An important issue in the working domain is the reconciliation of working and family life and the higher involvement of men in taking care of the family and children. Although women's employment level in Estonia is relatively high, our situation is characterised by huge differences in the employment levels of people without small children and people with small children (0-6 years). While for men,

small children are a factor favouring employment, then the difference between the employment levels of mothers of small children and childless women in 2005 was 32 percentage points. Over the last five years, this gap in the employment level was the lowest in 2003 (24.4%).

An important indicator of gender equality is the participation of women in the decision-making process. Through the entire period of independence, the proportion of women in the Estonian parliament (Riigikogu) has been below a fifth, although this figure has increased at all elections. The number of women running for the Riigikogu and local government councils has gradually grown, but women are still in a considerable minority compared to male candidates. In the second half of 2006, there were two female ministers in the government cabinet (the minister of education and research and the minister of agriculture) and 19 women in the 101-member Parliament (Riigikogu).

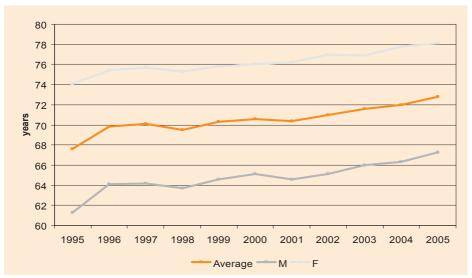
The level of education of Estonian women is higher than that of men. Since 2001, the proportion of female students has remained stable at 62%. In the academic year of 2005/06, the proportion of female students was the highest in 1-year teacher training (72%) and in 3+2 master's degree studies (67%), while the proportion was the lowest in vocational higher education (53%) and doctor's degree studies (53%). Nevertheless, the higher level of education does not guarantee women a salary equal to that of men in Estonia.

The high level of violence towards women also indicates gender inequality in society, reflecting the power structure between genders. Statistical data from shelters show that in 2005 adult women turned to the shelter mainly because of domestic violence<sup>2</sup> (40.4% of all cases). According to the statistical data from the provision of victim support, domestic violence was in 2005 stated as the reason for seeking help in 841 cases, which formed 28% of all appeals for help. However, the problem of violence has to be treated as one that concerns not only women. According to the 2005 gender equality monitoring survey, both women and men considered non-violent demeanour the most important aspect when choosing a partner.

<sup>2</sup> The term "domestic violence" has not been defined in Estonian legislation. In terms of the statistics collected on shelters, domestic violence includes all cases of physical, sexual and psychological violence committed inside families.

# Life expectancy and death rate

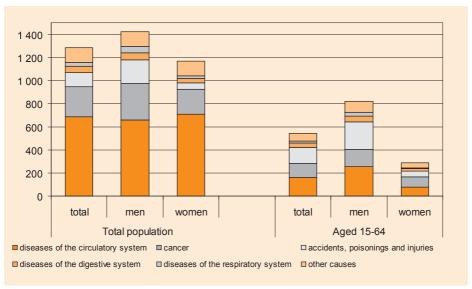
Figure 1. Average life expectancy by sex



For data, see Table 8 under section "Population".

Source: Statistics Estonia

Figure 2. Deaths per 100,000 inhabitants by cause of death and sex, 2005



For data, see Table 9 under section "Population".

Source: Statistics Estonia

# **Employment**

Table 1. Difference in the employment rates of people with no small children and parents of small children (0-6)1 by sex, (aged 20-50),

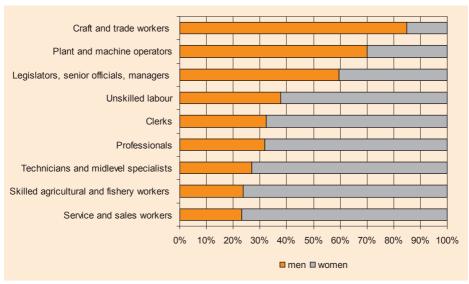
percentage points

	2000	2001	2002	2003	2004	2005
M	-15,5	-13,3	-13,5	-14,1	-14,6	-16,6
F	31,8	29,2	30,3	24,4	28,7	31,9

The employment rate of people with no small children less employment rate of parents of small children. The 2005 overview contained variables calculated in accordance with Eurostat's methods.

Source: Statistics Estonia, Labour Force Survey

Figure 3. Employed, by occupation and sex, 2005, %



For data, see table 4 under section "Labour market" Source: Statistics Estonia, Labour Force Survey

Construction Electricity, gas and water supply Transport, storage and communication Agriculture, hunting, forestry Real estate, renting and business activities Manufacturing Public administration and defence; compulsory social insurance Wholesale and retail trade; repair of motor vehicles and household appliances Hotels and restaurants Financial intermediation Education Health and social care 10% 20% 30% 40% 60% 70% 80% 90% 100% ■ men ■ women

Figure 4. Employed, by economic activity and sex, 2005, %

For data, see table 3 under section "Labour market" Source: Statistics Estonia, Labour Force Survey

Table 2. Participation in the decision-making process, by sex

Year	Total num	ber	Share, %	
	М	F	М	F
nd elected me	mbers of the Riig	ikogu (parli	ament)	
1992	541	88	86	14
1995	1 034	222	82	18
1999	1 376	508	73	27
2003	757	206	79	21
1992	88	13	87	13
1995	89	12	88	12
1999	83	18	82	18
2003	82	19	81	19
	d elected me 1992 1995 1999 2003 1992 1995 1999	M d elected members of the Riig 1992 541 1995 1 034 1999 1 376 2003 757 1992 88 1995 89 1999 83	M         F           d elected members of the Riigikogu (parlia         1992         541         88           1995         1 034         222           1999         1 376         508           2003         757         206           1992         88         13           1995         89         12           1999         83         18	M         F         M           d elected members of the Riigikogu (parliament)           1992         541         88         86           1995         1 034         222         82           1999         1 376         508         73           2003         757         206         79           1992         88         13         87           1995         89         12         88           1999         83         18         82

to be continued▶

#### **▶** continuation

	Year	Total numb	oer	Share, %	
		М	F	М	F
Candidates a	nd elected me	mbers of the cour	cils of loca	ıl municipalities	
Candidates	1993	6 436	2 535	72	28
	1996	7 454	3 674	67	33
	1999	8 240	4 562	64	36
	2002	9 464	5 739	62	38
	2005	8 893	5 763	61	39
Elected	1993	2 469	834	75	25
	1996	2 533	920	73	27
	1999	2 404	951	72	28
	2002	2 345	928	72	28
	2005	2 191	920	70	30

Source: National Electoral Committee

Table 3. Persons elected and appointed to decision-making positions, by sex

	Total	М	F	Share, %	
				М	F
State level					
Members of parliament <sup>1</sup>	101	82	19	81	19
Ministers (incl. the Prime Minister) <sup>2</sup>	14	12	2	86	14
Local level					
Members of local councils <sup>3</sup>	3 111	2 191	920	70	30
Mayors and local municipality governors <sup>4</sup>	241	213	28	89	11
Higher state officials <sup>2</sup>					
Chancellors	11	8	3	73	27
Vice chancellors	40	32	8	82	18
County governors	15	14	1	93	7
Representatives of judicial authority <sup>2</sup>					
State judiciaries	19	16	3	84	16

<sup>1</sup> Candidates elected at the parliamentary elections of 2003.

Source: National Electoral Committee, Ministry of Internal Affairs, Ministry of Justice, homepages of ministries

<sup>2</sup> In October 2006.

<sup>3</sup> Candidates elected at the elections of local government councils of 2005.

<sup>4</sup> In May 2005.

# **Education**

Table 4. Personnel at educational institutions, by sex

	, ,				
	Kindergarten teachers	General education school teachers			
2003	7 794	17 927			
М	25	2 550			
F	7 769	15 377			
Share of women, %	99,7	85,8			
2004	8 003	15 974			
М	26	2 263			
F	7 977	13 711			
Share of women, %	99,7	85,8			
2005	7 622	15 827			
М	28	2 288			
F	7 594	13 539			
Share of women, %	99,6	85,5			

Source: Statistics Estonia, Estonian Education Information System

Table 5. Personnel at higher education institutions, by sex

	2003			2004				
	Kokku	М	F	Share of women, %	Kokku	М	F	Share of women, %
Professor	467	391	76	16,3	481	398	83	17,3
Special professor	62	52	10	16,1	67	56	11	16,4
Docent	680	438	242	35,6	688	431	257	37,4
Lecturer	1 046	467	579	55,4	1 148	492	656	57,1
Senior teacher and teacher	568	112	456	80,3	494	129	365	73,9
Assistant	418	151	267	63,9	439	161	278	63,3
Senior researcher	308	205	103	33,4	314	199	115	36,6
Researcher	457	213	244	53,4	490	244	246	50,2

Source: Estonian Education Information System

Average Technology, production, construction Nature and precision sciences Service Agriculture Social studies, business, law Humanitarian subjects, arts Health and welfare Education 0 10 20 30 40 60 70 80 90 100 **■** 1993/94 **■** 1999/00 **□** 2005/06

Figure 5. Proportion of female students, by academic areas, %

Source: Estonian Ministry of Education and Research

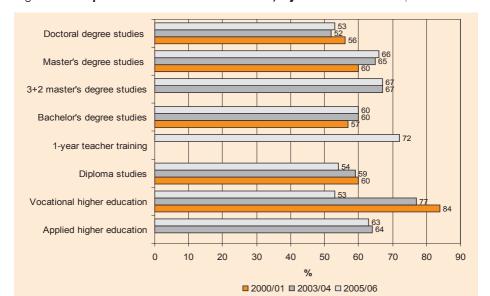


Figure 6. Proportion of female students, by form of studies, %

Source: Statistics Estonia, Estonian Ministry of Education and Research

## **Material status**

Table 6. The proportion of women's hourly salary of men's hourly salary, by occupation, %

	2000	2001	2002	2003	2004
Legislators, senior officials, managers	76,5	83,5	78,3	79,6	81,9
Professionals	71,1	74,3	72,8	73,1	75,4
Technicians and midlevel specialists	70,7	69,6	70,6	68,5	68,1
Clerks	78,3	74,3	73,8	73,1	77,6
Service and sales workers	68,4	73,0	66,7	72,7	75,0
Skilled agricultural and fishery workers	91,4	91,6	86,7	79,6	84,4
Craft and trade workers	84,1	78,0	77,1	76,3	74,9
Plant and machine operators	90,6	84,8	90,4	86,1	82,1
Unskilled labour	74,6	71,6	75,7	74,2	76,2
Average	75,4	75,7	75,9	75,8	76,5

Source: Statistics Estonia

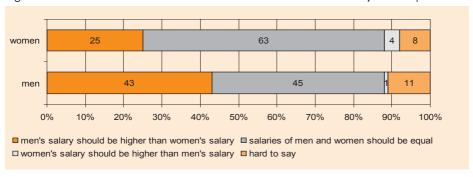
Table 7. Material dependence on spouse/partner (15-74), %

	Men		Women	
	2003	2005	2003	2005
Dependent on spouse/partner	17	6	57	52
Not dependent on anyone	83	90	43	46
Dependent on someone else		4		2

Source: Gender equality monitoring surveys 2003 and 2005

### **Attitudes**

Figure 7. Attitudes towards the salaries of men and women, % of respondents



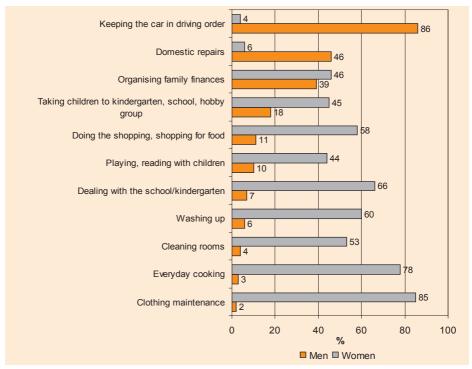
Source: Gender equality monitoring survey 2005

Table 8. Preferences regarding superiors<sup>1</sup>, % of respondents

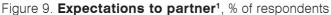
	Me	en	Women		
	2003	2005	2003	2005	
Definitely a man	41	34	15	18	
Rather a man	24	23	22	27	
Rather a woman	1	4	12	7	
Definitely a woman	0	2	3	3	
Not important	34	30	48	37	
Do not want a superior		6		5	
Cannot say		1		3	

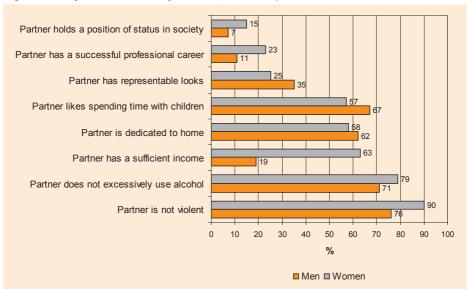
<sup>1</sup> Question: "Of which gender would you prefer your superior to be?" Source: Gender equality monitoring surveys 2003 and 2005

Figure 8. Distribution of housework (areas of responsibility) in families with at least one child , % of respondents



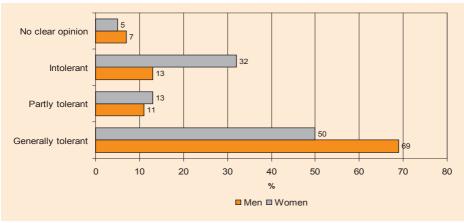
Source: Gender equality monitoring survey 2005





<sup>1</sup> Question: "What do you generally consider important in your partner?"; response option "This definitely". Source: Gender equality monitoring survey 2005

Figure 10. Attitudes towards buying sex<sup>1</sup>,% of respondents



<sup>1</sup> Question: "What is your attitude towards the fact that there are people who buy sex?" Source: Gender equality monitoring survey 2005

## **HEALTH CARE**

## **Overview of legal acts**

The provision of medical care is mainly regulated by the Health Services Organisation Act and the Health Insurance Act.

The Health Services Organisation Act¹ provides the organisation of and the requirements for the provision of health services, and the procedure for the management, financing and supervision of health care as well as the requirements for the registration of health care professionals. Health services are defined as the activities of health care professionals for the prevention, diagnosis or treatment of diseases, injuries or intoxication in order to reduce the malaise of persons, prevent the deterioration of their state of health or development of the diseases, and restore their health.

Health care is financed from funds designated for health insurance in the state budget via the Health Insurance Fund, as well as with direct allocations from the state budget, municipal and city budgets, by patients and from other sources.

The health insurance system is designed for compensating the insured persons for the cost of disease prevention and treatment, the cost of medicines and medical appliances and for paying benefits for temporary incapacity for work and other benefits.

The compulsory health insurance applies in Estonia since 1 January 1992. Employers are obligated to pay social tax for employees, which includes 13% of gross wages for health insurance. People in business for themselves (sole proprietors) are obligated to pay the social tax on their business income themselves in accordance with the Social Tax Act.

Insured persons are permanent residents of Estonia or persons living in Estonia under a temporary residence permit, the social tax for whom is paid by the employer or the state<sup>2</sup> or by themselves, as well as equivalent persons under the Health Insurance Act for whom social tax is not paid:

- 1) pregnant women starting from the 12th week of pregnancy;
- 2) children up to 19 years of age;
- 1 This Act does not apply to the organisation of the provision of health services in the Defence Forces (except the registration of health care professionals and supervision of facilities, installations and equipment). This Act applies to the organisation of the provision of health services in prisons with the specifications resulting from the Imprisonment Act.
- 2 The state pays social tax for the following persons: recipient of parental benefit; recipients of child care allowance; recipients of benefit for parents of families with seven and more children since 2005; persons who are paid caregiver's allowance pursuant to the Social Benefits for Disabled Persons Act until the persons attain pensionable age; employees with loss of capacity for work of 40% or more in certain cases; non-working accompanying spouses of diplomats and public servants serving in foreign missions of Estonia, until attaining pensionable age; conscripts in compulsory military service in the Defence Forces; non-working persons who have participated in the elimination of the effects of a nuclear disaster, nuclear test, or an accident at a nuclear power station, until attaining pensionable age; recipients of unemployment benefit; Estonian citizens or persons of Estonian nationality who have settled in Estonia from a foreign country and receive social benefits under the Social Welfare Act, and their spouses, children and parents.
  The Unemployment Insurance Fund pays the social tax for persons receiving unemployment insurance benefit.

- 3) recipients of state pension in Estonia;
- 4) an insured person's dependent spouse with less than five years until retirement age:
- 5) students of up to 21 years of age acquiring basic education, students of up to 24 years of age acquiring general secondary education or vocational secondary education after basic education, students acquiring vocational secondary education after secondary education and permanent residents of Estonia acquiring university education in Estonian educational institutions established and operating under legal acts or in equivalent educational institutions abroad.

Uninsured persons have the right to emergency care. Emergency care means health services which are provided by health care professionals in situations where postponement of care or failure to provide care may cause the death or permanent damage to the health of the person requiring care.

The Health Insurance Fund finances outpatient and inpatient services provided to insured persons, and in certain cases also rehabilitation and nursing care and dental care services. Dental care is provided free of charge to children under 19 years of age. Free dental care services are included in the Estonian Health Insurance Fund's list of health services and are provided by health service providers with whom the Health Insurance Fund has concluded an agreement for financing treatment. Only emergency dental care is free for adults; generally, the Health Insurance Fund retrospectively compensates 150 EEK of the cost of dental care a year.

Benefit for temporary incapacity for work is financial compensation paid by the health insurance fund to an insured person on the basis of a certificate of incapacity for work in cases where the person does not receive income subject to individually registered social tax due to a temporary release from their duties. Since 1 October 2002, the benefits for incapacity for work are calculated on the basis of the insured person's income calculated on the basis of the social tax paid during the previous year. The percentage of the benefit paid of the average income per calendar day is 80% in case of illness (60% in case of hospital treatment until 1 Oct 2002), 100% in case of childbirth, occupational injury and caring for a sick child under 12 years of age at home (a child under 14 years of age until 1 Oct 2002). Benefits are paid for various periods – for up to 7 successive days in case of caring for a sick family member and quarantine, for up to 14 days in case of caring for a sick child, and generally for up to 182 days in case of illness and occupational accident. In case of certificates for sick leave, benefits are paid starting from the second day of the leave and in case of certificates for maternity leave and care leave, starting from the first day.

As regards pharmaceutical products, the Health Insurance Fund compensates pharmacies a part of the price of medicines entered into the list of medicines. Sine 1 January 2003, the Health Insurance Fund also pays an additional benefit for medicines, if an insured person has paid more than 6,000 EEK a calendar year for subsidised medicines. The additional benefit for medicines helps to compensate the costs of medicines primarily to those insured persons, whose treatment plans involve expensive medicines and who

suffer from chronic diseases and therefore have to administer medicines for extended periods of time and in various combinations of different products. The cash expenditure incurred in relation to non-prescription medicines and non-subsidised prescription drugs is not taken into account when calculating the additional benefit for medicines.

The provision of ambulance services and the provision of emergency care to uninsured persons, as well as the formation, preservation and renewal of national security reserves of medicines and medical devices, expert evaluations ordered by a medical care quality commission, national health care programmes, health care related research and development, national investments under the Hospital Network Development Plan approved by the Government of the Republic and the preparedness to provide health care services in emergency situations is financed from the state budget via the Ministry of Social Affairs

The provision of health care services to imprisoned persons, the application of influencing medical agents on the basis of a court ruling, and forensic psychiatric examinations and forensic pathological examinations are financed from the state budget via the Ministry of Justice.

The provision of health care services and other health care expenditure is financed from municipal budgets upon the relevant decision of the council of the local municipality.

## Statistical overview

This section was prepared using the health care statistics<sup>3</sup> collected by the Ministry of Social Affairs and data from the Health Protection Inspectorate, the Tuberculosis Registry, the Cancer Registry and the Estonian Health Insurance Fund.

The main objectives of the Estonian health care reform launched in the 1990s were the reorganisation of the national funding system and the excessive hospital system, the reduction of the number of hospitals and hospital beds, the improvement of the quality and accessibility of primary health care services and the more efficient use of resources (incl. the introduction of the system of family doctors).

Reorganising the primary health care level started in 1991, with re-specialisation courses in family medicine; teaching family medicine as an academic specialty was launched in the Faculty for Medicine of the University of Tartu in 1993. By 2000, the transition to the system of family physicians had been completed in the whole of Estonia.

An important change in health care management has been the preparation and gradual implementation of the Estonian Hospital Network Development Plan<sup>4</sup>. The number of

<sup>3</sup> The annual statistical data on health care services is made available on the Ministry's website (at www.sm.ee under "Public health"). If no other reference to source materials has been provided, the data is collected and processed by the Ministry of Social Affairs.

<sup>4</sup> The Hospital Network Development Plan was established with a regulation of the Government of the Republic in 2003. The plan determines the list of regional, central, general, local and specialty hospitals for ensuring the uniform availability of health care services, and the investments for building, renovating and re-profiling the hospitals included in the list. The preparation of the development plan was organised by the Ministry of Social Affairs and it was established for 15 years.

hospitals was thus reduced from 68 in 2000 to 51 by the end of 2002. The number of hospital beds has decreased in the same period, mainly due to the decrease of active care beds. Compared to 2000, the proportion of active care beds in the entire number of beds has dropped by about a quarter by 2004. In parallel with the decrease in the number of active care beds the number of long-term beds has considerably grown in the same period. There were 49 long-term beds per 10,000 inhabitants aged 65 and older in Estonia in 2004. According to the "Estonian long-term care network development plan 2004-2015" compiled by the Ministry of Social Affairs, there should be 100 long-term beds per every 10,000 inhabitants aged 65 and older, which amounts to the total need for 2,100 long-term beds by 2015.

The number of practicing doctors has remained unchanged in the recent years (2002-2004). As at the end of 2004, there were 32 doctors (including 6 family physicians) per every 10,000 inhabitants. There were 9 dentists per 10,000 inhabitants. The number of nursing specialists was at the same time 64 per 10,000 inhabitants, plus 10 other medical specialists with special education.

An important change in health care services is a trend towards the increasing proportion of outpatient treatment. The number of outpatient visits a year has for a long time remained within the limits of 8 million (5.9-6.0 appointments per inhabitant), but in 2004 the number of appointments per inhabitant grew to 6.2. The number of people who have received hospital treatment has decreased by 7 percent since 2000 (in 2000, 204 persons were hospitalised per every 1,000 inhabitants; in 2003-2004 – 192). The number of day-care beds has remained stable. At the end of 2004, there were 40 institutions providing day-care services. There were 148 hospital beds in the day-care or day surgery departments of hospitals and 186 hospital beds in outpatient institutions. The number of people receiving day-care services has grown considerably (in 2000 – 15 persons per 1,000 inhabitants, in 2004 – 26 persons).

In order to monitor people's assessments of their health and the quality and availability of health care services, the Estonian Health Insurance Fund in cooperation with the Ministry of Social Affairs has since 1996 been conducting yearly surveys among inhabitants aged  $15-74^5$ 

According to the survey, people's assessments of their health have remained the same in the last three years the survey has been conducted. In 2005, 49% of the respondents considered their health as good or very good, 40% as average and a little over 10 percent as poor or very poor. Men's assessments of their health are usually a bit more positive than those of women. As the age grows, the proportion of respondents assessing their health as very good and good starts to drop considerably from the age of 50 and the proportion of people with the medium, poor and very poor health condition starts to increase. Compared to 2004, there is, however, a shift towards the better in the assessments of the older people.

<sup>5</sup> Survey reports are available on the homepage of the Estonian Health Insurance Fund at http://www.haigekassa.ee/haigekassa/uuringud/, Available only in Estonian.

According to the data from the last three years, a large part of the respondents (58-62%) had in the twelve months prior to the survey paid at least one visit to the family physician and 40% of the respondents had visited a specialist. A little under ten percent of the respondents had contact with emergency treatment and about every tenth respondent had been in hospital for examination or treatment. The results of the survey show that the proportion of people who visit the dentist at least once a year has grown by ten percentage points in three years (32% in 2003; 35% in 2004; 42% in 2005).

People's assessments of the quality of medical care are similar in the results of 2003-2005: nearly 60% of the respondents have considered the quality as good or rather good and about a third considers the quality as poor.

Approximately one-half of the respondents are satisfied with the availability of medical care, though a decline in the level of satisfaction over the years can be noted. This can be associated with a decrease in the level of availability. The main negative aspect pointed out in medical care is the long waiting lists for treatment, while the main positive aspect is the pleasant attitudes of health care workers/doctors. Young people are more critical towards the quality and availability of medical care, while older people provide considerably more positive answers. Within the last year, 12% of the respondents had tried unsuccessfully to get a doctor's appointment (mostly seeking specialist medical care).

Patients who are not satisfied with the provided health care services can file a complaint with the Estonian Health Insurance Fund or the Health Care Board. In 2005, 57% of the respondents were unable to say where they should turn in case of problems and only every tenth respondent thought that they would contact the Health Insurance Fund with such issues. The Health Care Board was not mentioned once.

Incidents of infectious diseases and venereal diseases have continually decreased in the recent years. The number of HIV carriers started to grow notably in the second half of 2000 and peaked in 2001. The number of new registered HIV carriers has decreased from 2002, with 621 new HIV carriers registered in 2005. The proportion of women in the number of infected persons has grown: in 2000, women formed 20% of those infected, in 2005 — 37%. The number of people with AIDS has started growing, as the HIV carriers have reached the manifestation stage of the disease.

The frequency of new cancer cases remained approximately on the level of previous years in 2000-2003: the total number of incident cases was around 6,000 and the incidence rate around 440 (per 100,000 inhabitants). It must be noted here that due to the lack of a legal basis, the Estonian Cancer Register has since 2001 not been able to compare its database with the Statistics Estonia's database of medical death certificates, and therefore the information on first cases in incomplete. The problem of information exchange will be resolved after the launch of the national Causes of Death Register.

The number of prevalent cases of cancer (the number of persons living with a cancer diagnosis as at the end of the year) increased by 10% in 2000–2003. Two-thirds of the prevalent cases were in women.

In recent years, slightly over 94 percent of the population has been covered by compulsory health insurance, which means that there are approximately 80 thousand uninsured persons in Estonia who have to pay for health care services themselves or receive only emergency care. The proportion of working insured people in the total number of insured people has grown by 4 percentage points in 2002-2005 (from 45% to 49%) as a result of economic growth, the decreased level of unemployment and life becoming more stable

Health insurance expenditure has grown from year to year and amounted to 6.98 billion EEK in 2005, or 4.04% of GDP.

The structure of the expenditure has changed somewhat across the years. The overall proportion of the cost of health care services in the Health Insurance Fund's expenditure has decreased (in 1995, health care costs formed 75%, in 2000, 71% and in 2005, 68% of the overall expenditure).

The proportion of spending on the compensation of medicines has ranged between 13-16% in recent years. In 2004, expenditure on the compensation of medicines grew by nearly 200 million EEK from 2003. There were several reasons – people were buying larger quantities of medicines in fear of a price increase before Estonia's accession to the European Union as well as stocking up before the implementation of the price limits of compensated medicines calculated according to new methods since 1 January 2005. The expenditure on discount medicines fluctuated considerably from month to month in 2005, always growing before the quarterly changes in the price limits. This shows that patients are sensitive to changes and rather prefer stocking up on medicines to making a switch to new medicinal preparations after changes in rates.

The proportion of expenditure on benefits for temporary incapacity for work in overall expenditure has not changed significantly, amounting to 17-18% in recent years. The number of days the benefit for incapacity for work is paid for and the average benefit for one day of incapacity for work has increased.

The proportion of total health care expenditure has in recent years formed slightly over 5% of GDP (5.3% in 2004).

The proportion of health insurance expenditure in the overall health care expenditure has remained stable over recent years, while the proportion of the private sector has grown. In 2004, nearly 21% of the total health care expenditure was borne by households.

In 2004, the nominal growth of the total health care expenditure amounted to 14.2% and the real growth to 2%. A significant proportion of the growth in total expenditure was brought about by the increase in the prices of medical services, which was mainly caused by an increase in the wages of health care workers.

#### **Medical care**

Table 1. Independent health care institutions, at the end of the year

Type of institution		Nu	ımber of i	nstitution	ıs	
	1995	2000	2001	2002	2003	20045
Total hospitals¹	83	68	67	51	50	51
regional hospital <sup>2</sup>				3	3	3
central hospital <sup>3</sup>				4	4	4
specialised hospital	18	11	11	5	5	6
general hospital	48	39	36	24	19	12
local hospital						5
rehabilitation hospital				2	3	4
nursing care hospital	8	12	14	13	16	17
other	9	6	6	-	-	-
Outpatient medical care institutions	300	540	587	625	697	715
general medical care praxises		367	401	439	476	482
incl. family doctor praxises		292	361	435	469	473
Dental care institutions	181	364	387	384	426	443
Emergency care institutions⁴		7	7	7	7	7

<sup>1</sup> Since 2001, the number of hospitals also includes the Central Hospital for Prisons (type: general hospital).

Table 2. Practicing health care professionals<sup>1</sup>, at the end of the year

	1995	2000	2001	2002	2003	2004
Doctors <sup>2</sup>	4 832	4 233	4 137	4 268	4 277	4 312
family doctors	104	448	557	701	803	818
Dentists <sup>2</sup>	929	1 041	1 115	1 078	1 127	1 166
Nursing specialists and other graduates of medical schools	11 416	9 916	9 777	10 028	10 300	10 057
nursing specialists	9 948	8 517	8 404	8 725	8 815	8 676
nurses	9 258	8 010	7 951	8 303	8 412	8 270
midwives	690	507	453	422	403	406
other health care professionals <sup>3</sup>	1 468	1 399	1 373	1 303	1 485	1 381

to be continued

<sup>2</sup> Regional hospitals: SA Tartu Ülikooli Kliinikum, SA Põhja-Eesti Regionaalhaigla and SA Tallinna Lastehaigla.

<sup>3</sup> Central hospitals: AS Ida-Tallinna Keskhaigla, AS Lääne Tallinna Keskhaigla, AS Ida-Viru Keskhaigla, SA Pärnu Haigla.

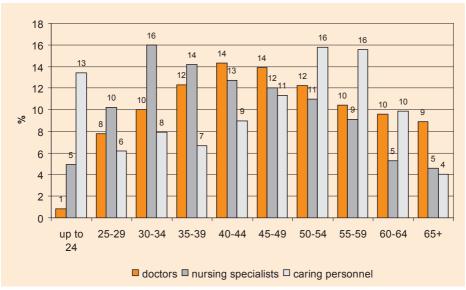
<sup>4</sup> In addition to independent emergency care institutions, emergency units also exist as subunits of other health care institutions (generally hospitals). At the end of 2004, there were 19 such emergency units and a total of 26 emergency care service providers.

<sup>5</sup> The data are specified compared to the previous collection.

	1995	2000	2001	2002	2003	2004
Health care professionals per 10 000 inhabitants						
doctors	33,9	31,0	30,4	31,5	31,7	32,0
family doctors	0,7	3,3	4,1	5,2	5,9	6,1
dentists	6,5	7,6	8,2	7,9	8,3	8,7
nursing specialists and other graduates of medical schools	80,1	72,5	71,8	74,0	76,2	74,6
nursing specialists	69,8	62,3	61,7	64,3	65,2	64,4
nurses	67,9	58,6	58,4	61,2	62,3	61,4
midwives	4,8	3,7	3,3	3,1	3,0	3,0
other health care professionals <sup>3</sup>	10,3	10,2	10,1	9,6	11,0	10,2

<sup>1</sup> Doctors, dentists, nurses and midwives, if they work in their profession and are registered in the Health Care Board. Health care professionals may offer health care services in the range of their acquired field of specialisation, for which they have been issued a certificate from the Health Care Board, verifying their registration as health care professionals.

Figure 1. Health care personnel at hospitals by age, March 2005, %1



<sup>1</sup> On the basis of the hospitals' hourly wages data. Includes employees, whose data were included in the survey, independent of their workload.

The data presented in this collection for 2000-2003 differ from the data presented earlier; retrospective recalculations have been made with regard to changes in the list of specialties and the definition of health care service providers.

<sup>2</sup> The number of practicing doctors and dentists includes interns.

<sup>3</sup> The remaining mid-level health care and care workers with special education.

Table 3. Average total monthly wages and the average annual number of health care professionals, by types of service providers

	Total	Hospital		nt medical are	Dental care	Other <sup>2</sup>
			general care	specialised care		
Average total monthly wa	ges of hea	ilth care p	rofession	als¹, EEK		
2003						
Total	5 888	5 736	6 685	5 940	6 120	6 553
doctors	10 689	11 354	10 097	7 850		8 485
dentists	8 475	9 078	7 906	11 061	8 172	-
nurses	5 096	5 239	4 624	4 377	4 111	5 880
2004 (comparable <sup>3</sup> )						
Total	7 325	7 281	7 389	7 718	7 184	7 612
doctors	13 460	14 675	10 962	10 556		12 353
dentists	10 564	13 010	7 710	13 059	9 932	-
nurses	6 507	6 723	5 366	6 708	5 464	6 990
2004 (new methodology <sup>3</sup> )						
Total	7 854	7 980	7 759	8 665	8 244	5 756
doctors	14 839	16 585	11 481	11 931	9 936	11 453
dentists	12 123	16 746	9 421	13 820	11 291	-
nurses	6 756	7 083	5 145	7 036	6 100	6 528
Annual average number o	f health ca	are profes	sionals¹, r	reduced to	full-time v	vorking
hours						
2003						
Total	25 369,5	19 065,6	2 161,9	1 256,0	1 840,6	1 045,4
doctors	3 645,1	2 435,2	769,5	305,8	3,8	130,8
dentists	810,2	101,2	8,1	54,0	646,9	-
nurses	8 105,0	6 075,5	923,7	346,5	441,6	317,7
2004						
Total	24 094,2	17 230,3	2 196,2	1 360,9	2 057,1	1 249,8
doctors	3 583,3	2 390,5	730,0	315,3	1,8	145,9
dentists	927,8	133,0	5,0	49,1	740,8	-
nurses	7 615,0	5 467,9	866,2	341,5	453,1	388,5

On the basis of economic activity reports. The report on the economic activities of health care institutions was presented in 2003 by 86% and in 2004 by 94% of service providers. The positions of doctors, nurses and dentists (number of employees reduced to full-time working hours) has been presented in the table exclusive of managers.

<sup>2</sup> Emergency aid, rehabilitation care and diagnostics institutions and blood centres.

<sup>3</sup> In order to present the average monthly wages of 2003, the total annual wages have been divided by the average annual number of employees (reduced to full-time working hours) and divided by 12. The data for 2004 have been presented in two ways: comparable to the 2003 calculations and according to the new methodology, under which working hours have been included (the total wages have been divided by the total number of working hours a year and multiplied by the annual average monthly full-time working hours). The average monthly wages calculated on the basis of working hours are generally higher.

Table 4. Outpatient medical care

	1995	1998	2000	2001	2002	2003	2004
Number of visits, thousand							
Outpatient visits	8 005	8 142	8 151	8 028	7 967	8 112	8 303
visits to family doctors		1 337	1 972	2 763	3 615	3 873	3 935
Home visits by doctors	689	651	503	399	292	223	178
home visits by family doctors		170	197	237	248	209	162
Average number of visits per one family doctor position		4 879	4 963	5 252	4 918	5 053	5 015
visits		4 330	4 512	4 837	4 602	4 795	4 816
home visits		549	451	415	316	258	199
Inhabitants per one family doctor position		4 467	3 127	2 383	1 727	1 673	1 652
Proportion of family doctor visits <sup>1</sup> in the overall number of outpatient visits, %		16,4	24,2	34,4	45,4	47,7	47,4
Proportion of family doctor home visits <sup>1</sup> in the overall number of home visits, %		26,1	39,2	59,5	85,0	93,5	91,3
Per 1 inhabitant a year							
Outpatient visits to doctors	5,5	5,9	6,0	5,9	5,9	6,0	6,2
outpatient visits to family doctors		1,0	1,4	2,0	2,7	2,9	2,9
Home visits by doctors	0,5	0,5	0,4	0,3	0,2	0,2	0,1
home visits by family doctors		0,1	0,1	0,2	0,2	0,2	0,1

<sup>1</sup> The speed of transition to the system of family medicine on the primary health care level in 1998-2003 is, besides changes in the number of doctors, also characterised by an increase in the proportion of visits to family doctors and home visits by family doctors.

Table 5. Emergency aid

	1995	1998	2000	2001	2002	2003	2004
Number of persons who received emergency aid upon call, thousand	277	225	232	242	239	233	233
accidents1	31	28	35	39	39	37	
illness <sup>1</sup>	218	179	178	186	187	185	
transportation of sick persons and women delivering birth <sup>1</sup>	28	18	19	17	13	12	
Number of persons who contacted emergency units themselves and received outpatient care, thousand	49	61	54	45	29	21	9
Total number of persons who received emergency aid <sup>1</sup> , thousand	326	287	286	287	267	254	242
Total number of persons who received aid per 1 000 inhabitants	227	207	209	211	197	188	179
adults			217	221	207	196	188
children			171	160	145	147	134

In 2004, all the recipients of emergency medical care were divided as follows: 39 thousand – accidents, 200 thousand – illness and 3 thousand – transportation of the sick persons and women delivering birth.

Table 6. Dental care

	1995	2000	2001	2002	2003	2004
Total number of visits to dentists, thousand	2 352	2 310	2 246	2 139	1 995	2 012
dental care visits	2 053	1 891	1 825	1 728	1 632	1 658
prostheses visits	298	298	291	281	237	236
orthodontist visits		121	130	130	126	118
Number of visits to dentists per one inhabitant	1,64	1,69	1,65	1,58	1,48	1,48
number of dental care visits per one inhabitant	1,43	1,38	1,34	1,27	1,21	1,23
adults	1,41	1,31	1,28	1,16	1,07	1,09
children	1,48	1,68	1,60	1,80	1,91	1,99

Table 7. Treatment at hospitals and in day-care (incl. day surgery) departments

	1995	2000	2001 <sup>2</sup>	2002 <sup>2</sup>	2003	2004
Inpatient visits						
Hospital beds, end of the year	11 994	9 828	9 160	8 248	8 017	7 850
active care beds	9 528	7 600	7 010	6 118	5 950	5 750
Hospital beds per 10 000 inhabitants	84,2	71,9	67,3	60,8	59,3	58,3
active care beds per 10 000 inhabitants	60,8	55,6	51,5	45,1	44,0	42,7
nursing care beds per 10 000 inhabitants in age 65+	37,8	39,9	42,8	44,6	44,6	49,0
Number of hospitalisations per year, thousand	266,3	279,5	268,7	259,8	260,1	258,8
Number of hospitalisations per 1 000 inhabitants	185,4	204,1	197,0	191,2	192,2	191,8
Average number of bed days per patient	12,7	9,2	8,8	8,5	8,2	
Average number of bed days per patient (new methodology <sup>1</sup> )					7,2	6,9
Day care (incl. day surgery) departments <sup>3</sup>						
Day care beds, end of the year	244	380	395	403	375	334
Day care beds per 10 000 inhabitants	1,7	2,8	2,9	3,0	2,8	2,5
Number of hospitalisations per year, thousand	6,2	21,0	24,9	29,5	29,5	35,4
Number of hospitalisations per 1 000 inhabitants	4,3	15,3	18,3	21,7	21,8	26,2

<sup>1</sup> Realculations made in accordance with the changes in methodology – calculations are based on 365 days of the calendar year and not on days, when some hospital department was on collective leave. Data are not comparable to previous years.

<sup>2</sup> Changes in the data on hospital beds (2001) and hospital beds and number of hospitalisations (2002) compared to previous publications are caused by the retrospective specification of data.

<sup>3</sup> Operating in hospitals or outpatient facilities. In total 40 service providers at the end of 2004.



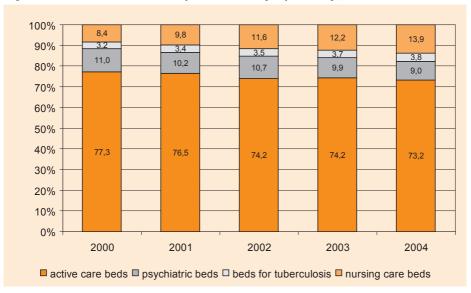


Table 8. Incidence of selected infectious and mainly sexually transmitted diseases

				Incid	ence			
	1995	1998	2000	2001	2002	2003	2004	2005
Active tuberculosis	516	650	642	573	525	490	477	424
M	367	448	448	396	348	338	330	274
F	149	202	194	177	177	152	147	150
Incidence rate of active tuberculosis per 100 000 inhabitants	35,9	46,9	46,9	42,0	38,6	36,2	35,4	31,5
Tick-borne viral encephalitis	175	387	272	215	90	237	182	164
Lyme disease	262	494	601	342	319	562	480	281
Viral hepatitis	487	1 986	1 070	1 090	676	542	469	316
acute hepatitis A	267	989	79	82	23	10	17	18
acute hepatitis B	154	495	437	449	244	173	127	78
acute hepatitis C	65	367	365	306	199	154	124	81
Incidence rate of hepatitis C and B per 100 000 inhabitants	15,2	62,2	58,6	55,3	32,6	24,2	18,6	11,8
Syphilis	1 034	1 050	587	418	287	234	184	111
Urogenital chlamydial diseases	5 348	3 916	3 805	4 283	4 114	2 972	2 691	2 541
HIV infection status	10	10	390	1 474	899	840	743	621
M	10	9	312	1 127	632	606	497	389

to be continued▶

				Incid	ence			
	1995	1998	2000	2001	2002	2003	2004	2005
F	-	1	78	347	267	234	246	232
AIDS	4	4	3	2	4	10	27	30
M	4	4	3	2	4	7	17	15
F	-	-	-	-	-	3	10	15
Number of cases in outbreaks caused by microbiological food contamination per 100 000 inhabitants	2,5	0,9	9,9	6,3	9,3	-	0,7	4,7

Source: Tuberculosis Registry and the Health Protection Inspectorate.

Table 9. Malignant neoplasms<sup>1</sup>

	1995	2000	2001	2002	2003
Number of incident cases	5 532	6 008	6 014	5 821	5 976
М	2 764	2 897	2 852	2 821	2 882
F	2 768	3 111	3 162	3 000	3 094
Number of prevalent cases, at the end of the year	27 903	33 833	35 182	36 203	37 514
M	8 969	11 356	11 879	12 310	12 835
F	18 934	22 477	23 303	23 893	24 679
Incidence rate per 100 000 inhabitants	385,2	438,7	440,9	428,4	441,5
М	415,4	458,7	453,4	450,4	462,1
F	359,1	421,6	430,2	409,6	423,9
Prevalence rate per 100,000 inhabitants, at the end of the year	1 957,8	2 475,1	2 584,6	2 669,7	2 776,6
М	1 360,3	1 801,3	1 892,8	1 969,7	2 062,0
F	2 472,3	3 051,8	3 176,3	3 268,2	3 387,1

<sup>1</sup> The table is based on the Cancer Register data as at 23.02.2006. The data for 2001–2003 are preliminary, and will be finally specified after the launch of the Cause of Death Register.

Source: Cancer Register

# Assessments of health status and medical care among people

100% 6 8 90% 21 28 20 80% 31 70% 45 60% 56 50% 56 40% 74 65 30% 47 20% 23 10% 16 0% 15-24 25-34 35-49 50-64 65-74 ■ good or very good ■ medium □ poor or very poor

Figure 3. Self-assessment of health status among people by age, 2005, %

Source: The Ministry of Social Affairs and the Estonian Health Insurance Fund, survey "People's assessments of health and medical care, 2005"

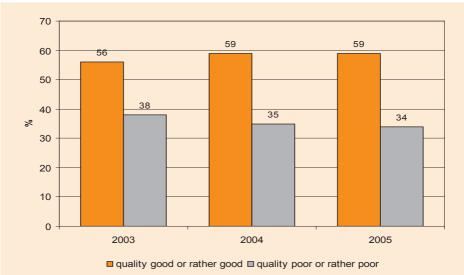


Figure 4. Overall assessment of the quality of medical care, %

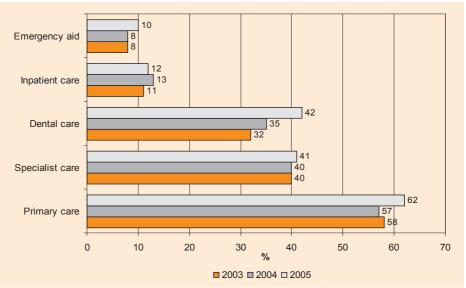
Source:The Ministry of Social Affairs and the Estonian Health Insurance Fund, survey "People's assessments of health and medical care, 2005"

% 30 ■ availability good or rather good ■ availability poor or rather poor

Figure 5. Overall assessment of the availability of medical care, %

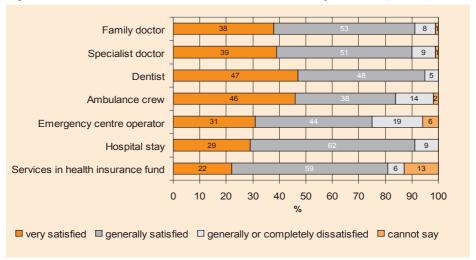
Source: The Ministry of Social Affairs and the Estonian Health Insurance Fund, survey "People's assessments of health and medical care, 2005"

Figure 6. Proportion of users of health care services in population during a year, %



Source: The Ministry of Social Affairs and the Estonian Health Insurance Fund, survey "People's assessments of health and medical care, 2005"

Figure 7. Users' assessments of health service providers, 2005, %



Source: The Ministry of Social Affairs and the Estonian Health Insurance Fund, survey "People's assessments of health and medical care, 2005"

# Health insurance and health care financing

Table 10. **Health insurance coverage**, at the end of the year

				-		
	2000	2001	2002	2003	2004	2005
Number of people covered by compulsory health insurance	1 276 923	1 278 086	1 284 076	1 272 051	1 271 558	1 271 345
% of the population	93,4	93,9	94,7	94,2	94,5	94,5
ncl. working insured persons		574 284	578 578	585 139	595 734	617 631
% of insured persons		44,9	45,0	46,0	46,9	48,6

Source: Health Insurance Fund

Table 11. Number of days covered by the benefit for temporary incapacity for work<sup>1</sup>

moupaony for work						
	1995	2000	2002	2003	2004	2005
Number of days covered by the benefit for temporary incapacity for work, thousand						
Total	6 755	6 763	6 411	6 717	7 321	7 685
sickness benefit days	4 882	4 819	4 504	4 733	5 222	5 454

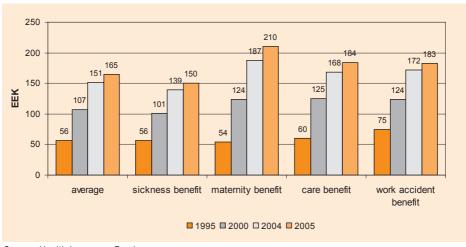
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	1995	2000	2002	2003	2004	2005
care benefit days	817	614	558	585	624	691
occupational accident benefit days	84	157	172	146	119	125
maternity benefit days	857	1 066	1 178	1 253	1 356	1 414
Number of days covered by the benefit for temporary incapacity for work per 1 employed person						
Total	10,3	11,8	10,9	11,3	12,3	12,7
sickness benefit days	7,7	8,4	7,7	8,0	8,8	9,0
care benefit days	1,2	1,1	1,0	1,0	1,0	1,1
occupational accident benefit days	0,1	0,3	0,3	0,2	0,2	0,2
Number of days of temporary incapacity for work per one certificate of temporary incapacity for work						
sickness benefit	13,2	12,9	13,0	12,4	12,7	12,6
care benefit	10,3	8,8	8,7	8,5	8,5	8,4
occupational accident benefit	30,0	22,7	22,7	21,3	20,3	20,9
maternity benefit	70,3	100,6	95,5	111,5	117,6	123,6

<sup>1</sup> Since no benefit is paid for the first day of sick-leave of an insured person, the number of workdays actually lost due to temporary incapacity for work is somewhat higher.

Source: Health Insurance Fund

Figure 8. Average amounts of different benefits for incapacity for work per 1 day of incapacity for work



Source: Health Insurance Fund

Table 12. Health insurance expenditure, million EEK

	<u> </u>						
	1995	1998	2000	2002	2003	2004	2005
Total health insurance benefits	1 967,3	3 560,7	4 050,8	4 647,9	5 292,2	6 137,0	6 983,8
Non-monetary benefits	1 587,1	2 899,0	3 325,0	3 828,6	4 368,3	5 035,0	5 718,7
medical treatment <sup>1</sup>	1 476,6	2 539,5	2 881,0	3 097,2	3 615,7	4 098,8	4 783,9
subsidised medicines	110,5	359,5	444,0	731,4	685,1	863,8	871,8
Cash benefits	380,2	661,7	725,8	819,3	991,4	1 174,4	1 328,1
Benefits for temporary incapacity for work	380,2	661,7	725,8	819,3	923,9	1 102,0	1 248,3
sickness benefit	271,4	455,8	488,1	529,8	604,2	723,5	785,1
care benefit	49,4	81,0	77,0	82,3	91,9	104,9	111,6
maternity benefit	46,3	100,4	132,3	182	204,7	253,2	330,3
occupational accident benefit	6,3	8,6	19,5	25,2	23,1	20,4	21,3
benefits on personal application	6,9	14	-	-	-	-	-
other benefits (transfer to easier work) <sup>2</sup>	-	1,9	8,9				
Other cash benefits <sup>3</sup>	-	-	-	-	67,5	72,4	79,8
Percentage of health insurance benefits of GDP 4	4,57	4,56	4,24	3,83	3,98	4,18	4,04
Operating expenses of the Health Insurance Fund, million EEK	21,6	33,3	46,9	82,9	86,6	80,1	89,4

Expenditure on medical services, prevention of diseases, health promotion, long-term care, dental care services, benefits for auxiliary devices and costs related to foreign agreements.

Source: Health Insurance Fund

Table 13. Health care financing from the state budget<sup>1</sup>, million EEK

	2000	2001	2002	2003	2004
Health care expenditure	431,2	438,5	485,3	681,9	659,3
Medical services	87,5	91,2	95,1	76,4	97,6
emergency medical aid to uninsured persons	72,0	77,1	76,3	69,3	91,8
Rehabilitative care	5,7	1,0	2,0	9,1	3,5
Long-term nursing care	0,3	0,3	-	51,8	57,1
Ancillary health services	126,0	141,4	145,3	170,1	172,9
support to emergency medical aid	122,5	139,5	144,6	169,0	172,8
Medical products, medicines and auxiliary aids for outpatients	49,5	53,3	52,4	107,8	94,3
medicines and medical products	26,3	28,1	26,2	47,8	47,3
medicines	23,8	20,6	18,0	35,8	26,6
Disease prevention and public health programmes	23,5	31,4	34,6	86,4	42,3
prevention of infectious diseases	10,4	19,5	22,7	40,8	31,4
prevention of non-infectious diseases	9,9	10,7	9,7	8,1	7,6

to be continued

<sup>2</sup> Included under sickness benefits since 2002.

<sup>3</sup> Benefit for dental care services for adults and supplementary benefit for medicines.

<sup>4</sup> In 2006 Statistics Estonia retrospectively adjusted the 2000-2005 GDP indicators in accordance with the changed methodology, and therefore the data differ from those presented in previous collections.

	2000	2001	2002	2003	2004
Health care administration <sup>2</sup>	62,1	76,5	101,8	154,5	158,0
Capital expenses	76,6	43,4	54,1	25,8	33,6
Functions related to health care	110,6	95,1	98,3	108,3	201,8
Teaching and training health care professionals <sup>3</sup>	16,9	0,2	0,2	0,5	90,9
Health care related research and development 4	22,0	18,2	17,7	5,9	48,6
Food, hygiene and drinking water inspection	19,2	37,3	35,3	48,6	15,1
Environmental monitoring	19,1	0,1	0,1	4,9	6,4
Non-monetary benefits for coping with a disease or disability	11,8	7,1	8,0	7,3	-
Administration of health care related cash benefit system and the payment of benefits	21,7	32,3	37,0	41,1	40,8
Total expenditure on health care and related functions	541,8	533,6	583,6	790,2	861,1
Percentage of state budget health care					
expenditure					
of GDP⁵	0,57	0,49	0,48	0,59	0,59
of the state budget	1,90	1,79	1,70	2,00	1,81

- 1 This table is compiled on the basis of OECD classification of health care functions ICHA-HC, which is used for calculating the total health care expenditure. The methods were made more specific in 2004, when the health care expenditure in the administrative area of the Ministry of Agriculture was included in the calculation of the health care expenditure in the state budget. The figures from previous years have been recalculated.
- 2 Since 2003, the health care expenditure incurred from the own income of sub-institutions has been added (North-Estonian Blood Center, Health Protection Inspectorate etc).
- 3 Since 2004, the expenditure of medical schools and high schools on the education and training of health care personnel has been taken into account.
- 4 Since 2004, the expenditure of high schools on health care related research and development has been taken into account.
- 5 In 2006 Statistics Estonia retrospectively adjusted the 2000-2005 GDP indicators in accordance with the changed methodology, and therefore the data differ from those presented in previous collections.

Table 14. Total health care expenditure<sup>1</sup>

	2000	2001	2002	2003	2004
Total health care expenditure, million EEK	5 145,5	5 353,8	5 958,8	6 830,8	7 782,6
Percentage in GDP <sup>2</sup>	5,4	4,9	4,9	5,1	5,3
Sources of financing, %	100	100	100	100	100
national health insurance	66,0	67,0	65,6	65,4	65,7
state budget	8,4	8,2	8,1	10,0	8,5
local government	2,0	2,6	2,5	1,6	1,3
private sector:	23,3	22,2	23,7	22,9	24,0
households	19,7	18,8	19,9	20,7	21,3
insurance	1,0	1,1	1,0	0,0	0,1
employers	2,6	2,3	2,8	2,7	2,6
foreign aid, -loan	0,3	-	-	0,1	0,5

<sup>1</sup> Calculated using OECD methodology, which is commonly used in EU member states.

<sup>2</sup> In 2006 Statistics Estonia retrospectively adjusted the 2000-2005 GDP indicators in accordance with the changed methodology, and therefore the data differ from those presented in previous collections

### **FAMILY BENEFITS**

## **Overview of legal acts**

The types and extent of state family benefits and the conditions under which they are granted are regulated by the State Family Benefits Act, which aims to partially cover the costs of care, raising and education of families with children. Family benefits are paid to permanent residents of Estonia and foreigners living in Estonia, who have a fixed-term residence permit or who are staying in Estonia on grounds set forth in the Aliens Act. Depending on the type of benefit, family benefits are paid either as a lump sum, once a month, once a quarter or once a year (see table 1) and they are financed from the state budget. If a person is entitled to several types of family benefits, these benefits are determined and disbursed simultaneously.

Child benefits are calculated on the basis of the child allowance rate. Childcare allowances and allowances for families with seven or more children are calculated on the basis of childcare allowance rate. Both rates are established with the state budget for every budget year and the new rate cannot be lower than the existing rate. The family benefits are coefficients of those rates. Since 1997, the child allowance rate has been 150, and since 2000, the childcare allowance rate 1,200 EEK.

From 1 January 2004, the Parental Benefit Act entered into force, with the aim to compensate for income not received by stay-at-home parents in the first year of the child's life. The right to the parental benefit is granted to the parent, adoptive or foster parent, guardian or caregiver, who is a permanent resident in Estonia or a foreigner living in Estonia on terms of a temporary residence permit. In the first two years, parental benefit was paid until the end of a 365-day period from the beginning of the pregnancy and maternity leave. According to the amendment enforced in 2006, parental benefit is paid until the end of a 455-day period from the beginning of the maternity benefit period (on the condition that the mother went on pregnancy and maternity leave at least 30 calendar days before the presumed date of birth); non-working persons receive the benefit for 14 months instead of the former 11 months. The parental benefit is subject to income tax. The size of the benefit is calculated according to the applicant's average monthly income in the previous calendar year (generally 100%). Persons who did not receive any income taxed with social tax (e.g. not working students) are paid the parental benefit at the parental benefit rate (2,480 EEK in 2006). Persons whose average monthly income in the previous year was less than or equal to the minimum wages are paid the parental benefit in the amount of the minimum monthly wages (3,000 EEK in 2006). The maximum amount of the monthly benefit is three times the average monthly income taxed with social tax in the calendar

year before (2004) (19,191 EEK in 2006).

Pursuant to the Study Allowances and Study Loans Act, the state started partially deleting the parents' study loans since 2004, deleting 50% of the study loan balance of a parent of one child, 75% of the study loan balance of a parent of twins and 100% of the study loan balance of a parent of triplets. 50% of the loan balance is deleted upon the birth of every new child. The state will partially delete the loan of one parent raising: a child under 3 years old in 2006; a child under 4 years old in 2007; a child under 5 years old in 2008.

Since 2005, one parent in a family with 7 and more children<sup>1</sup> is paid a benefit, which in 2006 amounted to 2,520 EEK a month (2.1 times the childcare allowance rate).

In 2006, childbirth allowance and adoption allowance rose to 5,000 EEK. The allowance paid to families with three or more children or triplets also increased (quarterly payments of 300 EEK per child in families with three children, 450 EEK per child in families with four or more children and families with triplets).

Under the Holidays Act and the Working and Rest Time Act the following are financed from the state budget: the extended basic holiday (7 days) of minors and persons who have been granted a pension for incapacity for work or a national pension on the basis of incapacity for work, the additional childcare leave of a parent raising a disabled child, the additional childcare leave of one parent and the additional childcare leave for fathers. A working person raising a child under 1.5 years of age is entitled to additional breaks for feeding the child – the minimum of 30 minutes after every three hours. The additional breaks may be added up and used to shorten the workday. The employees are paid average wages for the additional breaks from the state budget (see table 5).

Families are also paid a lump sum benefit for holding funerals on the territory of Estonia under the State Funeral Benefit Act.

#### Statistical overview

This section was prepared using data from Social Insurance Board.

In 2000, the new Family Benefits Act entered into force, establishing, among other things, also the childcare allowance, which together with the child allowance formed the majority of the state expenditure on family benefits.

Despite another type of allowance being introduced in 2001 – a quarterly allowance paid to families with three or more children or triplets – the expenditure on benefits remained on the same level as in 2000 due to a decrease in the number of children.

In 2002 the expenditure on family benefits increased in connection with the

<sup>1 7</sup> or more children entitled to child allowance

rise of the allowance of the second child and of the foster care allowance as well as due to the increased number of recipients of the single parent's child allowance.

In 2003 the overall expenditure on family benefits decreased, although the number of recipients of the childcare allowance and the benefit paid to single parents grew.

The main reason for the growth of expenditure on benefits and allowances paid to families in 2004 was the introduction of the parental benefit, due to which there was a steep increase in the total amount allocated for family benefits. At the same time, the number of recipients of childcare allowance decreased in connection with the enforcement of the Parental Benefit Act. The child allowance for the first child increased, which also had a significant impact on the increase of the expenditure on family benefits.

In 2005, the benefits and allowances paid to families grew mainly through the maximum rate of the parental benefit being increased and the number of recipients of parental benefit growing. The allowance paid to families with three or more children or families with triplets also increased. Another allowance was introduced in 2005: an allowance paid to a parent of a family with seven or more children. The amount paid in child allowance decreased the most in 2005, as the number of children receiving child allowance decreased.

Table 1. Amounts of state family benefits, 1 January, EEK

Type of benefit	2000	2001	2002	2003	2004	2005	2006
Birth allowance (single benefit)							
1st child (incl multiple births since 2000)	3 750	3 750	3 750	3 750	3 750	3 750	5 000
2 <sup>nd</sup> and subsequent children	3 000	3 000	3 000	3 000	3 000	3 000	5 000
Adoption benefit (single benefit)	-	-	3 000	3 000	3 000	3 000	5 000
Child allowance (per month)							
1st child	150	150	150	150	300	300	300
2nd child	225	225	300	300	300	300	300
3rd and subsequent children	300	300	300	300	300	300	300
Childcare allowance (per month)							
for a child aged up to 3 years of age	600	600	600	600	600	600	600
for children aged 3-8 years in families with a child under 3 years	300	300	300	300	300	300	300
for children aged 3-8 years in families with 3 or more children	300	300	300	300	300	300	300
supplementary childcare benefit for a child up to 1 year	-	-	-	100	100	100	100
Allowance for families with 3 or more children (per child a quarter) <sup>1</sup>	-	150	150	150	150	-	-
per child for families with 3 children	-	-	-	-	-	150	300
per child for families with 4-5 children	-	-	-	-	-	300	450
						40 bo oo	0.00

to be continued

2000	2001	2002	2003	2004	2005	2006
-	-	-	-	-	375	450
-	-	-	-	-	2 400	2 520
-	600	600	600	600	900	1350
450	450	450	450	450	450	450
300	300	300	300	300	300	300
300	300	900	900	900	900	900
750	750	750	750	750	750	750
5 000	5 000	6 000	6 000	6 000	6 000	6 000
	- - 450 300 300 750					-       -       -       -       -       375         -       -       -       -       -       2 400         -       600       600       600       600       900         450       450       450       450       450       450         300       300       300       300       300       300         300       300       900       900       900       900         750       750       750       750       750       750

Paid since 01.01.2004 instead of former allowance for families with 4 or more children.

Table 2. Receivers of state family benefits<sup>1</sup>

Type of benefit	2000	2001	2002	2003	2004	2005
Birth allowance	12 636	12 526	12 986	13 100	14 402	14 245
Child allowance <sup>2</sup>	312 172	311 043	301 115	293 880	290 281	287 459
1st child	198 337	199 483	194 173	190 670	189 007	187 397
2nd child	87 267	84 173	80 903	78 311	76 872	75 994
3rd and subsequent child	26 568	27 387	25 939	24 899	24 402	24 068
Childcare allowance	55 065	58 618	58 762	58 800	48 543	50 517
for a child aged up to 3 years of age	35 712	38 242	38 834	39 039	28 601	29 628
for children aged 3-8 in families with a child under 3 years	10 597	11 126	11 087	11 000	11 219	11 722
for children aged 3-8 in families with 3 and more children	8 747	9 250	8 841	8 761	8 723	9 167
Allowance to a family raising four or more children or raising triplets (children)	-	22 561	24 997	23 670	-	-
Allowance to a family raising three and more children or raising triplets (children)	-	-	-	-	68 061	69 982
Allowance to a family raising 7 or more children (families)	-	-	-	-	-	195
Child's school allowance	228 091	222 770	213 253	205 509	200 097	190 479
Single parent's child allowance	22 300	25 266	27 958	28 432	28 540	28 126
Allowance for a child in guardianship or foster care	2 407	2 927	2 982	2 949	2 835	2 507
Adoption allowance	-	-	20	30	32	29
Conscript's child allowance	56	54	21	9	11	14

to be continued

<sup>2</sup> If family raises only the triplets.

<sup>3</sup> Paid to children without parental care raised in child welfare institutions or at schools for the children with special needs, when starting independent life.

Type of benefit	2000	2001	2002	2003	2004	2005
Start in independent life allowance	76	64	88	71	108	123
Single supplementary allowance to families with four or more children	22 953	22 252	-	-	-	-
Deletion of study loan	-	-	-	-	2 050	4 364

- 1 The number of people receiving the allowance at the end of the year (the growing number of single benefits from the beginning of the year).
- 2 The number of children for whom the allowance is paid. The number of people receiving the allowance for the first child also shows the general number of families to whom child allowances are paid.

Table 3. Receivers of parental benefit, by benefit type¹ and sex

Type of benefit		2004			2005			
	Total	М	F	Total	М	F		
Parental benefit in the amount of 100% of the income of one calendar month	9 605	323	9 282	11 052	330	10 722		
Parental benefit in the maximum amount	913	65	848	831	61	770		
Parental benefit in the amount of minimum monthly wages	5 122	30	5 092	5 787	22	5 765		
Parental benefit at the parental benefit rate	6 670	29	6 641	5 967	16	5 951		
Parental benefit in the amount of minimum monthly wages, if the previous child is under 2.5 years old and no income is received	259	0	259	160	2	158		
Total	22 569	447	22 122	23 797	431	23 366		

<sup>1</sup> In 2004 the maximum amount of parental benefit was 15 741 EEK, in 2005 17 472 EEK.

Figure 1. Distribution of receivers of parental benefit, by amount of benefit

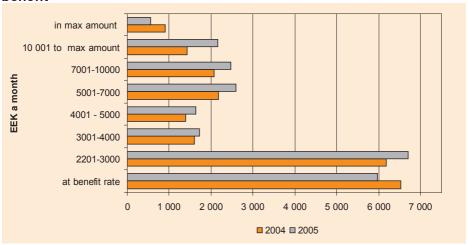
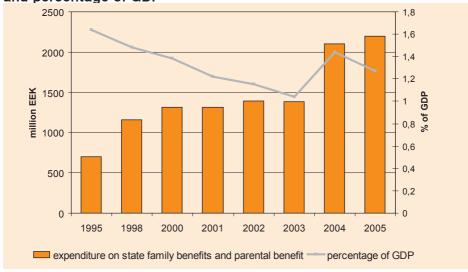


Table 4. Expenditure on state family benefits, million EEK

Type of benefit	2000	2001	2002	2003	2004	2005
Family benefits and parental benefit total	1 317,0	1 317,2	1 395,4	1 382,1	2 106,0	2 195,8
Birth allowance	42,0	42,3	44,0	44,4	48,9	48,3
Child allowance	711,8	696,5	754,1	730,0	1 058,0	1 034,9
Childcare allowance <sup>1</sup>	352,8	353,4	354,0	366,0	293,5	286,7
Single parent's child allowance	85,1	88,0	100,6	103,0	103,7	102,6
Child's school allowance	102,5	100,2	95,9	92,5	90,5	85,8
Allowance for a child in guardianship or in foster care	10,3	10,7	32,4	32,6	32,0	29,4
Allowance to a family with 4 and more children or triplets	-	14,0	13,6	12,8	-	-
Allowance to a family with 3 and more children or triplets	-	-	-	-	37,3	48,9
Allowance to families with 7 or more children	-	-	-	-	-	5,7
Single supplementary allowance to families with four or more children	11,5	11,1	-	-	-	-
Other benefits	1,0	0,9	0,8	0,6	0,8	0,9
Parental benefit	-	-	-	-	441,3	552,7
Percentage of family and parental benefits						
of GDP	1,38	1,22	1,15	1,04	1,44	1,27
of state budget	4,62	4,42	4,06	3,49	4,42	3,98
or state badget	+,02	7,72	4,00	0,49	7,42	0,90
Social tax paid from the state budget <sup>2</sup>	107,9	104,2	106,4	108,2	102,9	108,4

Since 2003, an additional 100 EEK childcare allowance was paid monthly for a child up to 1 year. This has caused the sum paid as childcare allowances to rise in 2003. In 2004, the Parental Benefit Act was enforced, under which no childcare allowance is paid during the period, for which the parental benefit is paid, and this is why the childcare allowance expenditure decreased.

Figure 2. Expenditure on state family benefits and parental benefit and percentage of GDP



<sup>2</sup> Social tax is paid from state budget for the receivers of parental benefit, child care allowance and allowance for families with 7 or more children.

able 5. Other family b	enefit	s finar	nced f	rom tl	ne sta	te bud	lget	
	1995	1998	2000	2001	2002	2003	2004	2005
Holiday pay for additional ho leave	lidays of	minors,	disabled	d persor	s and a	dditional	childca	æ
number of recipients a year	58 401	78 365	59 736	50 487	53 663	44 026	42 645	41 650
number of days compensated				182 539	193 980	176 023	172 455	172 864
total amount of compensation paid, million EEK	16,5	35,7	17,3	12,6	13,5	11,9	12,9	13,0
Additional day off for parents	of disab	led child	iren					
number of recipients at the end of the year	482	285	281	273	321	636	779	83-
number of days compensated				3 500	4 012	4 258	5 321	5 980
total amount of compensation paid, million EEK	0,1	0,4	0,5	0,6	0,8	1,1	1,5	1,8
Paid breaks for feeding a chi	ld							
number of recipients at the end of the year	158	96	213	134	156	228	196	128
number of hours compensated				17 010	17 624	20 304	16 332	9 73
total amount of compensation paid, million EEK	0,05	0,4	0,7	0,9	1,1	1,2	1,0	0,
Deletion of study loan								
number of recipients a year	-	-	-	-	-	-	2 050	4 36
total amount of compensation paid, million EEK	-	-	-	-	-	-	3,8	13,
Funeral benefit								
amount of benefit, EEK	900	1 250	1 500	1 650	1 800	1 800	2 000	2 200
number of recipients a year	20 076	18 569	17 759	18 147	18 239	17 976	17 626	17 15
total amount of compensation paid, million EEK	18,1	25,7	28,7	32,3	32,8	32,4	35,2	37,

# PENSIONS AND BENEFITS FOR DISABLED PERSONS

# Overview of legal acts

In case of old age, incapacity for work and loss of provider, a person's income is ensured by the state pension insurance.

The types and extent of state pensions, the conditions and procedure for the eligibility and receiving of state pensions, the organisation of state pension insurance and the calculation of funds for state pension insurance are established in the State Pension Insurance Act applicable since 2000.

The types of state pension are old-age pension, pension for incapacity for work, survivor's pension and national pension. Permanent residents of Estonia and aliens residing in Estonia on the basis of temporary residence permits have the right to receive all the above mentioned types of pensions.

Persons who have attained 63 years of age and whose length of pensionable service earned in Estonia is at least 15 years, have the right to receive an old-age pension<sup>1</sup>. The age limit established by law is applicable for men since 2001, while for women it will start applying from 2016, when women born in 1953 will reach retirement age. The gradual equalisation in the retirement of women is taking place at a six-month age cycle. This means that while women born in 1946 became entitled to retirement at the age of 59.5, women born in 1947 became entitled to retirement at the age of 60 etc.

Old-age pensions are granted for life and are also paid to working pensioners.

According to the State Pension Insurance Act, it is possible to receive an early-retirement pension since 2000 and a deferred old-age pension since 2002.

A person who has earned the pension qualifying period required for eligibility for an old-age pension has the right to receive an early-retirement pension up to three years before attaining the pensionable age. A deferred old-age pension is granted at a later age than the pensionable age. A person has the right to receive a deferred old-age pension at any time after their right to receive an old-age pension arises.

An early-retirement pension is calculated by reducing the pension by 0.4 per cent for

An old-age pension consists of three components: the base amount, a component calculated on the basis of years of pensionable service and an insurance component. The amount of the component calculated on the basis of years of pensionable service and the amount of the insurance component equals the sum of the annual factors of an insured person multiplied by the value of a year of pensionable service and the amount of the insurance component equals the sum of the annual factors of an insured person multiplied by the value of a year of pensionable service.

The years of pensionable service are calculated up to 31 December 1998. The years of pensionable service and the insurance component are calculated for insured persons, who in accordance with the Social Tax Act have paid social tax themselves or for whom there was/is an obligation to pay social tax after 1 January 1999. In order to calculate the annual factor of an insured person, the amounts of the state pension insurance part of individually registered social tax calculated for the insured person shall be totalled and divided by the average amount of the state pension insurance part of the individually registered social tax in the given calendar year. Since 1 April 2002, the state pensions calculated are indexed by an index the value of which is the arithmetic mean of the yearly increase of the consumer price index and the yearly increase in receipt of the pension insurance part of social tax.

every month which remains until the person attains the pensionable age. A deferred old-age pension is calculated by increasing the pension by 0.9 per cent for every month which has passed after the person has attained the pensionable age.

The following persons have the right to receive a pension for incapacity for work: persons at least 16 years of age who have been declared permanently incapacitated for work<sup>2</sup> (with 40 to 100% loss of capacity for work) and who have - depending on their age - earned the pensionable period required by law for eligibility for a pension for incapacity for work. For instance, persons aged 60-62 applying for a pension for incapacity for work are required to have a pension qualifying period of at least 14 years, while there is no requirement for length of service for persons aged 16-20. Similarly, there is no requirement for length of service, if the permanent incapacity for work is caused by an occupational injury or disease identified on the basis of Estonian legal acts. The extent of the loss of capacity for work and the degree of severity of disability is for the payment of the pension for incapacity for work determined by the medical examination commission operating at the Social Insurance Board. Until 2000, disability categories were determined for both working-age and retirement-age people. Since 1 April 2000, the percentage of loss of capacity for work is determined mainly for working-age people (in case of occupational accidents and diseases and violent crimes also for people aged under 16 and in retirement age).

Upon the death of a provider, dependent family members have the right to receive a survivor's pension<sup>3</sup>. A survivor's pension is granted on the basis of the provider's pension qualifying period earned in Estonia (on the same grounds with the pension for incapacity for work). If the provider's death is caused by an occupational injury or disease, no requirement for length of service is set when granting a survivor's pension.

The following persons have the right to receive a national pension<sup>4</sup>: persons who have attained 63 years of age and who do not have the right to receive another type of pension and who have been permanent residents of Estonia or have resided in Estonia on the basis of a temporary residence permit for at least five years immediately before making a pension claim.

Superannuated pensions are granted to workers and specialists in occupations, which involve a loss or reduction of professional capacity for work before attaining pensionable age, preventing continued working in the given field or position (e.g. police officers, in-

<sup>2</sup> There are two degrees of permanent incapacity for work: total incapacity for work and partial incapacity for work. A loss of 100 per cent of the capacity for work corresponds to total incapacity for work and a loss of 10-90 per cent of the capacity for work corresponds to partial incapacity for work. Permanent incapacity for work, the time at which permanent incapacity for work arises and the reason for and duration of permanent incapacity for work shall be established by a medical examination for incapacity for work. A person may be declared permanently incapacitated for work for a period of six months, one year, two years, five years or until attainment of a pensionable age, but not for longer than five years. Upon continued incapacity for work a re-examination is performed.

<sup>3</sup> A survivor's pension is calculated based on the old-age pension taken as basis for calculation at the following rates: to three or more family members – 100%, to two family members – 80%, and to one family member – 50%.

<sup>4</sup> The amount of pension is 100% of the national pension rate. Family members who have lost a provider are paid a national pension depending on the number of family members as follows: in case of three and more family members – 100% of the national pension rate; in case of two family members – 80% of the national pension rate; in case of one family member – 50% of the national pension rate.

vestigators and chief investigators, fire fighters and employees of penal institutions, some mining and excavation workers; some categories of aviation workers etc.). Eligibility for and payment of superannuated pensions is governed by the Superannuated Pensions Act. Superannuated pensions are in the presence of conditions established in the said Act to persons with at least 15 years of pensionable length of service earned in Estonia.

As the state pension insurance system is not sustainable in the light of the rapid ageing of the population and the decrease of the working-age population, a compulsory funded pensions system was launched in 2002. This enables persons who have made contributions to the funds to receive extra income to the state pension insurance at retirement age.

Joining the compulsory funded pensions system (pillar II) is voluntary for those born before 1983 and compulsory for those born in 1983 or later. Funded pension contributions consist of two parts: a 2% payment withheld from the employee's monthly gross wages and a payment made by the state on the social tax payable, amounting to 4% of the employee's monthly gross wages. The contribution to the state pension insurance funds (pillar I) is thereby reduced. Persons receiving parental benefits under the Parental Benefit Act are allocated another 1% of the benefit amount per every born child from the state budget in order to make payments to the pension fund. Additional contributions to the pension fund are made for every person during the parental benefit period starting after the benefit is granted.

The additional funded pension system (pillar III) is voluntary and contributions are made by the employees themselves. It is possible to determine the amount of payments, to increase or reduce the saved amount as possible and necessary, to temporarily suspend payments and to withdraw some of the monies before retiring. The additional funded pension contributions are exempt from income tax in the extent of 15% of the taxpayer's income in a given taxation period.

Disabled people<sup>5</sup> are paid special benefits to support the independent coping and social integration and equal opportunities of disabled people on the basis of the Social Benefits for Disabled Persons Act, which was partially enforced in 2000 (fully enforced in January 2001). Social benefits for disabled persons are granted and paid to permanent residents in Estonia or persons living in Estonia on the basis of a temporary residence permit in case of moderate, severe or profound disabilities for compensating additional expenses arising out of the disability and for activities established in the rehabilitation plan.

The types of social benefits to disabled persons are the disabled child allowance, disabled adult allowance, care-giver's allowance, disabled parent's allowance, education allowance, rehabilitation allowance and in-service training allowance. The benefits are calculated on the basis of the rate of social benefits for disabled persons, which is established by the Parliament for every year by the state budget.

<sup>5</sup> Disability is determined regardless of a person's age and the main criteria in determining the degree of severity are the extent of outside assistance and the amount of additional expenses arising out of the disability. Since 2002, a rehabilitation plan is prepared for every child and, if necessary, for adults before making the expert decision regarding the disability. The rehabilitation plan is used for providing state-financed rehabilitation services in order to ensure as high a level of independent coping for the disabled person as possible. (Statistical data on the provision of rehabilitation services is presented in the section on Social Welfare.)

The procedure of paying the disabled adult care-giver's allowance was changed on 1 April 2005, transferring the funds for the disabled adult care-giver's allowance formerly paid via the Social Insurance Board to local governments. The payment of the care-giver's allowance was changed in order to ensure better availability of assistance for disabled people and to expand the possibilities of local governments to organise the welfare of disabled people needing assistance. For more details, see the Social Welfare section.

#### Statistical overview

The State Pension Insurance Act enforced in 2000 considerably changed the basis for granting pensions. Disabled pensioners generally started receiving an old-age pension, and working-age disabled people started receiving a pension for incapacity for work. Therefore the number of old-age pensioners grew considerably in 2000 (by 13 thousand, or 4.6%) and the number of persons receiving a pension for incapacity for work decreased (by approximately 35%). Due to the said changes, the number of old-age pensioners grew by the beginning of 2001 to 79.7 percent of all the persons receiving a pension (75% at the beginning of 2000), while the proportion of persons receiving a pension for incapacity for work decreased from 17.6 percent to 11.6 percent.

The number of persons receiving a pension for incapacity for work started gradually growing again since 2001, reaching 62 thousand by the beginning of 2006, amounting to 16.3% of all persons receiving a pension. Nearly 75% of the increase in the number of persons receiving a pension for incapacity for work has occurred on account of persons with the lowest loss of capacity for work percentage (loss of capacity for work 40-70%). Compared to 2001, the number of persons receiving a pension for incapacity for work with 100% loss of capacity for work has also considerably grown (see Table 4).

People started immediately making active use of the option of early-retirement pension established with the Pension Insurance Act. In 2000, this option was used by 2,349 people, but at the beginning of 2006 the number of persons using the early-retirement option had grown to 10,704 persons, which is 3.7% of old-age pensioners. The growth of the number of early-retirement pensioners is presumably affected by the higher level of unemployment among the pre-retirement age group and smaller chances of finding employment as compared to other unemployed people.

The proportion of pension insurance expenditure in GDP has since 2000, when the State Pension Insurance Act replaced the State Subsidies Act, remained between 6.0-6.5%. The actual pension payments made over this period have grown by 62%, or by 4 billion EEK (in 2000, nearly 6.5 billion EEK was paid in pensions and in 2005 – 10.5 billion EEK). This has been affected most by the increase of the average old-age pension (growth 76%) and old age pensioners` proportion of all recipients of pension.

By the end of 2005, 481 thousand people had joined the compulsory funded pensions system and 75 thousand people had joined the additional funded pensions system.

In the beginning of 2006, there were a little over 71,700 people declared permanently incapacitated for work in Estonia, which amounts to 5.3% of the inhabitants. Approximately 13.5% of them have a 100% incapacity for work.

According to medical examination data, the number of people declared permanently incapacitated for work in a year has continually increased in recent years. In 2005, the total of approx 11.5 thousand people were declared permanently incapacitated for work. A little over half of them were diagnosed with the loss of capacity for work of 40-70% and 15% with the complete loss of capacity for work.

As at the beginning of 2006, there were a little over 113 thousand disabled people (people with a determined degree of severity of disability) in Estonia, which amounts to 8.4% of the inhabitants. This mostly includes elderly people – 60% of the disabled people are 63 years of age and older.

The number of people registered as disabled for the first time was the lowest in recent years in 2005 – the total of 17.5 thousand people were declared disabled. The number of cases of disability has grown a little in recent years with regard to children and working-age people, but with regard to retirement-age people it has dropped considerably, especially compared to 2004.

The number of recipients of both the disabled child allowance and the disabled adult allowance has grown from year to year. The latter exceeded the 100 thousand mark in 2005. In connection with the transfer of the funds for the disabled adult care-giver's allowance to local governments the number of recipients of care-giver's allowance via the Social Insurance Board decreased from 38.060 to 2,053, as allowance is paid only to the parents of disabled children aged 3-18. In connection with this, the total amount of benefits paid to disabled people via the Social Insurance Board also decreased. An overview of using the transferred funds is provided in the Social Welfare section.

# State pension insurance

Table 1. Average amounts of state pensions, on 1 January<sup>1</sup>, EEK per month

Type of pension	1998¹	2000	2001	2002	2003	2004	2005	2006
Old-age pension	1 247	1 551	1 552	1 620	1 832	2 072	2 302	2 739
early-retirement old-age pension	-	-	1 316	1 328	1 471	1 657	1 828	2 180
deferred old-age pension	-	-	-	-	1 766	2 061	2 345	2 873
state special pension <sup>2</sup>	-				5 548	5 903	6 093	6 229
Superannuated pension	827	1 083	1 118	1 250	1 430	1 651	1 887	2 279
Pension for incapacity for work <sup>3</sup>	902	1 141	1 057	1 037	1 111	1 244	1 367	1 625
I group; 100% loss of capacity for work		1 381	1 281	1 310	1 459	1 664	1 849	2 214
Il group; 80-90% loss of capacity for work		1 238	1 160	1 133	1 194	1 346	1 499	1 798

to be continued

Type of pension	1998¹	2000	2001	2002	2003	2004	2005	2006
III group; 40-70% loss of capacity for work		817	826	831	907	1 004	1 101	1 306
Survivor's pension								
Per family receiving pension	1 250	1 280	1 138	1 078	1 031	1 001	1 136	1 319
with one family member		853	836	808	812	751	920	1 102
with two family members		1 670	1 612	1 514	1 362	1 374	1 534	1 740
with three and more family members		2 832	2 662	2 444	2 109	2 092	2 128	2 360
Per family member receiving pension	692	843	815	778	705	707	822	964
National pension								
due to old age	-		947	936	965	984	1 019	1 162
due to incapacity for work	-		978	907	860	837	832	907
families that have lost provider	-		619	1 046	1 164	1 053	1 072	1017
Per receiver of national pension	-	800	941	872	839	809	829	912
Average		1 459	1 461	1 508	1 687	1 890	2 090	2 478

<sup>1</sup> Calculated on the basis of the sum of monthly pensions granted to pensioners and the number of registered pensioners (excl. the data for 1998 – annual means).

Source: Social Insurance Board

Table 2. The base amount of pension, the value of a year of pensionable service and the national pension rate, EEK

Date of enforcement	Base amount of pension	Value of a year of pensionable service	National pension rate	State pension index¹
01.04. 2000	410	26,24	800	-
01.04. 2001	410	27,40	800	-
01.01. 2002	410	27,85	800	-
01.04. 2002	444	30,19	867	1,084
01.07. 2002	444	31,69	867	
01.04. 2003	477	34,04	931	1,074
01.07. 2003	577	34,04	931	
01.04. 2004	664	37,31	990	1,063
01.04. 2005	708	39,81	1 056	1,067
10.07. 2005	858	42,83	1 156	
01.04. 2006	1 001	48,51	1 269	1,097

Since 1 April 2002, the state pensions calculated are indexed by an index the value of which is the arithmetic mean of the yearly increase of the consumer price index and the yearly increase in receipt of the pension insurance part of social tax.

<sup>2</sup> Pensions granted from the state budget to police officers, State Audit Office employees, judiciaries, prosecutors and the Chancellor of Justice.

<sup>3</sup> Until 2000 (incl.) granted and paid according to invalidity group.

Table 3. Average social tax for calculating the annual factor of the insured person,  $\mathsf{EEK}$ 

Year	Average amount of individually registered social tax1, per year	Average wages calculated on the basis of social tax, per month
1999	14 891	3 760
2000	16 606	4 193
2001	18 445	4 658
2002	20 778 / 12 5931	5 247
2003	13 977¹	5 824
2004	15 353¹	6 397
2005	17 300¹	7 208

<sup>1</sup> Since 2002, the average amount of the pension insurance part of individually registered social tax is 20% (the average amount of social tax shown for 1999-2001 is 33%).

Source: Social Insurance Board

Table 4. Receivers of state pension, by type of pension, on 1 January

Type of pension	1998	2000	2001	2002	2003	2004	2005	2006
Total pension recipients <sup>1</sup>	374 085	379 292	372 972	376 549	377 136	377 343	381 096	380 423
M	126 291 247 794	129 402 249 890		131 518 245 031			138 480 242 616	
Recipients of old-age pension		284 327					294 736	
old-age pensioners	286 188	284 305	297 315	298 432	295 920	293 032	293 606	291 777
receiving early- retirement pension	-	-	2 349	4 620	6 274	7 715	9 437	10 704
receiving deferred old-age pension	-	-	-	-	91	168	256	338
recipients of special state pension	10	22	48	58	916²	1 031	1 130	1 193
Recipients of superannuated pension	3 567	3 240	3 369	3 386	2 839	2 820	2 821	2 848
Recipients of pension for incapacity for work <sup>3</sup>	59 938	66 814	43 394	47 140	51 339	55 480	59 174	61 921
I group; 100% loss of capacity for work	7 163	7 496	4 449	5 449	6 644	7 538	7 830	8 169
Il group; 80-90% loss of capacity for work	37 725	41 098	23 994	23 560	23 636	24 297	24 890	25 052
III group; 40-70% loss of capacity for work	10 573	13 468	14 951	18 131	21 059	23 645	26 454	28 700
disabled children	4 477	4 752						
Recipients of survivor's pension								
families	15 267	15 318	15 712	14 017	8 183	7 924	9 312	9 766
with one family member		8 769	11 260	10 081	5 727	5 410	6 634	7 010
with two family members		3 827	3 224	2 855	1 863	1 932	2 061	2 179

to be continued▶

Type of pension	1998	2000	2001	2002	2003	2004	2005	2006
with three and more family members		1 722	1 228	1 081	593	582	617	577
family members	22 476	23 256	21 936	19 429	11 960	11 613	13 131	13 500
Recipients of national								
pension <sup>4</sup>								
due to old age	-		3 490	3 221	3 024	3 382	3 182	2 969
due to incapacity for work	-		3 167	2 908	2 536	2 553	2 644	2 702
families that have lost provider	-		159	1 352	5 831	5 077	3 612	2 439
receivers of national pension	-	1 655	6 910	8 104	14 162	13 367	11 234	9 184
Proportion of pensioners in population, %	26,9	27,6	27,3	27,7	27,8	27,9	28,3	28,3

- 1 For all types of pensions, the number of persons receiving pension has been taken into account.
- 2 The number of persons receiving special state pension increased with the introduction of special state pensions for police officers since 2002.
- 3 Until 2000, invalidity groups were determined. Since 1 April 2000, the percentage of loss of capacity for work is determined.
- 4 Due to an amendment to law in 2003, some of the recipients of survivor's pension started receiving national pension.

Source: Social Insurance Board

Table 5. State pension insurance expenditure, million EEK

	1998	2000	2001	2002	2003	2004	2005
Old-age pension	4 303,5	5 467,8	5 704,2	6 309,2	7 049,0	7 938,5	9 036,3
Pension for incapacity for work	664,2	663,3	578,4	655,9	794,6	931,6	1 127,0
Survivor's pension	185,8	229,4	206	156	102,8	122,1	147,6
Superannuated pension	26,8	36,9	43,8	44,4	48,6	56,9	67,6
National pension	13,4	67,3	77,3	105,7	141,1	125,8	110,2
Parliamentary pension, President's occupational pension <sup>1</sup>	5,5	9,1	11,5	14,4	18,1	24,4	27,3
Total pension expenditure	5 199,2	6 473,8	6 621,1	7 285,6	8 154,2	9 199,30	10 516,0
pensions funded from social tax	5 054,0	6 214,3	6 364,1	6 962,5	7 762,8	8 789,9	10 083,8
pensions and pension supplements funded from the state budget <sup>2</sup>	145,2	259,5	257	323,1	391,4	409,5	432,2
Proportion of pension							
expenditure, %							
of GDP	6,66	6,78	6,12	6,00	6,14	6,27	6,08
of state budget		22,69	22,22	21,22	20,62	19,32	19,00

These pensions are paid from the budgets of the Office of the President and the Parliament. These figures include old-age pensions to MPs (75% of the salary) and survivor's pensions to family members of MPs (30% of the salary per every family member incapable of work) and the President's occupational pension (75% of the salary). The parliamentary old-age pension is not paid to MPs during their time in office.

<sup>2</sup> Various pensions and pension supplements are funded from the state budget: national pension, pensions to various officials (judiciaries, prosecutors, State Audit Office employees, the Chancellor of Justice, members of the Defence Forces, police officers, members of Parliament, the President) as well as pension supplements paid on the basis of the length of services and other pension supplements (incl. to officials).



Figure 1. Pension expenditure and percentage of GDP

# **Funded pension schemes**

Table 6. Compulsory funded pension (pillar II)

	2002	2003	2004	2005
Number of contributors, at the end of the year	209 610	353 176	426 792	481 268
M	91 939	157 679	193 847	221 198
F	117 671	195 497	232 945	260 070
Total contributions, million EEK	81,9	874,8	1 322,71	1 761,9 <sup>1</sup>
of which:				
the part withheld from employees' wages	27,3	291,6	443,2	591,0
the part received from social tax	54,6	583,2	877,7	1195,0
the part received from parental benefits	-	-	2,3	3,6
Total volume of funds (closing balance) at the end of the year, million EEK	172,0	991,8	2 482,5	4 652,3

<sup>1</sup> The sum does not equal the total of different types of contributions due to correction entries made in the data communication system. Data on 2004 contributions specified compared to previous publication by the data provider.

Source: AS Eesti Väärtpaberikeskus

Table 7. Supplementary funded pension (pillar III)

Year	Number of contri- butors (contracts),	of wl	hich	Contributions received,	Amount insured, at the end of the year,
	at the end of the year	the end of the year M F		million EEK	million EEK
1998	348			1,3	15,4
1999	10 452			43,4	885,1
2000	24 430			111,3	2 123,5
2001	34 883			166,4	2 658,9
2002	46 732	21 515	25 216	235,8	3 685,7
2003	58 317	28 638	29 678	307,5	4 935,8
2004	68 469	33 887	34 581	339,3	6 244,1
2005	75 009	36 672	38 337	443,0	7 622,2

Source: Financial Supervision Authority

## Incapacity for work

Table 8. First-time determination of permanent incapacity for work, by percentage of loss of capacity for work

	2001	2002	2003	2004	2005
Total number of cases of permanent incapacity for work	9 684	9 574	9 760	10 982	11 539
By percentage of loss of capacity for work					
100 %	1 305	1 461	1 490	1 500	1 770
80-90%	3 348	2 852	2 749	3 174	3 135
40-70%	4 741	4 839	5 079	5 773	6 059
10-30%1	290	422	442	535	575
Total number of cases of temporary incapacity for work <sup>2</sup>	782	892	922	972	1 041

Determined in case of occupational accidents and diseases, as in these cases the employer is also obligated to compensate a 10-30% loss of capacity for work.

Source: Social Insurance Board

Table 9. First-time determination of permanent incapacity for work, by sex, age, percentage of loss of capacity for work and cause, 2005

y , 0 , 1 0			•				,
	By sex			Total			
	men	women	-29	30-44	45-59	60+	
Total	6 182	5 357	1 725	2 418	6 490	906	11 539
By percentage of loss of capacity for work							
100%	1 133	637	243	325	747	455	1 770

to be continued▶

<sup>2</sup> In case of long-term illness (121 to 182 days; in case of tuberculosis 178 to 240 days) medical examination commission has decided to extend the certificate of sick-leave.

	Ву	sex		Total			
	men	women	-29	30-44	45-59	60+	
80-90%	1 835	1 300	508	705	1 662	260	3 135
40-70%	2 961	3 098	872	1 255	3 753	179	6 059
10-30%	253	322	102	133	328	12	575
By cause							
general illness	5 241	5 032	1 534	2 013	5 878	848	10 273
injury	711	225	133	305	473	25	936
work injury	92	29	14	42	56	9	121
injury sustained in a traffic accident	73	33	37	44	25	0	106
other cause	65	38	7	14	58	24	103

Source: Social Insurance Board

Table 10. People declared as permanently incapacitated for work, by sex, age and percentage of loss of capacity for work, at the beginning of 2006

	Ву	sex		Ву	age	Total	Proportion in	
	men	women	-29	30-44	45-59	60+		population, %
Total	39 108	32 626	9 259	15 894	41 092	5 489	71 734	5,3
By percentage of loss of capacity for work								
100%	6 097	3 573	1 305	1 975	5 042	1 348	9 670	0,7
80-90%	15 550	12 556	3 538	6 714	15 705	2 149	28 106	2,1
40-70%	16 682	15 781	4 185	6 829	19 591	1 858	32 463	2,4
10-30%	779	716	231	376	754	134	1 495	0,1

Source: Social Insurance Board

# **Disability**

Table 11. First-time determination of disability, by degree of severity of disability<sup>1</sup> and age

Degree of severity and age	2000²	2001	2002	2003	2004	2005
Total	45 433	57 281	19 899	17 237	18 045	17 505
under 16	3 134	2 285	996	1 015	1 027	1 056
16-62	28 984	18 488	6 124	5 577	5 855	6 902
63 and older	13 315	36 508	12 779	10 645	11 163	9 547
Moderate disability	14 589	20 979	7 901	6 711	7 023	7 705
under 16	1 067	871	359	427	390	406
16-62	10 734	8 862	3 339	3 020	3 251	3 855
63 and older	2 788	11 246	4 203	3 264	3 382	3 444
Severe disability	23 488	26 451	9 128	8 211	8 820	7 820
under 16	1 303	1 086	492	450	542	571

to be continued▶

Degree of severity and age	2000²	2001	2002	2003	2004	2005
16-62	14 738	7 940	2 294	2 142	2 194	2 561
63 and older	7 447	17 425	6 342	5 619	6 084	4 688
Profound disability	7 356	9 851	2 870	2 315	2 202	1 980
under 16	764	328	145	138	95	79
16-62	3 512	1 686	491	415	410	486
63 and older	3 080	7 837	2 234	1762	1 697	1 415

<sup>1</sup> Since 2000, the term "degree of severity of disability" is used instead of the earlier "invalidity group".

Source: Social Insurance Board

Table 12. First-time determination of disability, by sex, age, degree of severity and type of disability, 2005

Degree of severity and	Ву	sex			By age			Total
type of disability	men	women	0-15	16-29	30-44	45-62	63+	
Total	7 517	9 988	1 056	939	1 357	4 606	9 547	17 505
By degree of severity of disability								
moderate	3 190	4 515	406	422	751	2 682	3 444	7 705
severe	3 451	4 369	571	431	498	1 632	4 688	7 820
profound	876	1 104	79	86	108	292	1 415	1 980
By dominating type of disability								
speech impediment	64	35	23	5	6	27	38	99
hearing impairment	123	140	45	17	30	66	105	263
moving impairment	2 885	4 418	195	152	393	1 925	4 638	7 303
visual impairment	196	295	33	19	29	93	317	491
psychic disorder	1 437	1 537	200	569	550	851	804	2 974
other (general illness)	2 812	3 563	560	177	349	1 644	3 645	6 375

<sup>2</sup> As the disabled adult allowance and the caregiver's allowance are paid since 2001, the degree of severity of disability was in 2000 and 2001 determined for both existing invalidity pensioners and new disabled persons.

Table 13. Persons with a determined degree of severity of disability, by sex and age, at the beginning of 2006

Degree of	By sex					By age						Share in
severity of disability	men	women	0-6	7-15	16-29	30-44	45-62	63+		population, %		
Total	44 885	68 124	1 872	3 938	5 728	8 282	25 071	68 118	113 009	8,4		
By degree of severity												
moderate	14 682	21 847	562	1 393	2 024	2 922	11 043	18 585	36 529	2,7		
severe	24 002	37 300	1 024	2 126	2 909	4 422	11 985	38 836	61 302	4,6		
profound	6 201	8 977	286	419	795	938	2 043	10 697	15 178	1,1		

Table 14. Amounts of social benefits for disabled persons<sup>1</sup>

Type of benefit	2000	2001	2002 - 2005	2006 <sup>3</sup>	
Disabled child allowance					
moderate disability	840	840	860	1 080	
severe and profound disability	940	940	1 020	1 260	
Disabled adult allowance					
moderate disability	-	200	200	200	
severe disability	-	420	420	420	
profound disability	-	640	640	640	
Caregiver's allowance					
to a non-working parent of a disabled child aged 3-16	300	300	300	300	
to a non-working parent of a disabled child aged 16-18 and to a non-working caregiver or guardian of a disabled person aged 18 and older:					
severe disability	-	240	240	240	
profound disability	-	400	400	400	
Disabled parent's allowance <sup>2</sup>	300	300	300	300	
Education allowance to non-working disabled students	100-400	100-400	100-400	100-400	
<b>Rehabilitation allowance</b> (for persons aged 16-65)	-	up to	up to 800 EEK a year		
In-service training allowance (lump sum)	-	up to 960	00 EEK over	3 years	

<sup>1</sup> EEK per month, excl. rehabilitation allowance and in- service training allowance.

<sup>2</sup> Allowance per child.

<sup>3</sup> Since 01.04.2005 the funds for disabled adult care-givers's allowance were transferred to local governments.

Table 15. Receivers of social benefits for disabled persons<sup>1</sup>

Type of benefit	2000	2001	2002	2003	2004	2005
Disabled child allowance	4 409	4 722	4 923	5 125	5 302	5 357
moderate disability	2 691	1 778	1 720	1 783	1 812	1 822
severe and profound disability	1 718	2 944	3 203	3 342	3 490	3 535
Disabled adult allowance	-	84 168	88 794	92 605	98 032	102 263
moderate disability	-	29 251	31 780	32 038	31 486	32 945
severe disability	-	41 427	43 947	48 038	52 945	55 742
profound disability	-	13 490	13 067	12 529	13 601	13 576
<b>Caregiver's allowance</b> (by the number of wards) <sup>3</sup>	2 071	26 841	31 813	35 230	38 060	2 053
to a non-working parent of a disabled child aged 3-16	2 0712	2 194	2 157	2 024	1 975	1 868
to a non-working parent of a disabled child aged 16-18 and to a non-working caregiver or guardian of a disabled person aged 18 and older	-	24 647	29 656	33 206	36 085	185
severe disability	-	15 979	20 566	24 381	26 738	141
profound disability	-	8 668	9 090	8 825	9 347	44
Disabled parent's allowance⁴	1 472	1 784	1 591	1 525	1 521	1 535
Education allowance to non-working disabled students	15	32	27	31	27	16
<b>Rehabilitation allowance</b> (for persons aged 16-65)	-	115	1 381	1 614	1 815	1 848
In-service training allowance (lump sum)	-	4	30	52	34	56

<sup>1</sup> As at the end of the year, excl. rehabilitation allowance and in-service training allowance (increasing since the beginning of the year).

Source: Social Insurance Board

Table 16. Expenditure on social benefits for disabled persons, million EEK

•					,	
Type of benefit	2000¹	2001	2002	2003	2004	2005
Total	75,7	441,2	565,2	588,8	630,1	571,3
Disabled child allowance	46,9	50,0	57,2	59,7	62,8	64,4
Disabled adult allowance	-	318,4	396,8	408,0	436,6	462,8
Caregiver's allowance <sup>2</sup>	7,0	63,8	104,6	114,2	124,0	37,3
Other allowances	21,8	9,0	6,6	6,9	6,7	6,8
Percentage of expenditure						
of GDP	0,08	0,41	0,47	0,44	0,43	0,33
of the state budget	0,27	1,48	1,65	1,49	1,32	1,03

<sup>1</sup> The Social Benefits for Disabled Persons Act entered into full force in the beginning of 2001.

<sup>2</sup> To a parent of a disabled child aged 3-18.

<sup>3</sup> Since 01.04.2005 the funds for disabled adult care-givers's allowance were transferred to local governments. See section on Social Welfare.

<sup>4</sup> Number of children.

<sup>2</sup> Since 01.04.2005 the funds for disabled adult care-givers's allowance were transferred to local governments. See section on Social Welfare.

## **SOCIAL WELFARE**

## **Overview of legal acts**

The purposes of social welfare are to provide assistance to persons or families in preventing, eliminating and relieving difficulties in coping, and to assist persons with special social needs in social security, development and integration into society.

The Social Welfare Act provides the organisational, economic and legal basis of social welfare, and regulates the relations emerging in social welfare.

Permanent residents of Estonia, aliens lawfully residing in Estonia and refugees on Estonian soil have the right to receive social services, social benefits and other assistance. Every person on Estonian soil has the right to receive emergency social assistance.

Social services and social benefits are financed from the state budget, local government budgets, funds of legal persons and natural persons who voluntarily engage in social welfare and other funds.

The extent of state financing is specified by the state budget for the corresponding budget year. The following is financed from the state budget: expenditure relating to state social welfare management, state social programmes and projects, expenditure relating to the welfare of children, the welfare services to adults with special mental needs and services disabled people (rehabilitation services, partial compensation for prostheses and medical devices), expenditure relating to state social benefits, and other expenses relating to performance of state social welfare duties and events.

Local governments cover the costs of social welfare services not financed from the state budget from the local government budget.

Legal persons and natural persons who are voluntarily engaged in social welfare shall cover social welfare expenditure incurred by them from their own funds. At the same time, the state and local governments may enter into contracts for the provision of social welfare with legal persons and natural persons, and may allocate financial and material resources to them to cover expenditure relating to social welfare.

Revenue received from various funds, endowments, non-profit activities, donations and sponsorships and the funds of persons applying for social services or other assistance may be used to finance social welfare.

A fee may be collected from a person for social services provided to the person or his or her family. The fee collected depends on the extent and cost of the service and the financial situation of the person and family receiving the service.

The collection of a fee from a person for social services is decided by the institution which provides or pays for the service.

The three main target groups of social welfare are children, the elderly and people with disabilities/special mental needs.

Children's welfare is organised on the levels of both the state and local governments. For the administration of child welfare and the creation of an environment favourable for child's development, local governments shall support children and persons raising children, co-operate with family members, other persons and agencies concerned; if necessary, appoint support persons or support families for children or persons raising children; organise the guardianship of children and assist in arranging adoptions.

If the separation of a child from the family is inevitable (deficiencies in the care and raising of the child endanger the child's life, health or development; other measures applied with respect to the family and child have not been sufficient), the child is placed into the care of a welfare institution, or into foster or guardian care.

Foster care, placement in guardianship and 24 hour care in social welfare institutions for children are services meant for children without parental care, in order to ensure the satisfaction of the basic needs of the children and to ensure them with a safe and favourable living environment and to prepare the children for coping to the best of their abilities in their adult life.

Both the state and local governments have an important role to fulfil in the welfare of disabled people and people with special mental needs.

Funds from the state budget are used to finance the rehabilitation services intended for disabled people and people with special mental needs, with the aim to improve independent coping ability, increase their involvement in the society and support working-age people in working or starting to work. Although the rehabilitation service currently includes the services of a physiotherapist, the rehabilitation service is first of all aimed at supporting the disabled person's motivation and attitudes towards independent coping (psychosocial rehabilitation). Since 2005, rehabilitation services are also provided to minors with special behavioural needs.

In addition to rehabilitation services, supportive and round-the-clock welfare services meant for adults with special mental needs are also financed from the state budget.

Recent years have seen significant developments in these welfare services. In the late 1990s, people with special mental needs were only offered the aroundthe-clock care service, but in the following years the open care services were added - assisted everyday life, assisted living, living in a community and, last, assisted working in 2001.

The provision of other welfare services meant for disabled people are first of all the responsibility of local governments.

From 1 April 2005, the payment of the care-giver's allowance to the care-givers of adults with severe and profound disabilities via the Social Insurance Board on the basis of the Social Benefits for Disabled Persons Act was terminated and the relevant funds were transferred to local governments.

The aim of these changes was to achieve better availability of aid to disabled people and to increase the options of local governments in organising the welfare of disabled people in need of assistance. It is important to offer disabled people exactly the kind of assistance they need – be it an appointed care-giver, the provision of a welfare service or financial support.

The state compensates 50-90% of the cost of the device to disabled people, the elderly and children, who need prostheses, orthopaedic and other aids. Upon paying for the aid device, the state's share is paid after the person's own share has been paid. A person's own share is the difference in the cost of the aid device and the state's share (the percentages of the state's share by types of aid devices are established by a regulation of the Minister of Social Affairs), but not less than 200 EEK. The state covers 50% for a child of up to 18 years of age applying for aid devices on the basis of a specialist doctor's certificate, and 90% for a disabled child or a person of up to 24 years of age studying in basic school, upper secondary school, vocational education institution, applied high school or high school.

The provision of welfare services to the elderly is organised by local governments. First of all, this concerns the provision of welfare services in welfare institutions, home services and housing services in social apartments or on social premises. Local governments contribute quite a lot into the development of daycare centres. Day-care centres are a good place for the elderly and disabled people for communication and recreational activities.

The most important type of social benefit is the subsistence benefit paid by local governments from the state budget to families with low incomes. Pursuant to the Social Welfare Act, a person living alone or a family whose monthly net income, after the deduction of the fixed expenses connected with permanent dwelling, is below the subsistence level has the right to receive a subsistence benefit. The Parliament establishes the subsistence level for a person living alone and for the first member of a family for each budgetary year by the state budget (until 2001, by a regulation of the Government of the Republic). The subsistence level of the

second and each subsequent member of a family is 80% of the subsistence level of the first member of the family. In 2005, the subsistence level for a person living alone was 750 EEK. In addition to this, families consisting entirely of underage members receiving subsistence benefit are since this year paid an additional social benefit of 200 EEK a month.

In case of a surplus in the funds for subsistence benefits rural municipality or town governments may pay additional social benefits or provide social services to those in need of assistance in order to improve their level of subsistence on the terms and conditions and according to the procedure established by the local government.

#### Statistical overview

The content and organisation of collecting statistical data on the welfare domain changed significantly in 2003<sup>1</sup>. The change in the organisation of data collection meant a transition to web-based data collection.

The change in the content of data meant a transition from institution-centred data to service-centred data. Therefore some statistical data is presented only since 2003. Mostly, however, data can be presented for 7-8 years, giving a rather good characterisation of changes in the social welfare system as a whole as well as for individual services

This section begins with information on institutions providing welfare services, the related personnel and wages in the last three years. This is followed by overviews of service users staying in institutions and users of various open care services and other services and benefits as well as service provides (time-series mostly from 1998). The tables presented towards the end of this section provide information about the financing of welfare services and the expenditure on social insurance and welfare from the state budget.

The number of employees directly dealing with the users of the services together with the number of other employees amounted to 5,660 at the end of 2005, having grown by 245 people from 2003. Over 85% of the welfare personnel are made up of women. By age, 47% of the employees are over 50 years old, whereas their proportion has grown by 4 percentage points since 2003. The overall age of educational and development specialists and social workers is somewhat younger. The proportion of employees over 50 years old was 39% and 30% respectively among them in 2005. Over one-half of care-givers and nurses were over 50 years old (51%).

<sup>1</sup> The full statistical reports are available on S-web (social register based reports from local governments, starting from 2001) and H-web (reports from institutions providing welfare services, starting from 2003) at <a href="https://www.sm.ee/sveeb">www.sm.ee/sveeb</a> and <a href="https://www.sm.ee/hveeb">www.sm.ee/hveeb</a> respectively. Available only in Estonian.

The number of first cases of children left without parental care has considerably decreased in the last five years. The number of children registered in 2001 was 1,255, but in 2005 the figure was already 858. When looking at the placement of registered children, it can be said that less and less children are placed in welfare institutions and shelters and more and more are placed back in their biological families.

The number of children in foster care during the year considerably dropped in 2005 compared to previous years – in 2001-2004 the number of children in foster care remained around 1,400, but in 2005 it dropped to 1,219. The number of foster families caring for children has also decreased – from 849 in 2001 to 597 in 2005. The number of children taken into foster care during the year has also dropped – in 2001 487 children were taken into foster families, but in 2005 the number was just 238.

No consistent changes can be pointed out with regard to adoptions, but the number of children placed into guardianship has again increased from 2004, although in the view of the last five years' trend this change is still relatively small.

The number of children in welfare institutions has remained stable in recent years. It is important to note that the statistical data for 2005 separately reflect the children in state welfare care and children with severe and profound disabilities committed to welfare institutions on the basis of a parent's application. If the time-series reflects the children in state welfare care and children staying in institutions on the basis of their parents' application, a relevant notice has been added to the table.

There has been a considerable increase in the financing of welfare services meant for adults with special mental needs as well as in the number people receiving the services and the number of institutions providing the services. At the end of 2005, state welfare services were provided to a little over 4,300 people with special mental needs. The number of people receiving the service has grown due to an increase in the number of clients of supporting services. The number of people staying in care homes around the clock has steadily decreased – in 2000 there was approx 2,500 adults with special mental needs living in care homes, but by the end of 2005 the number was down to 2,220.

Considerable emphasis has been placed on making rehabilitation services available to an ever increasing number of disabled people and adults with special mental needs. This has been facilitated by the increased amount of funding allocated for rehabilitation services from the state budget.

The funds for the disabled adult care-giver's allowance formerly paid via the Social Insurance Board were in the second quarter 2005 transferred to local governments. At the moment of the transfer, there were nearly 29.2 thousand people (care-givers) receiving the care-giver's allowance. As the aim of the transition to a new system was not to necessarily continue the payment of the care-giver's benefit, but to offer the disabled people exactly the kind of assistance they need (incl. providing more social services), the number of people receiving the care-giver's allowance decreased by nearly a third after the evaluation of the need of care had been conducted.

Although the funds were transferred to local governments first of all with the aim to extend their possibilities in developing social services meant for disabled people, the majority of the funds (79%) was in the first year still used for paying the caregiver's allowance. The social benefits paid to disabled people formed 13% of all the expenses and other costs (incl. social services) 8%.

While the number of the users of the around-the-clock care service for adults with special mental needs and the welfare service for orphans and children left without parental care has remained unchanged in recent years (even decreasing with regard to people with special mental needs), the number of elderly and disabled people requiring assistance using care services in care homes has been constantly growing. At the end of 2005, 4,479 people were using the service, which is 37% (or 1,200 people) more than in 2000. 56-57% of the users of the service are 75 years old and older. The number of institutions providing the service has grown from 96 in 2000 to 114 in 2005.

The number of people using the housing service in social apartments and on social premises has grown by over 60% from 2001 (at the end of 2001 – 2,233 users, in 2005 – 3,584 users). The proportion of service users at pensionable age was 43% at the end of 2005, while the proportion of people with special needs was 28% (whereas a part of the people with special needs and people in pensionable age may overlap).

The number of people using home care services has remained around 5.5-6.0 thousand in recent years.

The home care service is generally provided by social care-giver's hired for that purpose by local government units. At the same time, some of the local governments buy the home care service partly or fully from day-care centres operating on the territory of the rural municipality/town. In larger municipalities these solutions may co-exist (the service is provided by a person employed by the local government and the service is bought from a day-care centre).

According to statistical data, 74 local governments did not provide the home care service in 2005 (i.e. 30% of the local governments). As the provision of home care services first of all depends on the need of the people living on the administrative territory for the said services as well as on the local government's possibilities to provide the services, the number of both the local governments and the users of the services may differ across years. However, the said indicators have remained relatively unchanged in recent years.

There has been a constant increase in the number of people receiving technical aids sold or lent on discount terms, as well as in the state financing. The increase in the number of recipients of aid devices has mainly occurred on account of recipients of aid devices at retirement age, who form approx 2/3 of the recipients of aid devices. Compared to 2001, the number of recipients of technical aid devices sold or lent on discount terms grew by over 63% in 2005 and the state financing by nearly 92%, or 22.8 million EEK, from 24.9 million EEK to 47.7 million EEK, (whereas the total cost of the aid devices grew by over 98%, or 31.2 million EEK).

The amount of the benefit paid from the subsistence benefit funds and the number of families receiving the benefit has significantly decreased in recent years. The influencing factors here are the overall rise in wages, the introduction of unemployment insurance, the increased employment level and the decreased number of the unemployed and job-seekers as well as the subsistence level remaining unchanged until 2005. In 2001, the proportion of families receiving subsistence benefit in order to ensure the subsistence level (regardless of the number of times the benefit was received in the year) was 12.4%, but in 2005, they formed only 4.7% of all families (70.4 and 26.8 thousand families respectively).

The number and the proportion of families with children was also influenced by changes in the basis of calculating the subsistence benefit. In 2003-2004, the child benefit and the benefit paid to families with four and more children and families with triplets under the Family Benefits Act were not included in the income of persons or families.

At the same time, there has been a constant increase in the amount of benefit per application – from 797 EEK in 2001 to 1,192 EEK in 2005.

Until 2004 (incl.) there has been an increase in the proportion of families who received the benefit every month through the year of all families who received the benefit. But in 2005 the proportion of such families has decreased somewhat. The influencing factor here is presumably a decrease in the number of families with unemployed members, job-seekers and long-term unemployed. By types of families, families with a long-term unemployed member or an unemployed job-seeker as well as families with children (which often also have one unemployed parent) are still the most frequent recipients of the benefit. In 2005, the families

with a long-term unemployed member or an unemployed job-seeking member received the benefit 8.4 times on the average (the national average 6.5 times).

The table "Expenditure on social insurance and welfare from the state budget" includes the benefits and allowances paid by the Social Insurance Board, of which only pensions can be conventionally considered social insurance benefits. The benefits to families and disabled people do not depend on the contributions made by the people themselves – these are rather intended as the state's support to cover certain additional expenses.

The expenditure on benefits and allowances paid through the Social Insurance Board has grown in the last three years both in absolute value and as a proportion of GDP.

Social welfare expenditure, which somewhat decreased in the years 2002-2004, grew significantly again in 2005. Partly it was due to transferring the funds for disabled adult care-giver allowance to local governments, but the growth in expenditure on state welfare services for children and adults with special mental needs also continued. The total sum paid for subsistence benefits has decreased since 2001 due to the diminishing number of applicants.

Table 1. Institutions providing and persons using welfare services

Type of service		e provide d of the yea		Service users, during the year			
	2003	2004	2005	2003	2004	2005	
Institutional welfare services for orphans and children without parental care	37	38	38	1 835	1 860	1 905²	
Institutional welfare services for adults (excl. persons with special mental needs)	108	112	114	5 404	5 997	6 422	
Welfare services for the persons with special mental needs	71	80	86	4 491	4 693	4 901	
incl. 24 hour care services	24	25	27	2 413	2 443	2 419	
Rehabilitation services for disabled people	31	39	41	6 599	9 543	15 861	
Rehabilitation services for adults with special mental needs	6	8	9	669	949	1 035	
Day centre services	86	94	102	65 069	55 884	60 947	
Housing services in the form of social housing, premises, support homes	831	85¹	87¹	3 697	3 907	4 194	
Shelter services and rehabilitations service to ex-convicts	28	29	27	3 243	2 580	2 606	
Night shelter services for the homeless	10	11	12	1 712	2 062	1 880	

<sup>1</sup> The number of local municipalities where social housing was used. In 2003, social housing existed in 84, in 2004 in 90 and in 2005 in 91 local municipalities.

<sup>2</sup> Only children in state welfare. Children with severe or profound disability staying in institutions on the basis of their parents' application (in total 136) have not been included.

Table 2. Personnel in institutions providing welfare services<sup>1</sup>, by age, sex and position, at the end of the year

Position and age		2003			2004		2005		
, in the second	Total	М	F	Total	М	F	Total	М	F
Personnel total	5 416	820	4 596	5 584	820	4 764	5 661	793	4 868
under 25	248	56	192	248	50	198	203	26	177
25-39	1 329	198	1 131	1 302	194	1 108	1 292	200	1 092
40-49	1 487	197	1 290	1 512	201	1 311	1 500	194	1 306
50-59	1 590	226	1 364	1 657	213	1 444	1 761	216	1 545
60+	762	143	619	865	162	703	905	157	748
management, senior and mid- level specialists	673	127	546	646	120	526	657	123	534
under 25	12	2	10	9	2	7	10	2	8
25-39	160	24	136	138	23	115	156	30	126
40-49	200	40	160	210	41	169	195	34	161
50-59	211	40	171	196	32	164	201	38	163
60+	90	21	69	93	22	71	95	19	76
persons involved in teaching and development <sup>2</sup>	1 388	118	1 270	1 584	133	1 451	1 216	95	1 121
under 25	112	26	86	106	15	91	72	4	68
25-39	399	41	358	441	54	387	337	34	303
40-49	377	22	355	415	33	382	326	27	299
50-59	358	18	340	415	19	396	329	16	313
60+	142	11	131	207	12	195	152	14	138
social workers	139	11	128	180	12	168	175	10	165
under 25	19	2	17	33	4	29	21	3	18
25-39	44	4	40	59	4	55	74	5	69
40-49	40	3	37	38	2	36	27	0	27
50-59	28	2	26	41	2	39	42	2	40
60+	8	-	8	9	-	9	11	-	11
nurses	284	5	279	274	3	271	232	3	229
under 25	1	-	1	2	-	2	1	-	1
25-39	57	2	55	55	1	54	44	1	43
40-49	80	1	79	67	1	66	61	-	61
50-59	80	1	79	83	-	83	66	1	65
60+	66	1	65	67	1	66	60	1	59
caring personnel	1 171	39	1 132	1 163	33	1 130	1 252	37	1 215
under 25	51	2	49	31	2	29	36	2	34
25-39	264	11	253	232	9	223	226	11	215
40-49	323	8	315	339	6	333	355	9	346
50-59	381	9	372	405	7	398	453	8	445
60+	152	9	143	156	9	147	182	7	175

Position and age		2003			2004			2005	
	Total	М	F	Total	М	F	Total	М	F
psychologists, physiotherapists, speech therapists, doctors, pedagogues	109	16	93	157	19	138	197	23	174
under 25	4	2	2	9	-	9	10	1	9
25-39	34	5	29	49	10	39	69	12	57
40-49	29	3	26	35	2	33	57	4	53
50-59	28	3	25	46	4	42	49	4	45
60+	14	3	11	18	3	15	12	2	10
other personnel (economic, catering, cleaning and other staff)	1 652	504	1 148	1 580	500	1 080	1 932	502	1 430
under 25	49	22	27	58	27	31	53	14	39
25-39	371	111	260	328	93	235	386	107	279
40-49	438	120	318	408	116	292	479	120	359
50-59	504	153	351	471	149	322	621	147	474
60+	290	98	192	315	115	200	393	114	279

<sup>1</sup> The table presents the number of employees of institutions specialising in the provision of welfare services. Certain services (e.g. rehabilitation services) are, however, provided by institutions with a different main field of activity (e.g. hospitals), the personnel of which is not included in the table.

Table 3. The number of regular employees dealing with service consumers, by types of services, at the end of the year

	Provision welfare so to orphaniche children without p	ervices ns and n left arental	Provision welfare so to adulte persons wit mental r	ervices s (excl. h special	Provisi welfare s to adult special i nee	ervices s with mental	Shelter s and rehat services convi	ilitation to ex-
	2004	2005¹	2004	2005	2004	2005	2004	2005
Senior minder	26	12	-	-	-	-	-	-
Minder	156	95	1	1	8	-	81	82
Junior minder	208	145	-	-	-	-	-	-
Assistant minder	286	144	-	-	-	-	-	-
Speech therapist	7	6	-	-	2	1	1	-
Care-giver, nurse	-	-	851	910	208	218	18	8
Psychologist	4	4	1	1	8	6	12	11
Physiotherapist	6	6	5	4	3	1	-	-
Activity therapist	1	-	2	1	10	9	1	1
Hobby instructor	18	-	3	5	44	25	1	-
Activity instructor	7	-	14	18	521	540	1	1
Doctor	3	3	4	5	8	6	1	-

to be continued▶

<sup>2</sup> Minders, assistant minders, activity instructors.

	Provision welfare so to orphare children without p	ervices ns and n left arental	Provisi welfare s to adult persons wi mental r	services s (excl. th special	Provisi welfare s to adult special i nee	ervices s with mental	Shelter so and rehab services convi	ilitation to ex-
	2004	2005 <sup>1</sup>	2004	2005	2004	2005	2004	2005
Nurse	42	24	119	96	112	100	6	4
Social worker	22	18	25	20	21	21	41	45
Other	89	390	13	20	48	89	41	30
Total	875	847	1 038	1 081	993	1 016	204	182

In 2005, the minders have been counted on the basis of the qualification requirements for minders established by an order of the Minister of Social Affairs and therefore the minding professionals who did not meet the established requirements as at the end of 2005 (had not managed to complete the required training) have been included under other employees. There were nearly 330 such minding professionals as at the end of 2005.

Table 4. The average monthly wages of regular employees dealing with service consumers, by types of services  $^{1}$ , EEK

	Provision of services to o and childre without pare	orphans en left	Provision of services to (excl. perso special ment	adults ons with	Provision of services to with special need	adults I mental	Shelter so and rehab services convi	ilitation to ex-
	2004	2005	2004	2005	2004	2005	2004	2005
Senior minder	5 623	7 789	-	-	-	-	-	-
Minder	4 492	6 008			3 961	-	5 646	6 007
Junior minder	4 736	6 066	-	-	-	-	-	-
Assistant minder	3 832	4 451	-	-	-	-	-	-
Speech therapist	5 662	5 674	-	-				-
Care-giver, nurse	-	-	3 628	4 046	3 246	4 032	4 190	4 131
Psychologist					4 956		5 966	6 186
Physiotherapist	5643	5504	4 826				-	-
Activity therapist		-			5 088	5 264		
Hobby instructor	3 568	-		4 695	3 150	4 646		-
Activity instructor	2 735	-	3 911	4 288	3 525	4 389		
Nurse	4 252	4 175	4 382	5 015	4 192	5 651	4 631	5 651
Social worker	4 297	7 354	4 829	5 102	4 561	5 253	4 791	5 501
Other	4 068	4 943	4 240	4 127	5 057	4 903	3 952	7 155
Average	4 300	5 243	3 753	4 157	3 660	4 518	5 004	6 000

The data has been presented, if the average annual number of employees reduced to full-time working hours is = or > 5.

Table 5. Users of institutional welfare services and their proportion of the population, at the end of the vear

, ,	_						
Institution/service	1995	2000	2001	2002	2003	2004	2005
Welfare services for orphans and children without parental care (in children's and youth welfare institutions¹)	1 470	1 715	1 814	1 881	1 539	1 549	1 5672
Welfare services for adults (in general care homes <sup>1</sup> )	2 453	3 276	3 356	3 509	3 890	4 175	4 479
24- hour welfare services for adults with special mental needs (in special care homes¹)	2 508	2 509	2 469	2 457	2 228	2 227	2 220
Total	6 431	7 500	7 639	7 847	7 657	7 951	8 266
Proportion of the population, %	0,45	0,55	0,56	0,58	0,57	0,59	0,61

<sup>1</sup> Until 2002 (incl.) the terminology provided in brackets was used.

# Provision of institutional welfare services to orphans and children without parental care

Table 6. Institutions providing institutional welfare services to orphans and children without parental care and children using the services, at the end of the year

	1995	1998	2000	2001	2002	2003	2004	2005
Total number of institutions	31	37	37	35	39	37	38	38
Total number of children	1 470	1 699	1 715	1 814	1 881	1 539	1 549	1 683¹

<sup>1</sup> In addition to children in state welfare (1567), children with severe or profound disability staying in institutions on the basis of their parents' application (116) have been included.

<sup>2</sup> Only children in state welfare. Children with severe or profound disability staying in institutions on the basis of their parents' application (in total 116) have not been included.

Table 7. Children using institutional welfare services for orphans and children without parental care by sex and age, and their proportion of the population by age, at the end of the year

Year, sex	Total			Age gro	oup		
		0-2	3-6	7-14	15-17	18-24	25+
Total							
1998	1 699	110	186	861	324	196	22
2000	1 715	111	145	831	384	208	36
2001	1 814	96	156	814	429	272	47
2002	1 881	100	160	821	474	260	66
2003	1 539	81	150	627	487	192	2
2004	1 549	81	155	608	492	211	2
2005 <sup>1</sup>	1 567	93	176	552	519	227	-
M							
1998	1 001	67	118	495	200	106	15
2000	1 024	66	89	513	211	124	21
2001	1 087	61	95	492	246	167	26
2002	1 135	62	98	512	262	168	33
2003	904	35	90	394	290	95	-
2004	932	43	96	374	299	120	-
2005 <sup>1</sup>	928	43	98	341	314	132	-
F							
1998	698	43	68	366	124	90	7
2000	691	45	56	318	173	84	15
2001	727	35	61	322	183	105	21
2002	746	38	62	309	212	92	33
2003	635	46	60	233	197	97	2
2004	617	38	59	234	193	91	2
2005 <sup>1</sup>	639	50	78	211	205	95	-
Per 1000 persons in a	age group	o²					
1998	3,7	2,99	3,25	5,17	5,19	1,47	
2000	3,8	3,02	2,85	5,37	6,01	1,53	
2001	4,1	2,56	3,16	5,54	6,76	1,96	
2002	4,2	2,61	3,30	5,96	7,42	1,84	
2003	3,6	2,11	3,08	4,88	7,51	1,34	
2004	3,7	2,04	3,15	5,1	7,54	1,46	
2005	3,8	2,26	3,50	5,0	8,21	1,55	-

<sup>1</sup> Without children staying at welfare institutions on the basis of their parents' application.

<sup>2</sup> Calculated on the basis of service users and population in the age of 0-24.

Table 8. Movement of service users in children's welfare institutions, during the year

	1998	2000	2001	2002	2003	2004	20051
New children arriving	428	352	396	416	286	326	326
Children leaving	376	310	326	362	296	311	358
to parents	128	93	74	87	44	39	48
to other welfare institutions	54	25	56	75	61	60	52
adopted	52	54	62	40	50	52	33
into foster care and guardianship	19	59	35	30	29	30	66
to work; independent life (since 2001)	45	25	78	101	92	120	141
other	78	54	21	29	20	10	18

<sup>1</sup> Data on 2005 include children with severe or profound disability staying in institutions on the basis of their parents' application (in total 136 during the year). Earlier data only include children in state welfare.

**Provision of institutional welfare services to adults** (excl. persons with special mental needs)

Table 9. Institutions providing institutional welfare services to adults, their distribution by number of places and number of service users, at the end of the year

	2000	2001	2002	2003	2004	2005
Total number of institutions	96	97	101	108	112	114
incl. number of places:						
less than 10		9	10	8	8	6
11 – 20		36	36	39	35	34
21 – 30		17	20	22	28	27
31 - 40		15	12	11	11	11
41 - 50		7	12	14	14	16
51 - 100		6	5	7	8	12
101 - 150		5	4	5	5	5
151 - 200		1	1	1	2	2
351 - 400		1	1	1	1	1
Number of service users	3 276	3 356	3 509	3 890	4 175	4 479

Table 10. Adults using institutional welfare services by sex and age, at the end of the year

Year, sex	Service				Age group			
	users, total	18 - 29	30 - 49	50 -64	65 - 74	75 + <sup>1</sup>	75-79	+ 08
Total								
1998	3 013	35	123	398	646	1 811		
2000	3 276	45	176	492	719	1 844		
2001	3 356	39	189	541	691	1 896		
2002	3 509	39	169	554	778	1 969		
2003	3 890	40	190	602	830	2 228	907	1 321
2004	4 175	42	200	646	933	2 354	755	1 599
2005	4 479	41	204	713	961	2 560	787	1 773
М								
1998	1 015	15	82	274	310	334		
2000	1 175	15	117	344	368	331		
2001	1 266	13	128	370	372	383		
2002	1 291	14	110	364	437	366		
2003	1 436	18	130	407	461	420	224	196
2004	1 562	20	142	422	514	464	222	242
2005	1 706	18	141	444	531	572	277	295
F								
1998	1 998	20	41	124	336	1 477		
2000	2 101	30	59	148	351	1 513		
2001	2 090	28	61	171	319	1 513		
2002	2 218	25	59	190	341	1 603		
2003	2 454	22	60	195	369	1 808	683	1 125
2004	2 163	22	58	224	419	1 890	533	1 357
2005	2 773	23	63	269	430	1 988	510	1 478
Per 1000 perso	ns in age gr	oup²						
1998	2,85	0,15	0,32	1,66	4,93	25,18		
2000	3,09	0,20	0,46	2,03	5,50	23,97		
2001	3,16	0,17	0,50	2,23	5,28	23,75		
2002	3,29	0,17	0,45	2,30	5,89	23,72		
2003	3,63	0,17	0,51	2,52	6,28	25,79	19,64	32,85
2004	3,89	0,18	0,54	2,70	7,02	26,28	15,90	37,98
2005	4,15	0,17	0,55	2,96	7,27	27,55	16,11	40,22

<sup>1</sup> Until 2003, data was collected on service users aged 75 and older in one age group, but since 2003 the data is differentiated between the age groups of 75-79 and 80 and older.

<sup>2</sup> Calculated on the basis of population and service users in the age of 18 and older.

Table 11. Movement of adults in institutional welfare services, during the year

	1998	2000	2001	2002	2003	2004	2005
Persons arriving	1 321	1 459	1 459	1 610	1 850	2 053	2 256
Persons leaving	1 153	1 352	1 385	1 466	1 514	1 822	1 943
into other care homes (same service)	52	82	84	83	86	139	122
independent life <sup>1</sup>	224	258	226	265	289	371	452
deceased	829	956	1 021	1 065	1 098	1 289	1 321
other (assisted life)	48	56	54	53	41	23	48

<sup>1</sup> Alone or with family.

## Welfare services for adults with special mental needs

Table 12. Institutions providing welfare services to adults with special mental needs and the number of service users, at the end of the year

•								
	1995	1998	2000	2001	2002	2003	2004	2005
Institutions providing welfare service to adults special mental needs (until 2002 special care homes)	14	18	19	20	21	71	80	86
incl. institutions providing 24-hour care service	14	18	19	20	21	24	25	27
Adults with special mental needs using welfare services <sup>1</sup>	2 508	2 596	2 509	2 469	2 457	4 118	4 247	4 324
incl. 24-hour care service						2 228	2 227	2 220

<sup>1</sup> The number of persons staying in special care homes until 2002. In recent years, the so-called institutional services have been supplemented by supporting services for adults with special mental needs and data on that is presented since 2003.

Table 13. Persons using welfare services for adults with special mental needs by service type, during the year

	2003	2004	2005
Persons using the services¹	4 491	4 693	4 901
Assistance in everyday life	1 525	1 668	1 688
Assisted living	565	562	618
Living in a community	28	32	39
Assisted working	516	548	533
24-hour care	2 130	2 074	1 997
24-hour care with enhanced support	94	171	219
24-hour care with enhanced supervision	189	198	203

<sup>1</sup> One person may simultaneously use several services.

Table 14. Persons using welfare services for adults with special mental needs by sex and age, during the year

Year, sex	Service users, total		Age gro	oup	
		18-29	30-49	50-64	65 +
Total					
2003	4 491	961	1 787	1 094	649
2004	4 693	1 046	1 873	1 153	621
2005	4 901	1 063	2 022	1 165	651
M					
2003	2 361	546	975	578	262
2004	2 490	602	1 021	605	262
2005	2 593	608	1 110	594	281
F					
2003	2 130	415	812	516	387
2004	2 203	444	852	548	359
2005	2 308	455	912	571	370
Per 1000 persons in ag	ge group				
2003	4,20	4,09	4,75	4,56	2,99
2004	4,38	4,41	5,00	4,82	2,82
2005	4,55	4,43	5,43	4,86	2,91

Table 15. Movement of persons using welfare services for adults with special mental needs, during the year

		2003		2004		2005
	Total	incl to/from 24-hour services	Total	incl to/from 24-hour services	Total	incl to/from 24-hour services
Persons arriving	849	179	891	237	805	208
from other welfare services	254	54	286	100	267	72
hospital	74	23	73	43	45	24
home	430	61	458	66	444	91
other	91	41	74	28	49	21
Persons leaving	626	188	737	234	638	206
to other welfare services	206	46	287	93	201	68
independent life	209	7	244	14	204	7
deceased	136	110	113	97	112	99
other	75	25	93	30	121	32

## **Child protection**

Table 16. First-time registration of children left without parental care and the placement of registered children, during the year

	1995	1998	2000	2001	2002	2003	2004	2005
Children registered during the year	1 134	1 671	1 227	1 255	1 249	1 276	1 092	858
M	617	905	659	703	703	685	602	431
F	517	766	568	552	546	591	490	427
Registered children placed <sup>1</sup>	890	1 595	1 305	1 288	1 301	1 326	1 073	979
into children's welfare institutions	239	252	157	202	238	184	226	175
into new families	296²	479	597	455	392	381	266	261
into biological families		401	320	411	441	453	371	416
into shelters	260	463	231	220	230	308	210	127
into educational institutions, with total state financing	95							

<sup>1</sup> The number of children placed is higher than the number of children registered due to children not placed in the pervious year.

Table 17. Revoked parental rights<sup>1</sup>, during the year

1 3 , 5 ,								
	1998	1999	2000	2001	2002	2003	2004	2005
Children, whose parents' parental rights were revoked	287	320	291	297	325	286	264	236
0-2	28	36	28	33	34	24	40	39
3-6	55	71	72	62	66	71	75	60
7-14	164	177	146	151	175	131	108	103
15-17	40	36	45	51	50	60	41	34

<sup>1</sup> Upon parental rights being revoked the child is placed into another family or a welfare institution and the parent loses his or her right to guardianship, while still being obligated to maintain the child.

Table 18. Separation from family<sup>1</sup>, during the year

	1998	1999	2000	2001	2002	2003	2004	2005
Children separated from families by court decision	81	79	101	110	106	110	124	94
0-2	7	2	16	19	11	21	20	14
3-6	18	25	17	18	20	15	35	18
7-14	45	44	49	61	58	52	55	47
15-17	11	8	19	12	17	22	14	15

<sup>1</sup> Upon being separated from families, children are placed into another family or a welfare institution, while the parent retains the right of guardianship and the obligation to maintain the child.

<sup>2</sup> Including children placed into biological families.

Table 19. Child protection specialists in county governments and local governments

	1998	1999	2000	2001	2002	2003	2004	2005
Local governments	84	109	106	102	112	130	132	137
County governments	16	11	12	15	14	17	16	16
Total	100	120	118	117	126	147	148	153
incl. with special professional qualification	75	86	99	83	91	108	107	115

#### **Foster care**

Table 20. Persons in foster care, during the year

	,	0	,				
	1999	2000	2001	2002	2003	2004	2005
Children (0-17) <sup>1</sup>	895	1 265	1 420	1 461	1 467	1 416	1 219
Adults (18+)	215	200	62	80	71	54	27
<b>Persons in foster care,</b> during the year	1 110	1 465	1 482	1 541	1 538	1 470	1 246
Proportion in population, %	0,08	0,11	0,11	0,11	0,11	0,11	0,09

<sup>1</sup> Since 2001, the age group of 0-17 also includes children aged up to 19 attending basic school, secondary school or vocational school until the end of academic year.

Table 21. Foster families, at the end of the year

	2001	2002	2003	2004	2005
Foster families, total	896	897	869	778	606
incl. caring for children	849	852	838	753	597
caring for adults	47	45	31	25	9

Table 22. Movement of children in foster care service

	2	001	20	002	20	003	20	004	20	005
	Total	incl with special needs								
Children in foster care at the begin- ning of the year	933	20	1 032	23	1 064	23	1 072	21	981	24
M	462	15	517	13	545	17	533	15	473	13
F	471	5	515	10	519	6	539	6	508	11
Children placed in foster care during the year	487	10	429	9	403	8	344	5	238	6
М	243	5	210	5	196	6	163	3	128	6
F	244	5	219	4	207	2	181	2	110	4

	20	001	20	002	2	003	20	004	20	005
	Total	incl with special needs								
from maternity hospitals	1	-	4	2	8	-	8	-	4	-
from shelters	39	1	25	-	32	1	24	-	16	-
from children's welfare institutions	46	-	25	1	29	-	16	-	48	2
from biological families	335	7	346	6	288	7	251	4	132	1
other	66	2	29	1	46	-	45	1	38	3
Children leaving foster care during the year	372	5	396	12	386	10	445	6	487	14
М	177	4	185	4	205	8	229	4	222	7
F	195	1	211	8	181	2	216	2	265	7
became of age	92	1	91	-	112	4	116	1	121	2
placed into children's welfare institutions	42	1	29	3	22	2	60	1	37	1
placed back into biological families	68	-	73	1	95	1	102	1	107	5
placed into other foster families	22	-	16	-	25	-	14	1	7	-
placed into guardianship or adopted	116	3	106	7	75	2	89	-	96	1
other	32	-	81	1	57	1	64	2	119	5
Children in foster care at the end of the year	1 048	25	1 065	20	1 081	21	971	20	732	16
M	528	16	542	14	536	15	467	14	379	8
F	520	9	523	6	545	6	504	6	353	8

Table 23. Movement of adults in foster care

	2	001	2	002	2	003	2	004	2	005
	Total	incl with special needs								
Adults in foster care at the beginning of the year	43	22	47	7	50	9	35	7	22	8
M	22	12	19	3	21	4	17	4	8	3
F	21	10	28	4	29	5	18	3	14	5
Adults placed into foster care during the year	19	5	33	4	21	5	19	8	5	-
M	7	1	18	3	9	2	7	3	-	-
F	12	4	15	1	12	3	12	5	5	-
Adults leaving foster care during the year	12	2	29	3	39	9	28	6	16	6
M	5	1	14	3	15	3	14	4	6	2
F	7	1	15	-	24	6	14	2	10	4
Adults in foster care at the end of the year	50	25	51	8	32	5	26	9	11	2
M	24	12	23	3	15	3	10	3	2	1
F	26	13	28	5	17	2	16	6	9	1

# **Adoption and guardianship**

Table 24. Children adopted and placed into guardianship, during the year

	1999	2000	2001	2002	2003	2004	2005
Adopted children, total	168	164	200	133	130	165	152
M	76	89	107	74	71	86	82
F	92	75	93	59	59	79	70
by parent's spouse	90	77	99	54	63	63	87
M	37	40	44	27	33	33	50
F	53	37	55	27	30	30	37
by new families in Estonia	41	60	81	46	52	74	49
M	16	33	50	29	27	37	25
F	25	27	31	17	25	37	24
by foreign citizens	37	27	20	33	15	28	16
M	23	16	13	18	11	16	7
F	14	11	7	15	4	12	9
Children placed in guardianship, total	314	275	247	272	257	203	221
M	155	129	134	142	115	113	94
F	159	146	113	130	142	90	127

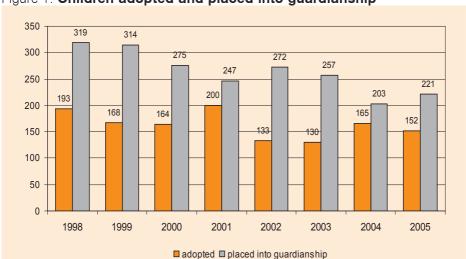


Figure 1. Children adopted and placed into guardianship

Table 25. Children adopted and placed into guardianship by place, during the year

	1999	2000	2001	2002	2003	2004	2005
Adopted children, total	168	164	200	133	130	165	152
from maternity hospitals	13	15	22	13	10	13	11
from shelters	3	5	1	8	1	2	-
from children's welfare institutions	50	50	77	49	48	76	39
from biological families	97	84	99	56	64	63	89
from foster care					7	9	13
other	5	10	1	5	-	2	-
Children placed into guardianship, total	314	275	247	272	257	203	221
from maternity hospitals	-	2	1	-	-	4	1
from shelters	4	3	4	2	2	2	2
from children's welfare institutions	11	24	15	14	2	3	8
from biological families	226	205	195	213	194	131	121
from foster care	-	-	-	-	41	42	53
other	73	41	32	43	18	21	36

Table 26. Children adopted and in guardianship, at the end of the year

	1999	2000	2001	2002	2003	2004	2005
Children adopted	3 611	3 409	3 252	2 985	2 775	2 562	2 429
M	1 768	1 693	1 629	1 522	1 418	1 318	1 265
F	1 843	1 716	1 623	1 463	1 357	1 244	1 164
Children in guardianship	2 216	2 025	1 926	1 819	1 788	1 647	1 572
M	1 090	978	949	900	887	830	765
F	1 126	1 047	977	919	901	817	807

Table 27. Day centre services

initial and a second a second and a second a												
	2000	2001	2002	2003	2004	2005						
<b>Service providers,</b> at the end of the year	62	79	85	86	94	102						
Number of clients during the year <sup>1</sup>	30 740	27 859	27 859	65 069	55 919	60 947						
incl regular clients				17 298	18 673	19 575						
Employees at the end of the year <sup>2</sup>	432	516	549	445	441	430						
Volunteer workers, during the year				191	244	233						

<sup>1</sup> Approximate number of clients. Regular clients are members or persons registered in day centres, who visit the day centre at least once a week.

Table 28. Home care services, during the year

Age	1998	2000	2001	2002	2003	2004	2005
<b>Total number of service users</b> <sup>1</sup> , during the year	5 638	5 638	5 553	5 964	6 171	5 539	5 696
Proportion in population, %	0,41	0,41	0,41	0,44	0,46	0,41	0,42
incl							
<17	243	150	149	148	128	119	140
18-24	63	48	53	57	51	62	32
25-49	312	302	287	331	342	297	257
50-64	715	635	638	729	681	573	553
65-79	2 147	2 368	2 315	2 479	2 519	2 100	2 155
80+	2 158	2 135	2 111	2 220	2 450	2 388	2 559
incl persons with special needs	1 972	2 225	2 339	2 927	3 129	2 831	3 074
<17	33	20	20	26	36	33	18
18-24	27	29	31	39	40	25	14
25-49	189	223	194	248	246	214	186
50-64	427	432	419	485	471	375	399
65-79	840	968	991	1 294	1 352	1 171	1 210
80+	456	553	684	835	984	1 013	1 247
<b>Domestic care service providers,</b> end of the year	688	747	732	737	709	697	682
with special education				120	118	148	146
completed further training				390	378	345	343
without special qualification				227	213	204	193

<sup>1</sup> The actual number of people receiving domestic care is somewhat higher, as domestic services are also provided by day centres and this is not reflected in the above table.

<sup>2</sup> Until 2002, all employees of institutions; since 2003, only main employees involved in providing services and separately volunteers.

Table 29. Housing services in the form of social housing and premises, in support homes 1, at the end of the year

	1999	2000	2001	2002	2003	2004	2005
Number of places	1 402	1 577	1 700	2 055	2 553	2 727	2 844
adapted to people with special needs	80	115	89	137	141	125	144
Number of inhabitants <sup>2</sup>	1 448	1 682	1 8912	2 653	3 224	3 439	3 584
living alone	1 005	1 119	1 208	1 494	1 866	2 065	2 246
living as a family	443	563	683	1159	1 358	1 374	1 338
Of whom							
people with special needs	245	340	372	718	803	953	1 002
people in pensionable age	970	1 057	1 220	1 037	1 459	1 467	1 543
Proportion in population, %	0,11	0,12	0,14	0,20	0,24	0,25	0,27

<sup>1</sup> Social housing or social premises mean dwellings in municipal ownership, for people needing social services. Support homes – institutions providing daily or periodical 24h care to disabled people living at home

Table 30. Rehabilitation services for people with disabilities and special mental needs, during the year

	2003	2004	2005
Institutions providing the services			
to disabled people	29	39	41
to adults with special mental needs	6	8	9
People using the services, during the year			
disabled	6 599	9 543	15 861
0-6	1 279	1 399	1 762
7-17	2 673	2 514	2 734
18-64	2 139	4 413	7 573
65 and older	508	1 217	3 792
incl number of rehabilitation plans drawn up	3 249	6 385	9 605
adults with special mental needs	669	949	1 035
incl number of rehabilitation plans drawn up	453	773	962

<sup>2</sup> The calculation of social housing was reorganised in 2002, retrospectively registering dwellings as social housing. Therefore the number of inhabitants on the 2001 timeline comparable with 2002 is 2233.

# Welfare of disabled adults (financed from the state budget)

Table 31. Disabled adults with an appointed care-giver, by sex and age, at the end of 2005

	Total	by	/ sex
		men	women
Persons in care	22 831	8 890	13 941
up to 24	492	270	222
25-34	804	491	313
35-44	1 007	563	444
45-54	1 403	789	614
55-64	2 722	1 358	1 364
65+	16 403	5 419	10 984
Care-givers	20 628	5 742	14 886

Table 32. Disabled adults receiving welfare services, by degree of severity of disability, at the end of 2005

or areas may, at the original or 2000										
	Total	according to the severity of the disability								
		profound disability	severe disability	moderate disability	disability not determined					
Persons with an appointed care-giver	22 831	7 627	15 001	61	142					
Persons receiving welfare services 1	2 206	764	1 298	53	91					
Persons with both an appointed caregiver and receiving welfare services	858									

<sup>1</sup> Incl. the home care service, the personal assistant service, foster care, care in welfare institutions, care in day-care centres, housing service and other.

Table 33. Disabled adults receiving financial assistance, by degree of severity of disability, during the II-IV quarter 2005

Total	by degree of severity of disability								
	severe disability	profound disability	moderate disability	disability not determined					
9 830	2 333	6 343	564	590					

# Prosthetic, orthopedic and other devices provided at a discount

Table 34. **Receivers of prosthetic, orthopedic and other devices**, during the year

Type of device	Receivers of			of whom	1	
	devices, total <sup>1</sup>	children ag	ed up to 18	working-	age people	people in
		total	incl disabled	working	non-working	pensionable age
Devices sold a	nd rented, tota	al				
2001	21 342	4 246	1 066	660	3 278	13 155
2002	21 694	4 421	1 630	736	3 001	13 536
2003	25 292	4 846	1 785	877	3 377	16 192
2004	26 369	5 097	1 748	889	2 929	17 454
2005	34 790	6 727	1 991	1 346	3 680	23 037
moving aids						
2001	5 274	468	143	54	1 227	3 525
2002	4 319	493	265	54	978	2 794
2003	5 126	517	295	70	1 105	3 434
2004	5 308	506	311	71	929	3 802
2005	7 338	586	379	93	1 275	5 384
orthopedic ar	nd prosthetic de	vices				
2001	5 152	2 745	522	310	467	1 629
2002	5 577	2 744	665	301	555	1 977
2003	6 454	3 103	802	310	679	2 365
2004	6 737	3 329	757	403	476	2 529
2005	9 310	4 716	859	677	537	3 380
nursing and c	are devices					
2001	8 223	659	208	113	1 378	6 071
2002	9 083	833	453	157	1 250	6 843
2003	9 605	826	415	117	1 266	7 396
2004	11 241	920	450	104	1 212	9 005
2005	14 146	1 032	498	132	1 533	11 449
seeing aids						
2001	782	159	83	41	164	418
2002	817	145	97	41	159	472
2003	797	152	105	41	206	398
2004	846	162	109	32	237	415
2005	878	161	114	65	267	385
hearing aids						
2001	1 911	215	110	142	42	1 512
2002	1 898	206	150	183	59	1 450
2003	3 307	248	168	339	121	2 599

Type of device	Receivers of		of whom									
	devices, total <sup>1</sup>	children ag	ged up to 18	working-	age people	people in						
		total	incl disabled	working	non-working	pensionable age						
2004	2 237	180	121	279	75	1 703						
2005	3 109	228	140	376	66	2 439						
other												
2005	9	4	1	3	2	-						

<sup>1</sup> Every person is counted only once, regardless of the number of times devices are provided.

 $\mbox{\footnote{Table}}\ 35.$  Cost of prosthetic, orthopedic and other devices and state financing

Type of device	Total cost		of which covered	by the state	
	of devices, thousand EEK	total, thousand	% of total cost	incl devices f	or childen
	triousario een	EEK		total, thousand EEK	% of state financing
Devices sold and	rented, total				
2001	32 396	24 890	77	6 251	25
2002	33 938	25 981	77	6 551	25
2003	46 147	35 473	77	9 196	26
2004	42 485	31 693	75	8 681	27
2005	64 247	47 708	74	13 216	28
moving aids					
2001	5 192	4 209	81	927	22
2002	5 575	4 582	82	1 069	23
2003	8 191	7 090	87	1 850	26
2004	7 676	6 818	89	1 545	23
2005	13 207	11 476	87	2 620	23
orthopedic and p	rosthetic devices				
2001	14 495	11 844	82	2 678	23
2002	14 807	12 010	81	3 142	26
2003	18 892	15 385	81	3 892	25
2004	16 020	12 753	80	3 978	31
2005	23 262	18 250	78	5 836	32
nursing and care	devices				
2001	6 488	3 698	57	974	26
2002	7 012	4 046	58	997	25
2003	8 521	4 814	56	1 227	25
2004	10 089	5 707	57	1 461	26
2005	13 817	7 778	56	1 926	25
				do.	ho continued

Type of device	Total cost		of which covered	by the state	
	of devices, thousand EEK	total, thousand	% of total cost	incl devices f	or childen
	triousariu een	EEK		total, thousand EEK	% of state financing
seeing aids					
2001	1 624	1 419	87	429	30
2002	1 639	1 433	87	321	22
2003	2 155	1 884	87	535	28
2004	1 913	1 601	84	360	22
2005	3 313	2 839	86	795	28
hearing aids					
2001	4 597	3 720	81	1 243	33
2002	4 905	3 910	80	1 021	26
2003	8 388	6 300	75	1 692	27
2004	6 787	4 815	71	1 337	28
2005	10 565	7 304	69	2 014	28
other					
2005	83	62	75	24	39

Table 36. Shelter services and rehabilitation services to ex-convicts

		2003			2004		2005		
Insitutions providing service, at the end of the year		28			29			27	
	Total	М	F	Total	М	F	Total	М	F
Service users, during the year	3 243	2 037	1 206	2 580	1 732	848	2 606	1 663	943
Persons using the services, by									
cause									
Release from penal institutions	698	647	51	559	510	49	579	544	35
Homelessness <sup>1</sup>	595	336	259	365	217	148	414	234	180
Vagrancy	368	256	112	302	222	80	369	258	111
Domestic violence	326	95	231	254	96	158	309	83	226
Domestic neglect	238	132	106	221	135	86	204	109	95
Alcohol abuse by parents and other relatives	222	93	129	137	70	67	144	73	71
Alcohol abuse	158	109	49	134	99	35	148	119	29
Drug abuse	172	133	39	94	68	26	89	57	32
Drug abuse by parents and other relatives	39	21	18	28	15	13	28	15	13
Other violence	33	18	15	15	8	7	8	5	3
Other/cause unknown	394	197	197	471	292	179	314	166	148
Service users by age and cause									
Under-aged total	1 798	1 055	743	1 354	834	520	1 237	702	535
incl 0-6	471	241	230	339	196	143	402	213	189
7-14	872	555	317	592	388	204	482	271	211
15-17	455	259	196	423	250	173	353	218	135

		2003			2004			2005	
	Total	М	F	Total	М	F	Total	М	F
Release from penal institutions	3	1	2	12	11	1	-	-	-
Homelessness <sup>1</sup>	292	163	129	127	67	60	138	62	76
Vagrancy	327	230	97	265	200	65	230	161	69
Domestic violence	180	94	86	174	93	81	136	75	61
Domestic neglect	217	125	92	211	131	80	196	105	91
Alcohol abuse by parents and other relatives	210	91	119	132	69	63	137	72	65
Alcohol abuse	48	32	16	36	24	12	51	37	14
Drug abuse	166	130	36	94	68	26	77	51	26
Drug abuse by parents and other relatives	24	17	7	28	15	13	27	14	13
Other violence	24	16	8	8	6	2	5	4	1
Other/cause unknown	307	156	151	267	150	117	240	121	119
Adults total	1 445	982	463	1 226	898	328	1 369	961	408
incl 18-24	244	151	93	202	134	68	196	124	72
25-49	948	650	298	682	508	174	770	564	206
50+	253	181	72	342	256	86	403	273	130
Release from penal institutions	695	646	49	547	499	48	579	544	35
Homelessness <sup>1</sup>	303	173	130	238	150	88	276	172	104
Vagrancy	41	26	15	37	22	15	139	97	42
Domestic violence	146	1	145	80	3	77	173	8	165
Domestic neglect	21	7	14	10	4	6	8	4	4
Alcohol abuse by parents and other relatives	12	2	10	5	1	4	7	1	6
Alcohol abuse	110	77	33	98	75	23	97	82	15
Drug abuse	6	3	3	-	-	-	12	6	6
Drug abuse by parents and other relatives	15	4	11	-	-	-	1	1	-
Other violence	9	2	7	7	2	5	3	1	2
Other/cause unknown	87	41	46	204	142	62	74	45	29

<sup>1</sup> Excl. people released from penal institutions

Table 37. Persons using the night shelter services for the homeless, by sex, age and duration of stay, during the year

		2003		2004				2005				
	Total	homeless <sup>1</sup>	other persons in night shelters <sup>2</sup>	Total	homeless <sup>1</sup>	other persons in night shelters <sup>2</sup>	Total	homeless <sup>1</sup>	other persons in night shelters <sup>2</sup>			
Total	1 712	1 582	130	2 062	1 700	362	1 880	1 460	420			
М	1 404	1 311	93	1 711	1 403	308	1 515	1 174	341			
F	308	271	37	351	297	54	365	286	79			
By age												
under 18	-	-	-	19	9	10	15	4	11			
18-24	108	84	24	79	45	34	93	64	29			

		2003			2004			2005	
	Total	homeless <sup>1</sup>	other persons in night shelters <sup>2</sup>	Total	homeless <sup>1</sup>	other persons in night shelters <sup>2</sup>	Total	homeless <sup>1</sup>	other persons in night shelters <sup>2</sup>
25-49	999	939	60	1 057	855	202	921	706	215
50-64	517	486	31	810	711	99	690	569	121
65 and older	88	73	15	97	80	17	161	117	44
By duration of	of stay								
up to 7 nights	460	398	62	580	333	247	599	264	335
8-30 nights	321	256	65	443	364	79	285	227	58
31-90 nights	274	274	-	362	327	35	578	551	27
91-180 nights	313	312	1	335	334	1	205	205	-
181-270 nights	201	200	1	271	271	-	125	125	-
more than 270 nights	143	142	1	71	71	-	88	88	-

<sup>1</sup> Homeless person – a person, who has no legal relationship (ownership, lease agreement, permanent accommodation agreement) to any buildings, rooms or parts thereof that would qualify as housing and who has no source of income necessary for acquiring a place to live and no social skills to change his or her status in the given circumstances.

#### Subsistence benefit

Table 38. The use of subsistence benefit funds, the number of satisfied applications and the average amount of benefit

Type of benefit	1998	2000	2001	2002	2003	2004	2005
Subsistence benefit (to maintain subsistence level)							
Number of satisfied applications a year, thousand	577,2	494,8	443,3	385,7	313,4	214,6	174,4
Average amount of benefit per application, EEK	503	617	797	847	984	1 010	1 192
Average number of satisfied applications a month, thousand	48,1	41,2	36,9	32,1	26,1	17,9	14,5
Proportion of families receiving benefit (monthly average) of all families <sup>1</sup> , %	7,8	7,2	6,5	5,7	4,6	3,2	2,6
Supplementary benefits							
Number of satisfied application a year, thousand	317,1	29,2	3,8	48,4	37,3	33,5	104,9
Average number of satisfied applications a month, thousand	26,4	2,4	0,3	4,0	3,1	2,8	8,7
Average amount of benefit per application, EEK	381	343	279	440	454	545	419

<sup>1</sup> The calculation is based on the adjusted number of households from the Statistics Estonia's Household Budget Survey.

<sup>2</sup> Persons needing temporary night accommodation for various reasons (family conflicts, domestic violence etc.).

Figure 2. **Average amount of subsistence benefit** (to maintain subsistence level) **per application**, EEK

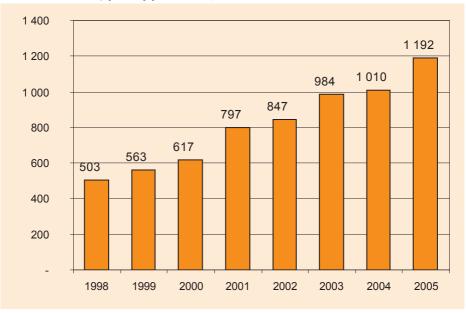


Table 39. Families receiving benefits from the subsistence benefit funds

Type of benefit	1998	2000	2001	2002	2003	2004	2005
Families receiving subsistence benefit (to maintain subsistence level)¹, thousand	85,1	65,4	70,4	69,3	51,1	33,2	26,8
proportion of all families2	13,9	11,4	12,4	12,2	9,0	5,9	4,7
Families receiving supplementary benefits <sup>1</sup> , thousand	170,5	24,5	3,6	37,7	35,4	30,8	50,9
proportion of all families <sup>2</sup>	27,8	4,2	0,6	6,7	6,3	5,4	9,0

<sup>1</sup> The numbers of families cannot be added up, as one family may receive both benefits. This includes all families receiving benefits regardless of the number of times benefits are received.

Table 40. **Structure of families receiving subsistence benefit** (to maintain subsistence level)<sup>1</sup>, %

	1998	2000	2001	2002	2003	2004	2005
Families receiving subsistence benefit							
with an unemployed person		60,6	59,1	56,6	61,4	72,4	70,3
recipient of unemployment benefit	30,5	27,9	31,5	26,5	26,1	27,8	26,9
long-term unemployed, non-working job-seeker		32,7	27,6	30,1	35,3	44,6	43,4
with children	49,3	45,9	38,3	34,1	38,7	43,4	39,1
pensioner`s	12,2	5,8	7,7	7,9	7,6	6,7	9,3

<sup>2</sup> The calculation is based on the adjusted number of households from the Statistics Estonia's Household Budget Survey.

	1998	2000	2001	2002	2003	2004	2005
student`s		11,7	16,7	21,7	14,6	1,9	1,7
with a disabled person	7,3	5,8	5,8	5,7	6,3	6,4	8,0
Families with children receiving subsistence benefit, by number of children	100	100	100	100	100	100	100
with 1 child	51,3	54,0	56,7	58,5	54,9	52,7	54,0
with 2 children	30,5	29,8	29,0	27,7	27,7	28,3	27,7
with 3 and more children	18,2	16,2	14,3	13,8	17,4	19,0	18,3

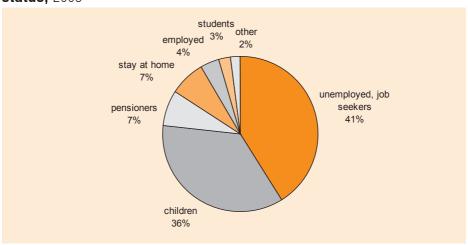
<sup>1</sup> Calculated on the basis of satisfied applications. One family may belong under several family types (e.g. a family with children and an unemployed person), and therefore the total of different family types does not equal 100%.

Table 41. **Members of families receiving subsistence benefit** (to maintain subsistence level), **by social status**<sup>1</sup>, %

	2000	2001	2002	2003	2004	2005
Members of families receiving subsistence benefit, by social status	100	100	100	100	100	100
recipients of unemployment benefit, job-seekers, long-term unemployed	34,0	36,4	36,9	36,8	40,4	41,2
recipients of unemployment benefit	14,7	18,5	16,3	14,7	14,7	15,0
long-term unemployed, non-working job-seekers	19,3	17,9	20,6	22,1	25,7	26,2
children	38,4	33,6	30,9	34,9	37,9	35,5
stay-at-home persons <sup>2</sup>	6,3	5,4	5,5	7,1	7,9	7,4
pensioners	4,6	6,3	6,6	6,2	5,5	7,5
employed	6,7	4,8	3,9	4,0	3,9	3,9
students	7,2	10,8	14,3	9,4	2,5	2,5
other	2,8	2,7	1,9	1,6	1,8	2,0

<sup>1</sup> Calculated on the basis of satisfied applications.

Figure 3. Members of families receiving subsistence benefit by social status, 2005



<sup>2</sup> Persons in child care leave, care-givers of the disabled etc.

Table 42. Distribution of families receiving subsistence benefit (to maintain subsistence level), by the number of times benefit is received¹ during the year, %

Year	Total		Distribution of families by the number of times benefit is received										
		- 1	2	3	4	5	6	7	8	9	10	- 11	12
1998	100	21,3	11,9	9,6	8,6	7,6	5,9	5,3	4,3	4,1	4,1	5,2	12,0
1999	100	22,1	11,6	9,5	8,5	7,0	6,0	4,8	4,4	4,6	4,2	5,4	11,9
2000	100	19,9	12,4	9,8	7,8	6,3	5,6	4,6	4,3	4,3	4,5	5,4	15,2
2001	100	14,4	10,5	9,1	7,8	6,7	6,2	5,3	4,8	5,3	5,2	6,4	18,3
2002	100	16,2	11,4	16,1	7,1	6,0	7,8	4,2	3,8	3,8	4,1	5,3	14,2
2003	100	14,5	9,9	10,3	7,4	7,9	7,8	5,5	5,7	3,8	3,8	5,1	18,3
2004	100	17,1	9,4	7,8	7,4	6,4	5,5	4,4	4,1	4,1	4,2	5,7	23,9
2005	100	15,9	9,2	8,0	7,1	6,8	5,7	4,7	4,7	4,3	4,6	5,8	23,1

<sup>1</sup> Until IV quarter of 2000 without receivers of dwelling compensation in Tallinn.

Table 43. Satisfaction of subsistence benefit applications (to maintain subsistence level) from citizens of countries, which have ratified the European Social Charter

	2001	2002	2003	2004	2005
Number of satisfied applications	10	22	16	20	31
Number of families receiving benefits	3	4	2	4	7
Total subsistence benefits, thousand EEK	3,6	17,2	48,5	66,2	53,6

Table 44. Expenditure and financing of welfare services<sup>1</sup>

Table 44. Experioriture and inflancing of wentare services												
Type of service	Number	Total	financed by									
	of service	expendi-	person	local	state	incl	other					
	<b>users,</b> durina the	<b>ture,</b> thousand		govern-		state budget	gambling					
	year	EEK	ment	ment			tax					
Institutional welfare services to orphans and children without parental care												
2003	1 767	99 697,8	547,7	4 202,9	91 434,9			3 512,3				
2004	1 851	117 000,3	445,1	5 126,1	109 219,6			2 209,6				
2005	1 905	142 676,8	155,2	3 588,5	130 126,6	130 048,0	78,6	8 806,5				
Institutional we	elfare serv	ices to c	hildren v	vith seve	re or pro	found disab	ility upo	n				
parents' applic	ation											
2003	132	7 833,7	703,5	581,4	5 376,7			1 172,2				
2004	127	8 431,8	965,0	899,1	5 559,9			1 007,8				
2005	136	9 741,4	1 141,1	2 774,5	5 746,6	5 746,6	-	79,2				
							to bo	a a malinus al N				

Type of service	Number	Total			finan	ced by		
,,, -, -, -, -,	of service users, during the year	expendi- ture, thousand EEK	person	local govern- ment	state	incl state budget		other
Institutional w			dults (e	xcl. with	special r	nental need	ls)	
2003	5 404	197 210,7	86 803,9	106 758,4	3 434,3			214,2
2004	5 997	219 965,5	104 487,7	111 268,8	3 397,3			811,7
2005	6 422	257 339,4	129 516,0	122 517, 6	3 892,6	3 408,0	484,6	1 413,2
Welfare servic	es to adul	ts with s	oecial me	ental nee	ds²			
2003	5 072	140 025,2	32 233,6	5 804,4	100 959,5			1 027,7
2004	5 290	150 712,1	37 188,1	6 529,4	105 525,9			1 468,8
2005	5 297	182 609,1	42 549,7	8 278,3	130 446,5	129 727,8	178,7	1 334,6
Rehabilitation	services t	o adults	with spe	cial ment	al needs			
2003	669	4 938,8	-	-	4 938,8			-
2004	949	5 908,9	4,0	1,9	5 903,1			-
2005	1 035	6 162,1	0,3	134,6	6 027,3	6 011,8	15,4	-
Rehabilitation	services t	o the dis	abled pe	rsons				
2003	6 599	7 763,1	427,3	2 463,9	4 737,7			134,2
2004	9 543	14 518,3	264,9	368,7	13 729,8			154,9
2005	15 861	33 315,3	690,4	1 633,5	30 733,5	30 635,5	98,0	257,9
Prosthetic, ort	hopedic a	nd other	devices					
2003	25 292	46 147,5	10 674,5		35 473,0	35 473,0	-	
2004	26 369	42 484,8	10 791,9		31 692,9	31 692,9	-	
2005	34 790	64 247,0	15 539,0		47 708,0	47 708,0	-	
Shelter service institutions	es and reh	abilitatio	n service	es to peo	ple relea	sed from pe	enal	
2003	3 243	27 841,5	168,8	23 290,2	2 480,4			1 902,0
2004	2 580	27 965,7	106,9	22 938,0	2 476,6			2 444,1
2005	2 606	27 029,1	140,2	23 945,8	2 622,1	2 449,1	173,0	321,0
Housing service	ces in the	form of s	ocial hou	using, pre	emises, s	support hon	nes	
2003	3 697	30 985,4	3 136,7	25 031,9	689,9			2 126,9
2004	3 907	29 113,4	3 754,9	24 692,5	103,2			562,8
2005	4 194	26 133,6	6 971,3	18 730,5	277,2	277,2	-	154,6
Day centre se	rvice							
2003	65 069	38 065,3	2 818,7	33 372,5	454,8	454,8		1 419,3
2004	55 976	44 484,3	3 273,9	39 410,2	442,9	442,9		1 357,3
2005	60 947	52 427,3	3 547,9	46 239, 0	908,3	442,0	466,3	1 732,1
Domestic serv	rice							
2003	6 171	33 740,8	746,6	32 873,1	121,1	121,1		-
2004	5 539	36 944,0	411,0	36 511,0	22,0	22,0		-

Type of service	Number	Total		financed by								
	of service	expendi-	person	local	state	incl		other				
	users, during the year	<b>ture,</b> thousand EEK		govern- ment		state budget	gambling tax					
2005	5 696	40 661,6	400,1	40 058,1	203,4	203,4		-				
Night shelter service												
2003	1 712	6 432,1	34,6	5 451,5	-	-	-	946,0				
2004	2 062	7 049,5	8,9	6 459,9	-	-	-	580,7				
2005	1 880	6 899,7	3,5	6 896,2	-	-	-	-				
Foster care												
2003	1 538	11 974,7	138,7	755,4	11 034,4			46,2				
2004	1 470	14 576,2	147,4	1 419,7	12 619,0			390,1				
2005	1 246	11 517,8	207,0	1 188,0	10 016,3			106,5				
Guardianship												
2003	2 098	25 617, 0			25 617, 0							
2004	1 951	21 599, 0			21 599, 0							
2005	1 851	19 937, 0			19 937, 0							

<sup>1</sup> Expenses directly related to the provision of services, and sources of financing.

Table 45. Expenditure on social insurance and welfare from the state budget,  $\operatorname{million}$  EEK

	1998	2000	2001	2002	2003	2004	2005
Social insurance 1	6 494,5	8 097,4	8 632,2	9 528,0	10 408,5	12 227,1	13 602,6
State pension insurance	5 205,2	6 473,8	6 621,1	7 285,6	8 154,2	9 199,3	10 516,0
Social benefits for the disabled	-	75,7	441,2	565,2	588,8	630,1	571,32
Family benefits	1 158,9	1 317,0	1 317,2	1 395,4	1 382,1	2 106,0	2 195,8
incl parental benefit	-	-	-	-	-	441,3	552,6
Other benefits and payments <sup>3</sup>	90,4	74,7	79,6	88,7	94,8	112,5	149,3
Social tax paid from the state budget in special cases <sup>4</sup>	-	108,5	122,2	141,5	145,2	141,8	134,92
Payment expenses on pensions and benefits	40,0	47,7	50,9	51,6	43,4	37,4	35,3
Percentage of social insurance expenditure							
of GDP	8,32	8,48	7,98	7,85	7,83	8,34	7,86
of the state budget <sup>5</sup>		28,38	28,98	27,75	26,32	25,68	24,63
Administration expenses of the Social Insurance Board		79,6	76,7	80,6	77,4	90,8	99,0
Social welfare	666,9	568,0	656,2	672,7	650,6	562,1	769,8

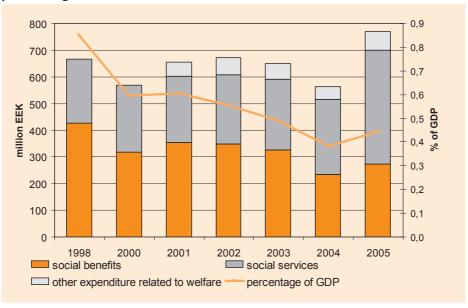
<sup>2</sup> Total added number of users of different type of services (not the number of service users).

	1998	2000	2001	2002	2003	2004	2005
Social benefits	425,5	318,3	354,4	347,9	325,1	235,0	273,7
incl benefits from the subsistence benefit funds	411,5	315,3	354,4	347,9	325,1	235,0	251,7
subsistence benefit	290,6	305,3	353,3	326,6	308,2	216,8	207,8
supplementary benefit	120,9	10,0	1,0	21,3	16,9	18,2	43,9
other benefits	-	-	-	-	-	-	10,1
cash benefits for adults with disabilites	-	-	-	-	-	-	11,9
other benefits <sup>6</sup>	14,0	3,0	-	-	-	-	-
Social services	241,4	249,7	246,6	258,5	266,6	282,2	426,3
incl state welfare for people with special mental needs <sup>7</sup>	94,5	96,8	89,7	98,8	101,2	105,5	129,5
institutional welfare services for adult 8	6,5	6,2	4,3	4,0	3,4	3,4	3,4
state welfare for children9	75,5	88,6	102,2	105,7	105,7	121,4	138,4
services to adults with disabilities <sup>2</sup>	-	-	-	-	-	-	82,9
operating expenses of vocational training centre for disabled people	9,9	11,4	11,1	13,1	14,1	14,5	18,0
partial compensation of the cost of prosthetic and other devices	23,5	23,2	25,2	26,2	35,7	31,9	47,9
national welfare programmes	23,7	12,6	10,0	6,4	2,4	1,8	2,5
other services	7,8	10,9	4,1	4,4	4,2	3,7	3,7
Other expenditure related to welfare			55,2	66,3	58,9	44,9	69,8
incl investments into welfare institutions from the state budget and gambling tax <sup>10</sup>			44,2	50,2	40,9	23,1	42,6
welfare projects financed from gambling tax	***	***	11,0	16,1	18,0	21,8	27,2
Percentage of social welfare							
expenditure	0.05	0.50	0.01	0.55	0.40	0.00	0.44
of GDP of the state budget <sup>5</sup>	0,85	0,59 1,99	0,61 2,20	0,55 1,96	0,49 1,64	0,38 1,18	0,44
or the state budget		1,99	2,20	1,90	1,04	1,10	1,39

- 1 Does not include health insurance and unemployment insurance (covered in sections "Health protection" and "Labour market").
- 2 Since 01.04.2005 the funds for disabled adult care-giver allowance (incl funds for social tax) were transferred to local governments, see the subsection "Social services" of the same table.
- The preparation of rehabilitation plans and rehabilitation services for people with special needs, compensations related to occupational accidents and diseases, payment for days of caring for children, disabled persons and child-care leave, additional days off for parents of disabled children, paid breaks for feeding children, treatment in rehabilitation centres, funeral benefit, social benefit for Estonian citizens who have settled in Estonia from a foreign country or persons of Estonian nationality and compensations to victims of crime.
- 4 Social tax is paid from the state budget via the Social Insurance Board for receivers or child-care allowance and parental benefit, persons taking care of disabled people, in certain cases also for dependents and people returning to Estonia.
- 5 In 1998, the state budget did not include the social insurance and health insurance part and therefore these figures cannot be compared to subsequent years.

- 6 Transport benefit for disabled people and benefit for the victims of the Chernobyl disaster, paid as a social insurance benefit since 2001.
- 7 Expenses of welfare institutions and open care services.
- 8 The expenses of persons placed in general care homes before 1 January 1993 are covered from the state budget.
- 9 For providing sustenance and rehabilitation services to orphans and children left without parental care in foster care and welfare institutions.
- 10 Since 2003 only investments from the state budget.

Figure 4. Expenditure on social welfare from state budget and percentage of GDP



### SOCIAL PROTECTION EXPENDITURE

The calculation of social protection expenditure is based on ESSPROS (European System of Social Protection Statistics) methodology.

By the definition of ESSPROS, social protection is the aggregate of measures taken by the state, local governments or the private sector in order to facilitate the subsistence of a person or household in case of partial or total loss of income when certain predefined risks or needs occur (see functions presented in the table). Social protection expenditure includes monetary benefits paid to recipients of benefits in cash, and non-monetary benefits in the form of services and goods. Administration expenses and capital expenses are considered as social protection expenditure only if they are directly related to the payment of benefits or the provision of services. According to the ESSPROS methodology, a person's own financing in paying for services is not considered as social protection expenditure.

ESSPROS is based on functions, i.e. the purpose of paying benefits or providing services (illness, old age, unemployment etc). Thus the benefits paid under pension plans are divided between the functions "old age", "disability/incapacity for work" and "loss of provider", and the various welfare expenses between the functions "old age", "disability/incapacity for work" and "family and children". E.g. the maternity benefit is included under the function "family and children", the subsistence benefit under "social exclusion" and the funeral benefit under "loss of provider".

The social protection expenditure includes expenses, which are regularly and in detail reported on the national or institutional level. Budget compliance reports from local governments do not allow for an adequate assessment of the total volume of social and health care services and benefits financed from the local governments' budgets. The local governments' expenses include main welfare services – care in welfare institutions, domestic services, housing services etc.

As the social expenses incurred by local governments are somewhat poorly presented, the actual total social protection expenditure and its proportion in GDP is somewhat higher than shown in the table.

The social protection expenditure has been growing in Estonia at an ever-increasing pace. In 2004, the expenditure grew by approx 15% from 2003.

The proportion of social expenditure in GDP has also shown an increasing trend in 2002-2004, amounting to 13.4% of GDP in 2004.

While the expenditure on functions like "illness, health care", "disability, incapacity for work" and "old age" grew rather uniformly by 12-13%, the expenditure aimed at families and children leapt to 46%, primarily due to an increase in the child benefit paid to the first child and the implementation of the parental benefit. Expenditure has decreased on functions "housing" and "social exclusion", due to a decrease in the amounts paid as subsistence benefits (incl. compensation of housing costs).

Table 1. Social protection expenditure<sup>1</sup>

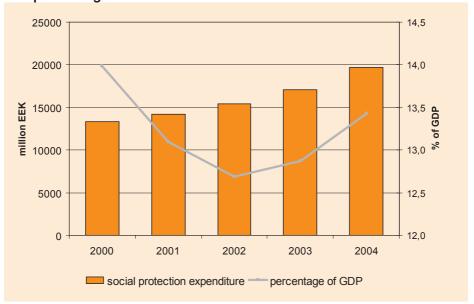
	2000	2001	2002	2003	2004
Total expenditure, million EEK 13.3	358,32	14 176,55	15 404,58	17 107,98	19 693,35
Expenditure on social protection benefits, million EEK	148,88	13 949,39	15 174,59	16 859,87	19 414,59
Sickness, health care 4.2	221,42	4 448,16	4 719,41	5 368,98	6 106,38
Disability, incapacity for work	369,26	1 146,25	1 355,03	1 571,59	1 773,96
Old age 5.7	704,45	5 927,96	6 617,02	7 420,69	8 320,86
Survivors	258,14	238,25	188,87	135,19	157,29
Family and children 1 5	568,39	1 598,60	1 725,63	1 681,68	2 463,95
Unemployment	167,82	189,65	166,03	304,89	309,93
Housing	93,33	84,6	96,22	103,57	70,31
Social exclusion	266,07	315,92	306,38	273,28	211,91
Administration expences	209,44	227,15	230	248,11	278,76
Structure of social protection					
benefits, %					
Total	100	100	100	100	100
Sickness, health care	32,1	31,9	31,1	31,8	31,5
Disability, incapacity for work	6,6	8,2	8,9	9,3	9,1
Old age	43,4	42,5	43,6	44,0	42,9
Survivors	2,0	1,7	1,2	0,8	0,8
Family and children	11,9	11,5	11,4	10,0	12,7
Unemployment	1,3	1,4	1,1	1,8	1,6
Housing	0,7	0,6	0,6	0,6	0,4
Social exclusion	2,0	2,3	2,0	1,6	1,1
Percentage of GDP <sup>2</sup>					
Total	14,0	13,1	12,7	12,9	13,4
Sickness, health care	4,4	4,1	3,9	4,0	4,2
Disability, incapacity for work	0,9	1,1	1,1	1,2	1,2
Old age	6,0	5,5	5,5	5,6	5,7
Survivors	0,3	0,2	0,2	0,1	0,1
Family and children	1,6	1,5	1,4	1,3	1,7
Unemployment	0,2	0,2	0,1	0,2	0,2
Housing	0,1	0,1	0,1	0,1	0,0
Social exclusion	0,3	0,3	0,3	0,2	0,1
Administration expences	0,2	0,2	0,2	0,2	0,2

<sup>1</sup> In 2005, the Statistics Estonia recalculated the data from previous years and therefore the data differ somewhat from the figures presented in previous publications (expenses on children's day-care have not been included as a social protection expense).

Source: Statistics Estonia

<sup>2</sup> In 2006 Satistics Estonia retrospectively adjusted the 2000-2005 GDP indicators in accordance with the changed methodology, and therefore the data differ from those presented in previous collections

Figure 1. Social protection expenditure (incl administration expenses) and percentage of GDP



#### MACROECONOMIC INDICATORS USED IN CALCULATIONS

	1995	1998	2000	2001	2002	2003	2004	2005
Population, on 1 January	1 448 075	1 393 074	1 372 071	1 366 959	1 361 242	1 356 045	1 351 069	1 347 510
Annual average population	1 436 634	1 386 156	1 369 515	1 364 101	1 358 644	1 353 557	1 349 290	1 346 097
GDP in current prices, million EEK1	43 060,6	78 027,6	95 491,0	108 218,3	121 372,2	132 904,0	146 693,8	173 062,3
State budget (incl. additional budget), million EEK <sup>2</sup>	8 912,3	15 281,7	28 531,0	29 786,1	34 329,4	39 550,7	47 619,7	55 232,0

In 2006 Statistics Estonia retrospectively adjusted the 2000-2005 GDP indicators in accordance with the changed methodology, and therefore the data differ from those presented in previous collections.

<sup>2</sup> In 1995, and 1998, the state budget did not include the social insurance and health insurance part and therefore these figures are not comparable to subsequent years.