

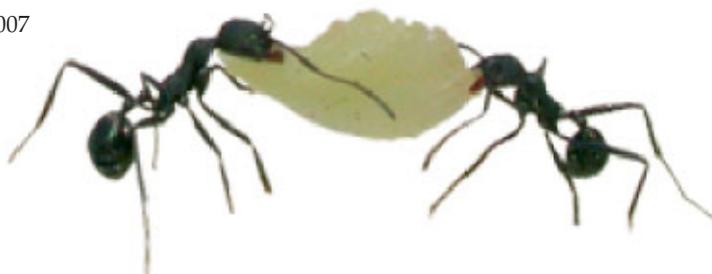
Estonian Labour Market
Board Annual Report 2006



Contents

2006 – YEAR OF CHANGES	P. 3	FOREWORD
UNEMPLOYMENT RATE IN ESTONIA THE LOWEST DURING THE LAST FIVE YEARS	P. 4	STATISTICS
THROUGH IN-SERVICE TRAINING TO HIGHER SERVICE QUALITY	P. 8	PERSONNEL
WITH THE ESF SUPPORT EQUAL OPPORTUNITIES IN LABOUR MARKET	P. 10	EUROPEAN SOCIAL FUND
JOB IN EUROPE OR EMPLOYEE FROM EUROPE	P. 12	EURES
CUSTOMER SERVICE OF LABOUR MARKET BOARD ONE OF THE BEST IN PUBLIC SECTOR	P. 14	SERVICE

Issued by: Estonian Labour Market Board, 2007
Design and layout: Dada AD
Printed on recycled paper
ISSN 1736-5732





Second row from the left: Kristina Lauri, Tiina Kõre, Tiina Ormisson, Merike Michelson, Viive Suvi, Galina Romanova and Erko Vanatalu. Front row: Kerli Lorvi, Teet Torgo and Nele Labi.

Photo by: Andres Teiss

2006 – Year of Changes

■ TIINA ORMISSON | GENERAL DIRECTOR, ESTONIAN LABOUR MARKET BOARD

*Go as far as you can see;
when you get there you'll be able to see farther.*

For the Estonian Labour Market Board, the year 2006 was a year of changes. On 1 January the new structure of the Labour Market Boards was implemented. 17 separate institutions were united.

The new Labour Market Services and Benefits Act entered into force successfully. Since that time the unemployed and inactive persons have been provided with work practice, coaching for working life and four services meant specially for disabled people.

From June 2006 to February 2007 the Labour Market Board carried out a service quality assessment, the objective of which was to observe and evaluate the behaviour of our service renders in everyday situation, to “map” the positive and negative aspects of the service process and to compare the service provided by different offices and departments. For a more detailed overview on the results of the assessment, please read the interview held with Riin Pärnamets, Research Manager.

To improve the service quality, the Labour Market Board has provided the employees with regular in-service training. One of the major projects was the teamwork training for employees of all the departments of the Labour Market Board. The training focussed on communication and relations among the personnel.

In summary five bigger changes can be brought out in the activities of the Labour Market Board with regard to 2006.

- ☛ On 1 January 2006 the new Labour Market Services and Benefits Act, which includes considerably more possibilities for the unemployed persons for returning to the labour market, entered into force.
- ☛ The service of the Labour Market Board started to include case-study principles based on individual approach.
- ☛ Four new services meant for disabled people were added to the list of services.
- ☛ 23 additional projects with the budget of EEK 75 million were implemented within Measure 1.3 of the European Social Fund. The project will involve 6,285 people, of whom 1,202 should find a suitable job.
- ☛ The cooperation of the Labour Market Board with employers and local governments improved to a considerable extent.

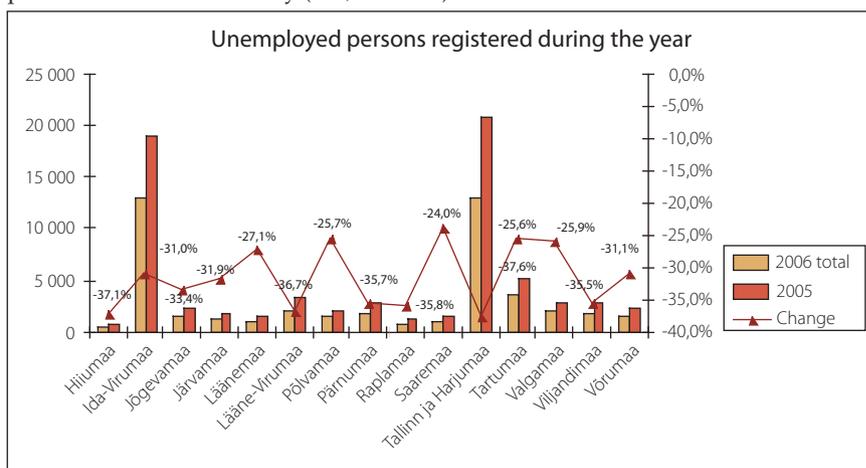
What will happen next? With regard to the continuous economic growth the issue in need of settlement is that of labour stringency. The keywords include increase in productivity, in-service training and retraining of employees, flexible work formats and continuous employment growth.

Unemployment Rate in Estonia the Lowest during the Last Five Years

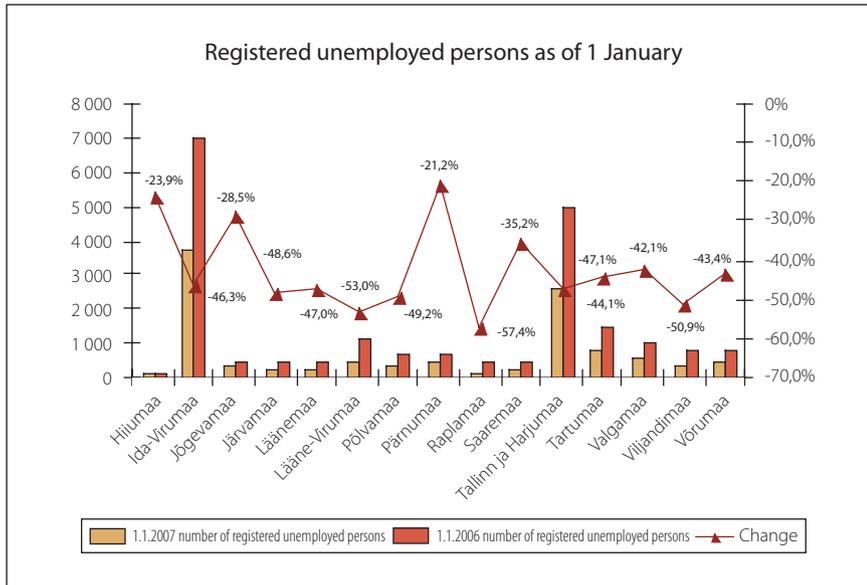
■ NELE LABI | HEAD OF LABOUR MARKET SERVICES AND BENEFITS DEPARTMENT

*Overview on the main statistical data
related to labour market services and benefits in 2006.*

In 2006 the number of unemployed persons registered in the Labour Market Board totalled 48,167. In comparison with 2005 the number of unemployed persons decreased by 23,568 (32.9%). The highest number of unemployed persons was in Ida-Viru County (13,102, i.e. 27.2% of all the unemployed persons) and in Harju County (12,997, i.e. 27%). The lowest number of the unemployed persons was in Hiiu County (512, i.e. 1.1%).



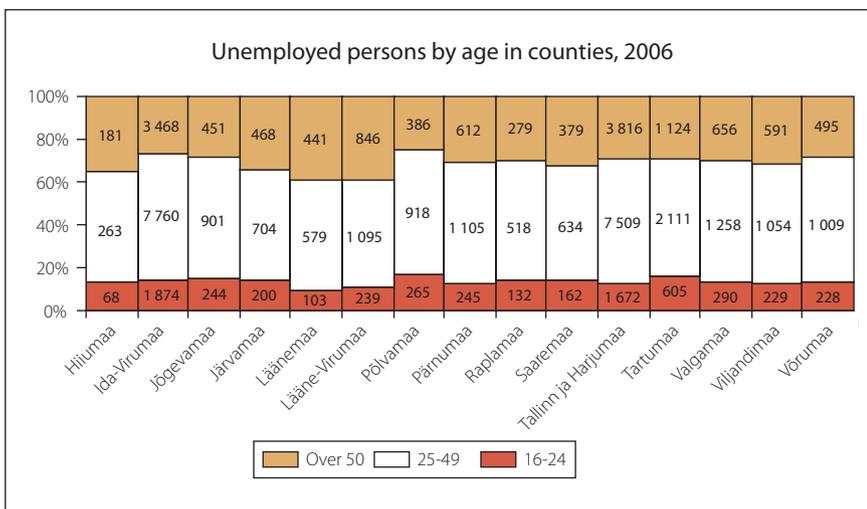
By 1 January 2007 the number of registered unemployed persons had decreased to 12,029. In comparison with 1 January 2006 the number of unemployed persons decreased by 45.2%. The most significant decrease in the number of employees took place in Tallinn and Harju County (37.6%).



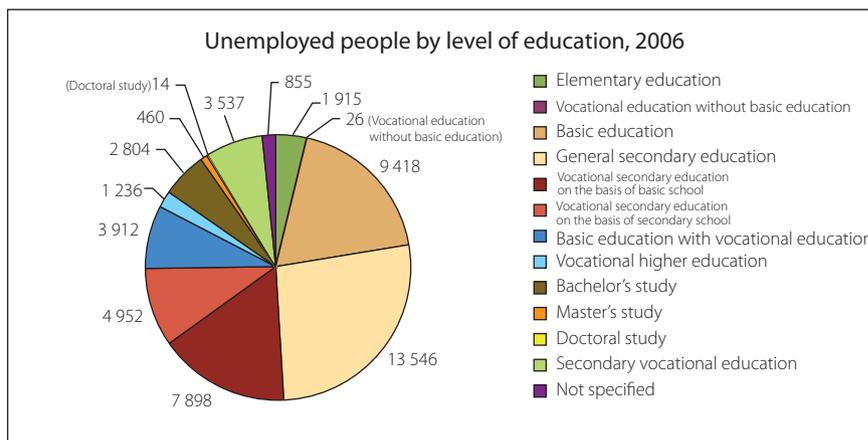
As of 1 January 2007 the proportion of unemployed persons of 16 years up to the pensionable age amounted to 1.4%. The highest percentage of unemployed persons was in Ida-Viru County (3.4%) and the lowest in Rapla and Tartu Counties (0.9%).

41.8% of the unemployed persons registered during the year were men and 58.2% women. As for the age of the unemployed, 6,556 (13.6% of all the unemployed persons) of them were of 16-24 years of age, 27,418 (56.9%) were of 25-50 years of age and 14,193 (29.5%) were older than 50 years.

The proportion of young unemployed persons was the largest in Põlva County (16.9% of all the unemployed persons registered in Põlva County) and in Tartu County (15.8%), and the smallest in Lääne County (9.2%). However, the proportion of elderly unemployed persons was the largest in Lääne County (39.3% of all the unemployed persons) and the smallest in Põlva County (24.6%).



As for the level of education, the highest number of unemployed persons had secondary education (13,564), followed by the unemployed, who had obtained vocational secondary education on the basis of basic school (7,898). The lowest number of unemployed persons was among those holding a doctor's degree (14).



The smallest percentage of unemployed persons who had higher education was in Harju County, Ida-Viru County and Pärnu County. The biggest number of unemployed persons who had higher education was in Hiiu County and Rapla County.

In 2006 the risk groups specified in subsection 10 (5) of the Labour Market Services and Benefits Act included 32,495 unemployed persons (67.5% of all the unemployed persons registered during the year). By 1 January 2007 the number of registered unemployed persons, who belonged to the risk group amounted to 8,837 (73.5% of all the unemployed persons).

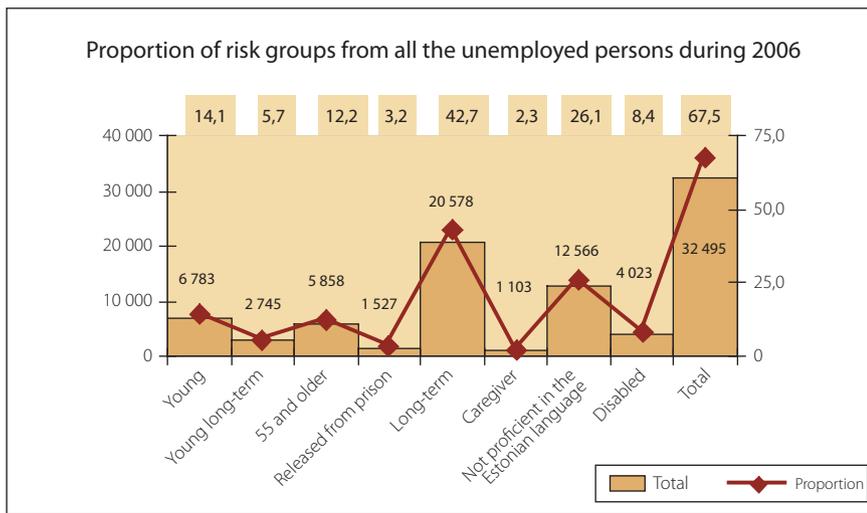
The highest proportion of unemployed persons belonging to the risk group within the year was in Ida-Viru County (79.7%), where more people belong to the risk group due to the limited knowledge of the Estonian language. The lowest proportion of unemployed persons belonging to the risk group was in Pärnu County (54.5%).

The number of the long-term unemployed persons registered in the Labour Market Board during the year amounted to 20,578 (42.7% of all the persons registered as unemployed during the year), while the number of unemployed persons not proficient in the Estonian language amounted to 12,566 (26.1%).

The number of unemployed persons older than 55 years and registered during the year amounted to 5,858 (12.2%) and those of 16-24 years of age 6,783 (14.1%). 2,745 young people had been unemployed for more than six months.

During the year 1,527 persons (3.2%) who had been released from prison within the preceding 12 months were registered as unemployed. The number of persons who had been unemployed during the 12 months prior to registration as unemployed and received a caregiver's allowance pursuant to § 8 of the Social Benefits for Disabled Persons Act or subsection 23 (2) of the Social Welfare Act and who were registered as unemployed persons during the year amounted to 1,103 (2.3%).

The number of disabled people registered as unemployed during the year totalled 4,023 (8.4%).



Recipients of Unemployment Allowance

In 2006 unemployment allowance was paid to 20,679 people (42.9% of all the unemployed persons). 66.7% of the people were women and 33.3% were men. Most of the recipients of unemployment allowance belonged to the age group of 25-44 (48.6%), followed by those over 50 years of age (22.2%). 3.4% of the recipients of unemployment allowance were less than 20 years of age, 13.6% were 20-24 years of age and 12.1% were 45-49 years old. The total amount paid as unemployment allowance was EEK 24,711,379.64, which makes on average EEK 1,195 per person.

Participation in Labour Market Training

In 2006 the total of 7,073 unemployed persons were sent to labour market training, which is 2,781 persons less than in 2005. At the same time the proportion of people who participated in the training increased as compared to the previous year – 13.7% in 2005 and 14.7% in 2006, respectively.

103 unemployed persons were sent to the professional examination, which seven people did not pass. One person waived doing the examination. 2,947 people participated in primary training, 1,219 in retraining, 2,750 in in-service training and 1,989 in adaption training. The employment training costs in 2006 amounted to EEK 70,996,209, of which EEK 36,066,322 was paid from the state budget and the rest from the European Social Fund. Grant was paid to participants in the labour market training in the amount of EEK 7,635,857, of which EEK 1,804,799 came from the European Social Fund.

Employment Services

During the year 8,256 people participated in career counselling, 676 in work practice, 446 in coaching for working life and 170 in public work. Business start up subsidy was paid to 289 persons and wage subsidy to 238 persons. Services aimed at disabled persons were provided in 109 cases. In the event of almost all the employment services the proportion of persons who received the service from all the unemployed persons increased as compared to the previous year.

Through In-Service Training to Higher Service Quality

■ MERIKE MICHELSON | PERSONNEL CHIEF SPECIALIST

In order to meet the needs of both the public as well as the private sector, the main objective of the Labour Market Board is to create a single cooperation network and well-functioning customer service. The prerequisite for the aforementioned is undoubtedly preparation of capable, committed and motivated employees through different programmes and training.

By today the project on enhancing the administrative capacity of the Labour Market Board, which was cofinanced by the European Social Fund and in the course of which the main principles of the personnel policy of the organisation were moulded, has been brought to a successful end. The development of the mentorship plan and the main principles of personnel recruitment and selection are also close to completion.

During the year the employees of the Labour Market Board have been provided with several opportunities for participating in different in-service training. The teamwork training cycle held from May to November provided a detailed overview on teamwork, communication processes and relations within the group. During the seven months training days were held in different cities. The total number of people who participated in the teamwork training was 118, while one group consisted of up to 15 people. The training days included role-plays, solving creative tasks, communication training, etc., which gave much to think about and improved the performance skills.

Similarly to the teamwork training, which continues in 2007, a training cycle based on the case study manual published by Pärnu College of the University of Tartu and



Photo by: Pressifoto

During the year the employees of the Labour Market Board have been provided with several opportunities for participating in different in-service training.

the Ministry of Social Affairs in cooperation was held to the employment mediation consultants of the Labour Market Board throughout the year. The training took place in four county centres – Tallinn, Tartu, Pärnu and Jõhvi – and was meant for smaller groups consisting of approx. 10 people at a time. The issues discussed in detail included bases and methods of case study as well as the topics related to the case study and including cooperation network and supporting active search for work.

The most large-scale in-service training of the Labour Market Board for studying writing letters and correct usage of Estonian was held in spring 2006 and the participants included both department heads as well as employees from subunits – specialists, employers' consultants, officials of the Labour Market Services and Benefits Department, the ESF Department and the Administrative and Financial Department.

The list of regular in-service training of the Labour Market Board comprises internal training held twice a year for new consultants, who can thus obtain knowledge on the employment services and information system and learn skills necessary for the profession of the customer service assistant.

With the ESF Support Equal Opportunities at the Labour Market

■ KERLI LORVI | HEAD OF THE ESF DEPARTMENT

In 2006 the Labour Market Board implemented Measure 1.3 of the National Development Plan for 2004-2006 "Equal Opportunities in Labour Market" and the EQUAL projects.

With regard to the EQUAL projects the Labour Market Board approved the budget of the projects up to EEK 79 million, of which 56.2 million were allocated from the European Social Fund. To carry out the EQUAL projects, the ESF support was paid in the amount of EEK 23.5 million at the end of 2006. Measure 1.3 "Equal Opportunities at the Labour Market", which was opened on 19 July 2004, is financed out of the European Social Fund in the amount of EEK 413 million. Within the measure at the end of 2006 the total budget of the projects was approved to include EEK 510 million, of which the ESF benefit formed 385 million.

The objective of the EQUAL initiative of the European Community is through international cooperation to support the development and testing of new measures in order to fight discrimination and inequality. The programme is financed by the European Social Fund.

On 4 April 2006 Regulation No. 35 of the Minister of Social Affairs Prerequisites for Measure 1.3 "Equal Opportunities at the Labour Market", Except the Benefit Granted to Projects of Public Employment Services and Rules for Monitoring the Use of the Support entered into force and on the basis of the regulation the Labour Market Board held two open application rounds.

From 17 April to 18 May the third open application round with 51 applications was held and the total budget of the round amounted to EEK 193 million (benefit in the total volume of EEK 150 million was applied for from the Social Fund). 23 projects were financed in the total amount of EEK 97 million (75 million from the European Social Fund).



Photo by: Indrek Saarmets

Flexible choices for balancing the work and family. Illustrative photo production about the EQUAL project 2005 Choices and Balance of the Estonian Employers Confederation.

The approved projects were carried out by 10 non-profit associations, three foundations, three local governments, two higher educational establishments, one vocational school, two companies and two state authorities.

The total number of eight projects covered all of Estonia; in addition there were four projects in Ida-Viru County, four in the South-East of Estonia, one in Hiiu County, Saare County, Lääne County, Jõgeva County and Harju County.

The aforementioned projects included in total 6,300 unemployed persons out of whom 1,200 persons will expectedly receive job thanks to the projects. The projects have been aimed both at the long-term, elderly and young unemployed persons, unemployed persons who are not proficient enough in the Estonian language as well as persons with special needs.

By the end of 2006 the number of projects which had been commenced within Measure 1.3 and achieved its objectives totalled 40. Three projects were stopped prematurely.

The total amount paid by the Labour Market Board at the end of the year was EEK 282 million, incl. EEK 186 million of the ESF, which formed 55% of the support allocated for the projects.

The main problem during implementing of the aforementioned projects has been the slow payment of the support due to the complex funding process, which the Labour Market Board has tried to simplify as much as possible.

Job in Europe or Employee from Europe

■ MARTA TRAKS | CHIEF SPECIALIST OF EURES

In 2006 the use of the EURES services increased particularly among the employers of Estonia. The employers searched mostly for suitable labour force through the Labour Market Board from other countries of the European Union.

For example the joint delegation of labour market officials and Estonian employers visited the EURES job fair in Poland from where they received the so-called direct recruitment experience which made them offer similar opportunity to even more employers in the future. The employers' interest in labour force of member states of the European Union has really increased.

In 2006 the number of people who received counselling through the EURES with regard to the living and working conditions and working opportunities applicable in other countries amounted to 9,933, of whom 1,296 persons needed primary information on how the EURES functions.

As from 2004 the Labour Market Board is a part of the trans-European employment mediation system European Employment Services (EURES). The objective of the EURES is to inform job-seekers and employers about vacant jobs and places of practical training in the EU countries as well as about the requirements and guarantees related to working there. The EURES specialists work in Tallinn, Tartu, Narva, Jõhvi and Pärnu departments of the Labour Market Board.

With the help of the EURES specialists 139 job-seekers from Estonia found a job in another member state. Most of them were employed as seasonal workers in the field of agriculture, hotel business or catering. The main target countries were Finland, Sweden, Ireland and Norway.

During 2006 more than 60 information days and workshops with more than 900 participants were held all over Estonia. Within the European Mobility Year in September a conference was held in Tartu for social workers, youth work specialists and those engaged in providing information on the European Union. The topic of the mobility conference was "How can we help people who want to go to Europe?"

Furthermore, the Labour Market Board in cooperation with the Ministry of Labour of Finland, the Embassy of Finland and the Finnish Working Life Information Point organised a conference whose main topics included labour force mobility between Estonia and Finland and the EURES cooperation upon supporting cross-border mobility.

In total, during the year the EURES specialists made presentations in 45 different events to the audience of approx. 1,500 people. In addition, young people of Estonia were counselled both at the Teeviit Youth Information Fair as well as the Intellektika Educational Fair.

EURES, Activities in 2006

Total contacts of the EURES with job-seekers	9 933
Counselled job-seekers	3 266
Answered inquiries (e-mails, telephone, etc.)	6 211
Imparted primary information about the EURES services	2 338
Workshops, presentations, etc., organised by the EURES	61
— total number of participants	925
Performance in other events (fairs, workshops, etc.)	45
Total audience	1 494
Total contacts with the employers	331
— incl. visits of Estonian employers	71
Imparted primary information about the EURES services	50
Project-based contacts with employers from other countries	29
Managed projects	30
Employees mediated out of Estonia	136
Employees mediated into Estonia	39
Contacts with the EURES in other countries	1 085

Customer Service of Labour Market Board One of the Best Ones in Public Sector

■ INTERVIEW WITH RIIN PÄRNAMETS, RESEARCH MANAGER OF DIVE SERVICE QUALITY DEVELOPMENT

In summer 2006 the Labour Market Board in cooperation with the Dive research company started testing its customer service.

Riin Pärnamets, please explain, what mystery shopping is. Mystery shopping is a widespread method of service quality assessment. Dive mystery shoppers evaluate customer service as regular customers observing the level and pace of service standards. Our mystery shoppers can assess all aspects which we have agreed upon with our client.

The purpose of mystery shopping is not searching for negative contacts, but developing customer service. We get the most out of mystery shopping when all the employees are aware of what is expected from them and that they might be tested for the respective period.

How did your cooperation with the Labour Market Board start?

Our cooperation started in 2004 when we carried out a customer service research in the Labour Market Board.

Why and when is mystery shopping the best option for analysing customer service of an organisation? What are the positive sides of mystery shopping?

One of the positive sides of mystery shopping is that differently from usual research an organisation can use it in everyday management. On the one hand mystery shopping provides managers with information on meeting the service standard and motivates people to work better. On the other hand it also provides feedback as through the daily and specific feedback the service standard reaches the employees better.



Photo by: Pressifoto

Dive mystery shoppers evaluate customer service as regular customers observing the level and pace of service standards. The mystery shoppers can assess all aspects which have been agreed upon with the client.

Mystery shopping could be carried out by any organisation whose everyday work includes contacts with customers. It is also important that an independent evaluator will provide objective feedback and the mystery shopper knows beforehand what exactly he or she has to observe in a given service situation.

When was the service quality of the Labour Market Board assessed and what did the assessment involve?

We started with the assessment period in summer 2006 and the last assessments were made in winter 2007. During the first period only direct visits to the agencies of the Labour Market Board were assessed and all the visitors were unemployed persons, but during the second period Dive mystery shoppers also paid visits to the Board. The e-mail and telephone service of the Labour Market Board was also assessed. As a new field, the EURES customer service was assessed, too.

In total 280 assessments were made, of which 150 were direct visits, 40 telephone and 90 mail service assessments. The number of Dive mystery shoppers participating in the project totalled approximately 70; in addition the Labour Market Board gave us contact information about unemployed persons in order to assess the direct service.

What did the research require from the organisation under evaluation, for example with regard to attitude?

As it was a long-term and very large project, the contact persons of the Labour Market Board also had to make their own contribution.

The coordinators of the Labour Market Board sent us contact information on the

unemployed persons who had granted their consent for participating in the project in different regions and as a result of the cooperation test situations and questionnaire were completed.

What were the results of the research?

It came out that the direct customer service of the Labour Market Board is at a very good level. The issues worth mentioning include correctness of the service point and the appearance of the service assistant as well as serviceability and general communicative and behavioural skills.

The establishment of the customer's needs and finishing the contact with a customer could be improved. At the end of the contact something positive should be said to the customer, who is leaving the office, for example "Good luck upon finding a job!" or just "Have a nice day!" The average consolidated results of telephone and mail service were weaker than those of the direct visit.

Which conclusion can be made on the basis of the received information?

It can be said that the customer service of the Labour Market Board is certainly among the best ones within the companies operating in public sector. However, as before, a lot of attention should be paid to the service and the objective to be set should include retaining the positive aspects and correcting the weaker points which became evident as a result of the research.

What kind of measures has the Labour Market Board adopted since the end of the research?

At the end of the research we held a discussion with the representatives of the Labour Market Board about both the strong as well as the weak points of the customer service. Together we discussed what to improve in the future and how to do that.

We recommended that the most important issues, on which to focus, be selected in order to evaluate the progress together at the next assessment stage.

Contact Information of Labour Market Board

Hiiu Department

Põllu 17, Kärdla 92412
tel +372 463 2143
fax +372 463 2144
hiiu@tta.ee
Manager Sirje Romanov

Ida-Viru Department

Keskväljak 9, Jõhvi 41531
tel +372 337 5590
fax +372 337 1091
idaviru@tta.ee
Manager Maie Metsalu

Jõgeva Department

Suur 14, Jõgeva 48306
tel +372 772 2450
fax +372 772 2450
jogeva@tta.ee
Manager Liina Vösaste

Järva Department

Tallinna mnt 18, Paide 72711
tel +372 385 1117
fax +372 385 1217
jarva@tta.ee
Manager Eha Tasang

Lääne Department

Jaama 13, Haapsalu 90507
tel +372 473 5517
fax +372 473 5517
laane@tta.ee
Manager Jüri Kivitikk

Lääne-Viru Department

Tallinna 12, Rakvere 44306
tel +372 322 3453
fax +372 322 3777
rakvere@tta.ee
Manager Inna Erik

Põlva Department

J. Käisi 1a, Põlva 63305
tel +372 799 7803
fax +372 799 5000
polva@tta.ee
Manager Jaan Veeroos

Pärnu Department

Ringi 12, Pärnu 80010
tel +372 447 2183
fax +372 447 2183
parnu@tta.ee
Manager Ivo Pärnat

Rapla Department

Tallinna mnt 14, Rapla 79513
tel +372 485 7987
fax +372 485 8030
rapla@tta.ee
Manager Ülle Ojamäe

Saare Department

Kitsas 3, Kuressaare 93814
tel +372 452 4060
fax +372 452 4061
saare@tta.ee
Manager Kaie Lepp

Tallinn and Harju Department

Endla 4, Tallinn 10142
tel +372 626 3252
fax +372 626 3241
tallinn@tta.ee
Manager Siim Sarapuu

Tartu Department

Riia 35, Tartu 50410
tel +372 742 7155
fax +372 742 7158
tartu@tta.ee
Manager Aino Haller

Valga Department

Vabaduse 26, Valga 68204
tel +372 767 9780
fax +372 767 9789
valga@tta.ee
Manager Merike Metsavas

Viljandi Department

Jakobsoni 11, Viljandi 71020
tel +372 435 4644
fax +372 435 4648
viljandi@tta.ee
Manager Peep Raju

Võru Department

Jüri 54, Võru 65604
tel +372 782 3706
fax +372 782 1848
voru@tta.ee
Manager Jaan Veeroos

Gonsori 29, 15156 Tallinn, Estonia | www.tta.ee | tta@tta.ee | tel +372 625 7700 | fax +372 625 7702

