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# SOCIAL RIGHTS MONITOR 2020



## COUNTRY MONITOR: ESTONIA

In 2019, Estonia's real GDP growth was relatively strong, at an estimated 3.8%.<sup>1</sup> Similarly, the labour market continued to perform well, and the employment rate reached 78.9%.<sup>2</sup> However, in the second quarter of 2020, the employment rate decreased to 77.9%,<sup>3</sup> showing the first effects of Covid-19. As a response to the pandemic, extraordinary measures were approved, most of which aimed to help businesses stay afloat.<sup>4</sup> Despite an increase in wages in recent years, Estonia's performance on income equality was classified as "lower middle" in 2019 by the Social Scoreboard,<sup>5</sup> and the percentage of people living at risk of poverty or social exclusion in 2018

was 21.9%, well above the euro-area average of 16.9% and the EU average of 17%.<sup>6</sup> The findings of the European Commission's 2020 Country Report show that Estonia faces major challenges with respect to its health system, the accessibility of social-safety-net services and the adequacy of the pension system. These points are highlighted by the National Strategy Group as well. Furthermore, the great regional disparities and the high carbon and energy intensity that characterize the country are also urgent issues that need to be tackled. The NSG identifies the inadequacy of housing as another priority, as almost 13% of houses in Estonia do not have basic amenities.<sup>7</sup>

1 European Commission (2020) Country Report Estonia 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX-52020SC0505&from=EN>

2 Eurostat (2020) Employment and activity by sex and age - annual data [https://ec.europa.eu/eurostat/databrowser/view/LFSI\\_EMP\\_A\\_custom\\_125922/default/table?lang=en](https://ec.europa.eu/eurostat/databrowser/view/LFSI_EMP_A_custom_125922/default/table?lang=en)

3 Eurostat (2020) Employment and activity by sex and age - quarterly data [https://ec.europa.eu/eurostat/databrowser/view/LFSI\\_EMP\\_Q\\_custom\\_125914/default/table?lang=en](https://ec.europa.eu/eurostat/databrowser/view/LFSI_EMP_Q_custom_125914/default/table?lang=en)

4 Eurofound (2020) COVID-19 EU Policy Watch <https://static.eurofound.europa.eu/covid19db/countries/EE.html>

5 European Commission (2020) Social Scoreboard <https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/explorer>

6 Eurostat (2020) Income poverty statistics [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Income\\_poverty\\_statistics&oldid=440992](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Income_poverty_statistics&oldid=440992)

7 Inimareng (2020) Estonian Human Development Report 2019/2020 <https://inimareng.ee/n%C3%BC%C3%BCdisaegsed-ela-mistingimused-kelle-privileeg.h>

	2018	2019	EU-28 2019
Gini index <sup>8</sup>	30.6	30.5	30.1
Unemployment <sup>9</sup>	5.4%	4.4%	6.3%
Gender Equality Index <sup>10</sup>	59.8 (2019)	60.7 (2020)	67.9 (2020)
In-work poverty <sup>11</sup>	9.5%	10.3%	9.2%
Housing Overcrowding <sup>12</sup>	12.6%	13.9%	15.6%
CIVICUS Civic Space Monitor <sup>13</sup>		OPEN	N/A

**Selected indicators on the state of social rights**

## EQUAL OPPORTUNITIES AND ACCESS TO THE LABOUR MARKET

Estonian income taxes are not strongly progressive. The government's goal is to shift the tax burden from income to consumption.<sup>14</sup> Furthermore, Estonia's tax system includes a unique corporate income tax (introduced in 2000) that provides that only distributed profits are taxed. Although the aim of this measure is to encourage companies to re-invest, the unwanted effect is to push companies to pay dividends irregularly in order to avoid taxation, the NSG reports.

Nevertheless, it should be noted that, thanks to the tax reform law introduced on 1 January 2018, the Estonian tax system has become slightly more progressive. The new law establishes a basic exemption of EUR 500 on monthly income of up to EUR 1,200. For monthly income above EUR 1,200, the basic

exemption decreases along with the growth in income, until an annual income threshold of EUR 25,200.<sup>15</sup> This measure particularly benefits low-income workers. Overall, the main recent changes concerning taxation are: the possibility to transfer some benefits and allowances received at the end of one year to the following one, in order to avoid additional income taxes; an increase in the additional exemption for families with children (on top of the EUR 6,000 basic exemption) from EUR 1,200 to EUR 3,048 per year, starting from the third child; and the exclusion of commuting benefits from the list of taxed-related benefits.<sup>16</sup>

With regard to social benefits, the National Strategy Group positively evaluates the measures introduced between 2017 and 2020. Besides the above-mentioned increase in the

8 Eurostat (2020). Gini coefficient of equivalised disposable income [http://appsso.eurostat.ec.europa.eu/nui/show.do?lang=en&dataset=ilc\\_di12](http://appsso.eurostat.ec.europa.eu/nui/show.do?lang=en&dataset=ilc_di12)

9 Eurostat (2020). Unemployment by sex and age: annual data: [https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=une\\_rt\\_a&lang=en](https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=une_rt_a&lang=en)

10 European Institute for Gender Equality (2020). Gender Equality Index <https://eige.europa.eu/gender-equality-index/2020/EE>

11 Eurostat (2020). In-work at-risk-of-poverty-rate <https://ec.europa.eu/eurostat/databrowser/view/tespm070/default/table?lang=en>

12 Eurostat (2020). Overcrowding rate by age, sex and poverty status – total population [https://ec.europa.eu/eurostat/databrowser/view/ilc\\_lvho05a/default/table?lang=en](https://ec.europa.eu/eurostat/databrowser/view/ilc_lvho05a/default/table?lang=en)

13 CIVICUS (2020). Civic space monitor – Estonia <https://monitor.civicus.org/country/estonia/>

14 Rahandusministeerium (2019) Tax and Customs Policy <https://www.rahandusministeerium.ee/en/tax-and-customs-policy>

15 Tax and Custom Board (2017) Tax-free income calculation <https://www.emta.ee/eng/private-client/declaration-income/amount-tax-free-income-beginning-1-january-2018>

16 Rahandusministeerium (2019) Tax and Customs Policy <https://www.rahandusministeerium.ee/en/tax-and-customs-policy>

basic tax exemption, other measures have helped alleviate the inequalities affecting vulnerable groups such as disabled people, low-paid workers and families with children, according to the NSG. In particular, after complicated negotiations between social partners – which resulted in an agreement only after the intervention of the national conciliator – the minimum wage increased by 7.6% in 2020, from EUR 540 per month to EUR 584.<sup>17</sup> Also, average pensions rose 9% in 2020 as a consequence of indexation.<sup>18</sup> However, the retirement-age population, especially pensioners living alone, still face difficulties coping and often have to apply for subsistence benefits. In fact, Estonia spends less than the EU average on social protection, including pensions.<sup>19</sup> As a consequence of a reform of the family allowance system, all forms of family allowance have been united under the same system and increased by at least one third. Moreover, since 2018 it has been easier for a primary carer to work part time while receiving the parental benefit, and the paternal leave period has been extended from 10 to 30 days and made more flexible for the first three years of a child's life.<sup>20</sup> Furthermore, a paternal benefit, independent from and additional to the parental one, has been introduced.<sup>21</sup> In 2017, a 20% increase in social benefits and pensions targeting disabled people was introduced. Disability benefits for children have increased two- to threefold as of 2020.<sup>22</sup> Overall, unemployment allowances have not increased in recent years, and no occupational health and safety insurance has been introduced, despite the great need for it underlined by the NSG.

Pensions and their sustainability represent a major issue for the Estonian welfare system, reports the NSG. The pension system is based on a three-pillar model. The first pillar is the public pay-as-you-go system, while the second and third pillars are funded pension systems. The second pillar, which is mandatory for people born after 1983, is financed through a percentage of a worker's gross salary and social taxes. The third pillar is voluntary. The Estonian government coalition, led by the Prime Minister Jüri Ratas, in his second mandate, has presented a pension system reform bill that initiated a heated debate. The objective of the proposal is to make the second pillar of the pension system voluntary. The European Commission identifies potential risks in this proposal in terms of the adequacy of the pension system.<sup>23</sup> Furthermore, the plan received negative feedback from interest groups, including the Estonian Trade Union Confederation (EAKL) and the Estonian Employers' Confederation (ETTK). The stakeholders argued that over the long term the plan could result in a greater risk of poverty among retired people, a higher retirement age, an increased tax burden, or a larger foreign share of the workforce.<sup>24</sup> The NSG fully agrees on this point. President Kaljulaid appealed to the Supreme Court in order to assess whether the reform respects the basic rights of workers, but her appeal was rejected at the end of October. It is therefore likely that the reform will be adopted in its current version.

The National Strategy Group points out that, due to insufficient budget allocations, social services do not respond adequately to the

17 Eurofound (2020) Living and working in Estonia <https://www.eurofound.europa.eu/country/estonia#highlights-working-life-in-2019>

18 Social Insurance Board (2020) Pension indexation <https://www.sotsiaalkindlustusamet.ee/en/pension-benefits/pension-indexation#T%C3%A4pse%20pensioni%20suuruse%20vaatamine%20alates%2002.04.2018>

19 European Commission (2020) Country Report Estonia 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0505&from=EN>

20 European Commission (2020) Country Report Estonia 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0505&from=EN>

21 Eesti.ee (2020) Parental leave <https://www.eesti.ee/en/family/pregnancy-and-early-childhood/parental-leave/>

22 European Commission (2020) Country Report Estonia 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0505&from=EN>

23 Ibid.

24 Eurofound (2020) Living and working in Estonia <https://www.eurofound.europa.eu/country/estonia#highlights-working-life-in-2019>

needs of the population. The same problem emerges from the European Commission's Country Report Estonia 2020. Moreover, the NSG adds that wide regional differences can be observed, as several welfare services are regulated by local governments.

## INCLUSION OF MIGRANTS

The phenomenon of migration to Estonia can be divided into two periods: the first labour immigration of Russian-speakers under the Soviet occupation between 1950 and 1990 and the modern immigration period, which began in 2000. According to the Estonian Human Rights Centre, the major challenges linked to immigration in Estonia are short-term migration and increases in the volume and diversity of immigration flows.<sup>25</sup> Estonia has so far set up three integration strategies: the first between 2000 and 2007, the second from 2008 and 2013 and the last, Integrating Estonia 2020, in effect since 2014. The implementation of Integrating Estonia 2020 is monitored by a steering group composed of public sector representatives and civil society organizations.<sup>26</sup> This last strategy, in addition to integrating Estonian-speaking permanent residents and residents with other mother tongues, also supports the adaptation and integration of new immigrants.<sup>27</sup> A new integration plan is being drafted for 2021-2030, but the NSG notices that there is no clarity on what the main directions and actions of migration and integration policy will be for the coming decade.

Despite some positive trends in the integration process of first-generation migrants over

the years, Estonian society is still divided along ethnic and linguistic lines. This is true also with respect to the labour market. In fact, although occupational segmentation along horizontal ethnic lines has decreased in recent years, barriers between Estonians and Estonian-Russians are persistent.<sup>28</sup> Another relevant obstacle to the social integration of the Russian-speaking minority is residential segregation. Education has a crucial role in the integration process of ethnic minorities, and the dual-language school system has often been discussed as a system that perpetrates divisions and that should thus be modified.<sup>29</sup> Different patterns of media consumption also contribute to the cultural divisions in Estonian society.<sup>30</sup>

The National Strategy Group observes that there have been very few changes in the approach to modern migration in recent years. Conservative populists in the Estonian government have taken a hard-line stance with the aim of limiting all forms of migration. The Covid-19 crisis has provided further opportunity to reinforce this position. Xenophobia continues to be widespread in Estonian society, and politicians' insulting statements together with acts of violence make the picture even more worrying. It is important to notice that immigrants in possession of short-term permits or visas do not have access to A1 language courses, which are part of the national adaptation programme. Furthermore, the above-mentioned group and their families are excluded from healthcare, education and other support services, which instead are guaranteed only to holders of residence permits.<sup>31</sup>

25 Estonian Human Rights Centre (2020) National minorities and integration policy <https://humanrights.ee/en/materials/inimoi-gused-eestis-2020/rahvusvahemused-ja-loimumispoliitika/>

26 European Commission (2020) Governance of Migrant Integration in Estonia <https://ec.europa.eu/migrant-integration/governance/estonia>

27 Estonian Human Rights Centre (2020) National minorities and integration policy <https://humanrights.ee/en/materials/inimoi-gused-eestis-2020/rahvusvahemused-ja-loimumispoliitika/>

28 Inimareng(2017)Estonian Human Development Report 2016/2017

Estonia at the Age of Migration <https://2017.inimareng.ee/en/immigration-and-integration/ethnic-segregation-in-the-estonian-labour-market/>

29 Mägi, K. (2018) Ethnic residential segregation and integration of the Russian-speaking population in Estonia [https://dspace.ut.ee/bitstream/handle/10062/62344/magi\\_kadi.pdf?sequence=1&isAllowed=y](https://dspace.ut.ee/bitstream/handle/10062/62344/magi_kadi.pdf?sequence=1&isAllowed=y)

30 Estonian Human Rights Centre (2020) National minorities and integration policy <https://humanrights.ee/en/materials/inimoi-gused-eestis-2020/rahvusvahemused-ja-loimumispoliitika/>

31 Ibid.

## GOOD PRACTICE MIGRASCOPE

MIGRASCOPE<sup>32</sup> was a two-year project co-funded by the Asylum, Migration and Integration Fund of the European Union and implemented in seven EU countries, including Estonia, in 2017 and 2018. The organization responsible for its implementation in Estonia was the Institute of Baltic Studies in collaboration with Enterprise Estonia. The main goal of MIGRASCOPE was to facilitate the integration of migrants into the labour market, by employers implementing new good integration practices in workplaces, by increasing migrants' knowledge and by better managing migrants' expectations.

The tools employed to achieve this goal were capacity-building activities targeting both employers and migrants, work-shadowing and the adoption of good practices and two state-of-the-art e-services (including mobile apps). These e-services were created through collaboration with migrant entrepreneurs, who acted as role models and cooperated in the creation of solutions aimed at overcoming cultural barriers.<sup>33</sup>

## EDUCATION AND YOUTH UNEMPLOYMENT

Estonia's performance in relation to early leavers, formal childcare and NEETs (people not in employment, education or training) is classified as "upper middle" by the Social Scoreboard.<sup>34</sup> The percentage of early leavers was below the EU average in 2019.<sup>35</sup> However, a lack of gender balance affects the early-leaver rate for basic school, as twice as many boys as girls drop out of school at this stage. Traditionally, there have also been more males than females (up to twice as many) among young people (aged 18-24) with a low level of education who are not studying.<sup>36</sup> Overall, according to the OECD, the Estonian education system is high-performing: "Coverage rates in pre-primary education are high, participation in schooling is almost universal, the performance of students at the secondary level is among the best in Europe and adults have literacy and numeracy skills above the OECD average."<sup>37</sup> Only Russian-language schools are identified as a concern within the Estonian school system.

As for early leavers, the rate of NEETs (6.9%) is lower than in many other countries in the EU. In fact, the rate is significantly lower than the EU and euro-area averages, which are both 10%.<sup>38</sup> Youth unemployment was 7.1% in 2019, more

32 Migrascope (2017) Extending the Scope of Labour Market Integration of Immigrants [https://migrascope.eu/?fbclid=IwAR1jb-cd-Bo9YGGxQEQhsccihwe\\_fd-NQrkguliwvmWoNQD61PCivFKVh4m4](https://migrascope.eu/?fbclid=IwAR1jb-cd-Bo9YGGxQEQhsccihwe_fd-NQrkguliwvmWoNQD61PCivFKVh4m4)

33 Bridges (2017) The Institute of Baltic Studies <https://ngobridges.com/ngo/view/180>

34 European Commission (2020) Social Scoreboard <https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/explorer>

35 Eurostat (2020) Early leavers from education and training by sex and labour status [https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=edat\\_ifse\\_14&lang=en](https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=edat_ifse_14&lang=en)

36 Valk, A. (2017) Soolised lõhed hariduses <https://rito.riigikogu.ee/wordpress/wp-content/uploads/2017/12/Valk.pdf>

37 OECD (2016) School education in Estonia <https://www.oecd-ilibrary.org/docserver/9789264251731-5-en.pdf?expires=1603905654&id=id&accname=guest&checksum=BFCB73A4BB383C013E90866A10C57194> p.35.

38 Eurostat (2020) Young people aged 15-24 neither in employment nor in education and training (NEET), by sex - annual data <https://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do>

than 5 percentage points below the euro-area rate.<sup>39</sup> People with higher educational levels have higher employment rates. Of people who had completed their studies at a vocational educational institution between 2005 and 2016, 74% were employed in 2017. For those who had completed studies at an institution of higher education between 2005 and 2016, 80% were employed in 2017.<sup>40</sup> However, it should be noted that young people find it difficult to

choose the right educational path and speciality. According to the 2018 Labour Force Survey conducted by Statistics Estonia in 2018 a total of 4% of young people (5,400) were not studying for job-related reasons and 3.9% (5,200) because they had not found a suitable school or speciality. Of young people who had not completed their studies, the reason for 40% was that the studies were unrelated to their needs or interests.<sup>41</sup>

39 Eurostat (2020) Youth unemployment rate by sex, age and country of birth [https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=yth\\_empl\\_100&lang=en](https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=yth_empl_100&lang=en)

40 Ministry of Education and Arts (2019) Kutse-ja kõrgharidusõpingud lõpetanute edukus tööturul 2017 [https://www.hm.ee/sites/default/files/edukus\\_tooturul\\_2019.pdf](https://www.hm.ee/sites/default/files/edukus_tooturul_2019.pdf)

41 Statistics Estonia (2018) Labour Force Survey [https://www.stat.ee/valjaanne-2018\\_eesti-piirkondlik-areng-2018](https://www.stat.ee/valjaanne-2018_eesti-piirkondlik-areng-2018)

# FAIR WORKING CONDITIONS

Besides the above-mentioned increase in the minimum wage and the second pension pillar becoming voluntary, there have been important recent developments in terms of working conditions and in health and safety in the workplace. For instance, penalty clauses can be inserted into employment contracts with the objective of sanctioning both employers and employees who do not respect occupational health and safety requirements. Also, the definition of psychosocial hazards has been broadened, and an employer's obligations related to the risks have been defined. Moreover, in July 2019, the Ministry of Social Affairs published guidelines and recommendations for employers and employees on health and safety in telework.<sup>42</sup> These last actions are particularly relevant in consideration of the work situation during the Covid-19 pandemic.

With regard to work contracts, the National Strategy Group for Estonia stresses that there is increasing inappropriate use of contracts for services for regular work that should instead be governed by regular employment contracts. It goes without saying that this practice entails reduced social guarantees for workers. Nevertheless, it is true that in recent years some improvements have been made towards making employment and services contracts more similar with respect to social-protection guarantees.<sup>43</sup> Furthermore, the NSG mentions the obligation to register all employment contracts

with the Tax and Customs Board as a significant development for labour rights in the country.

Overtime work is identified by the National Strategy Group as one of the main problems that affect the organization of work in Estonia, particularly in the services, trade and medical industries. The latest statistics published by the Ministry of Social Affairs refer to 2015. In that year, 57% of workers declared they had worked overtime, 6 percentage points more than in 2009. Yet, on a positive note, the number of workers who claimed that they were not compensated for working overtime had decreased, from 24% to 13%.<sup>44</sup> The same report by the Ministry of Social Affairs shows that collective employment relationships had changed in the preceding years. More precisely, in large companies and organizations with at least 250 employees, both the number of trade unions and the number of trade union members had dropped. Consequently, the percentage of large companies and organizations with collective agreements had decreased from 39% to 27%.<sup>45</sup> The NSG highlights the fundamental role played by employees' representatives in giving employees a say in the definition of working conditions and in the organization of work in the company. Strengthening the role of employees' representatives could help with one issue that employees consider particularly negative for work-life balance: the inflexibility of working schedules.<sup>46</sup>

42 Eurofound (2020) Living and working in Estonia <https://www.eurofound.europa.eu/country/estonia#working-life>

43 Erikson, M.; Rosin., A. (2018) Tuleviku töötajajõiguslik status <https://www.riigikogu.ee/wpcms/wp-content/uploads/2017/09/T%C3%B6%C3%B6tegija-%C3%B5iguslik-staatus.pdf>

44 Ministry of Social Affairs (2017) Eesti tööelu-uuring 2015 [https://www.sm.ee/sites/default/files/content-editors/Ministeerium\\_kontaktid/Uuringu\\_ja\\_analuusid/eesti\\_toelu\\_uuring\\_2015.pdf](https://www.sm.ee/sites/default/files/content-editors/Ministeerium_kontaktid/Uuringu_ja_analuusid/eesti_toelu_uuring_2015.pdf)

45 Ibid.

46 Ibid.

## PRECARIOUSNESS AND GENDER EQUALITY

Only 2.4% of working contracts were temporary in Estonia in 2019.<sup>47</sup> This indicator was accompanied by one of the EU's lowest rates of unemployment in 2019, 4.4%.<sup>48</sup> Therefore, precariousness does not represent a major issue for the Estonian labour market. Yet, some groups in society are more vulnerable than others. Due to a shortage of labour in recent years, a large number of workers coming from third countries have been employed mainly in the agriculture, construction and services industries. This group is very often not covered by social protection, since short-term contracts are the norm.

Young people are another vulnerable category. The in-work poverty rate was higher among people aged 18-24 in 2017 than it was for other age groups.<sup>49</sup> In the same year, almost half of 17-year-olds had some work experience. It is alarming that, according to data from 2018, while 59% had worked under an employment contract, 37% had done so under a contract under the law of obligations (an authorisation agreement or contract for services). These contracts do not guarantee adequate rest periods or sufficient protection against risks in the workplace.<sup>50</sup> In the view of the National

Strategy Group, young people need more guidance and supervision than adult employees. This situation is particularly urgent, given that occupational accidents are more common among younger employees.<sup>51</sup>

With reference to data from 2018, Estonia's gender pay gap (22.7%) is the highest among European Union countries.<sup>52</sup> Despite gender discrimination being prohibited by the Gender Equality Act<sup>53</sup> and despite the negative performance of Estonia in terms of gender equality, the National Strategy Group points out that there is currently no mechanism in place for overseeing the status of the gender pay gap. Another element that is worth mentioning is that more than twice as many women worked part-time in 2018 as men.<sup>54</sup> In fact, the burden of domestic responsibilities is still an obstacle to gender equality in Estonia.<sup>55</sup> Nevertheless, it should be mentioned that the percentage of children aged between three and five enrolled in pre-primary or primary school has increased over the past years and reached 91% in 2017.<sup>56</sup> This is an encouraging sign for the economic empowerment of women, and it has been reinforced by the recent extension of paternity leave from 10 to 30 days and the possibility for any parent (with no gender distinction) to benefit from parental leave.<sup>57</sup>

47 Eustostat (2020) Temporary employees as percentage of the total number of employees <https://ec.europa.eu/eurostat/databrowser/view/tesem110/default/table?lang=en>

48 Eurostat (2020) Total unemployment rate <https://ec.europa.eu/eurostat/databrowser/view/tps00203/default/table?lang=en>

49 European Social Policy Network (2019) ESPN Thematic Report on In-work poverty – Estonia [file:///C:/Users/martina/AppData/Local/Temp/3/ESPN\\_EE\\_TR1\\_2018-19%20on%20in-work%20poverty\\_final.pdf](file:///C:/Users/martina/AppData/Local/Temp/3/ESPN_EE_TR1_2018-19%20on%20in-work%20poverty_final.pdf)

50 Ministry of Social Affairs (2020) Analüüs: iga teine 17-aastane noor on saanud töökogemuse <https://somblogi.wordpress.com/2020/06/30/analuus-iga-teine-17-aastane-noor-on-saanud-tookogemuse/>

51 Ibid.

52 Eurostat (2020) Gender pay gap statistics [https://ec.europa.eu/eurostat/statistics-explained/index.php/Gender\\_pay\\_gap\\_statistics](https://ec.europa.eu/eurostat/statistics-explained/index.php/Gender_pay_gap_statistics)

53 Estonian Parliament (RT I 2004, 27, 181) Gender Equality Act <https://www.riigiteataja.ee/en/eli/530102013038/consolide>

54 OECD (2020) Employment : Share of employed in part-time employment, by sex and age group <https://stats.oecd.org/index.aspx?queryid=54746>

55 Ministry of Social Affairs, Government Office (2017) Reducing the burden of care in Estonia [https://www.riigikantselei.ee/sites/default/files/content-editors/Failid/hoolduskoormus/estonia\\_ltc\\_report\\_final.pdf](https://www.riigikantselei.ee/sites/default/files/content-editors/Failid/hoolduskoormus/estonia_ltc_report_final.pdf)

56 OECD (2020) Employment : Enrolment rates in pre-primary education or primary school, children aged 3 to 5 year old <https://stats.oecd.org/index.aspx?queryid=54761>

57 Eesti.ee (2020) Parental leave <https://www.eesti.ee/en/family/pregnancy-and-early-childhood/parental-leave/>

# SOCIAL PROTECTION AND INCLUSION

## SOCIAL PROTECTION AND HEALTHCARE

As anticipated, the rate of people living at risk of poverty or social exclusion in Estonia (24.4%) was higher than the EU average (21.9%) in 2018. The situation is characterised by great disparities at the regional level, especially for the elderly. This last group has a high activity rate, in response to their need to increase their income and ability to save.<sup>58</sup> The rise in pensions in 2020 represents an improvement in this respect, but the reform of the second pillar of the pension system is alarming, according to the NSG. It would expose the elderly to the risk of poverty even more. On the other hand, Estonia's performance with regard to material deprivation and child poverty in 2018 was better than the EU average. In particular, thanks to an increase in child benefits, child poverty decreased by 3.4 percentage points between 2016 and 2018. Moreover, by the end of 2020 benefits for children with disabilities will increase two- to threefold.<sup>59</sup> The in-work poverty rate has been volatile in recent years. In 2017 it was in line with the EU average,<sup>60</sup> but it increased in 2019, reaching 10.3%, 1 percentage point higher than the estimated EU average.<sup>61</sup> The self-employed are more at risk of in-work poverty in Estonia, as they are in the rest of the EU. However, it should be noted that the percentage of self-employed workers

affected by in-work poverty decreased by more than 10 points from 2015 to 2017.<sup>62</sup> The policies in place to combat poverty are considered by the National Strategy Group to be adequate in their focus, which is primarily on housing and family allowances. Family benefits had the greatest effects in reducing poverty in 2018. Nonetheless, overall social benefits in Estonia are less effective than in the rest of the EU at reducing the incidence of poverty, and the increase in incomes outperformed the increase of benefits in Estonia. Consequently, a rise in unemployment benefits could represent an effective welfare measure.<sup>63</sup> Overall, it is important to note that public expenditure on social protection is among the lowest in the European Union. It accounted for around 13% of GDP in 2018, while the EU average was almost 20%.<sup>64</sup>

Estonia's public expenditure for healthcare is among the lowest in the EU and the rate of self-reported unmet need for medical care is among the highest. This last indicator increased to 16.4% in 2018, compared to the Union average of 1.8%. This situation has led to high out-of-pocket payments: in 2017, 23.6% of people had to pay medical bills out of pocket, almost 8 percentage points more than the EU average.<sup>65</sup> In line with this data, the National Strategy Group reports that dental care is covered only to a very limited extent by health

58 European Commission (2020) Country Report Estonia 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0505&from=EN>

59 European Commission (2020) Country Report Estonia 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0505&from=EN>

60 European Social Policy Network (2019) ESPN Thematic Report on In-work poverty – Estonia [file:///C:/Users/martina/AppData/Local/Temp/3/ESPN\\_EE\\_TR1\\_2018-19%20on%20in-work%20poverty\\_final.pdf](file:///C:/Users/martina/AppData/Local/Temp/3/ESPN_EE_TR1_2018-19%20on%20in-work%20poverty_final.pdf)

61 Eurostat (2020) In-work at-risk-of-poverty rate <https://ec.europa.eu/eurostat/databrowser/view/tespm070/default/table?lang=en>  
62 European Social Policy Network (2019) ESPN Thematic Report on In-work poverty – Estonia [file:///C:/Users/martina/AppData/Local/Temp/3/ESPN\\_EE\\_TR1\\_2018-19%20on%20in-work%20poverty\\_final.pdf](file:///C:/Users/martina/AppData/Local/Temp/3/ESPN_EE_TR1_2018-19%20on%20in-work%20poverty_final.pdf)

63 European Commission (2020) Country Report Estonia 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0505&from=EN>

64 Eurostat (2020) Government expenditure on social protection [https://ec.europa.eu/eurostat/statistics-explained/index.php/Government\\_expenditure\\_on\\_social\\_protection](https://ec.europa.eu/eurostat/statistics-explained/index.php/Government_expenditure_on_social_protection)

65 European Commission (2020) Country Report Estonia 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0505&from=EN>

insurance. Furthermore, the lack of public expenditure on healthcare resulted in no updates to the system in recent years, so it is not always in a position to respond to people's needs. The high rate of out-of-pocket payments has also led to significant income-based inequalities across the country. This situation is even more alarming, considering that health conditions and health risk in Estonia depend in large part on socio-economic conditions.

If it is true that Estonian health insurance covers a wide range of services, as pointed out by the NSG, it is also important to mention that only 94% of people living in Estonia are covered by health insurance. This situation pushes people who are not insured to access the healthcare system through emergency care.<sup>66</sup> Another factor that pushes people to abuse emergency care services is that specialised medical care does not cover people's needs, for example due to very long waiting lists. As the National Strategy Group underlines, the current system is not sustainable, and its sustainability will be further undermined by the aging of the population and the increase in medical costs. In light of the situation described so far, there is a great need for more-consistent public investment in the sector. One of the most acute problems of the Estonian healthcare system is the lack of medical workers, especially nurses, which mainly affects rural areas. To tackle this issue and thus increase the accessibility of healthcare services in Estonia, a cooperation agreement has been signed. The aim of the agreement is to ensure that everyone in Estonia is registered with a family doctor, to improve the quality of medical care and to improve communication in rural areas.<sup>67</sup> The NSG considers this measure a positive development.

Immigrants can access healthcare services under the same conditions as Estonians. However, the National Strategy Group identifies linguistic barriers as a possible obstacle to healthcare accessibility for foreigners. In fact, medical professionals are not required by law to offer services in another language. Nonetheless, it should be noted that the state has funds to cover translation services for asylum seekers and immigrants with international protection.

## HOUSING

Most of the Estonian housing stock was built during the Soviet era. The peak period was between 1960 and 1990. Therefore, many dwellings are now old and need to be renovated. It is important to note that 13% of houses in Estonia do not have basic amenities, such as a single-household flushing toilet and modern washing facilities such as a shower or bath.<sup>68</sup> This figure is confirmed by the OECD Better Life Index report on Estonia, according to which only 93% of dwellings contain private access to an indoor flushing toilet. This is one of the lowest rates in the OECD; the average is 95.6%.<sup>69</sup> The situation is particularly critical in rural areas. Furthermore, the average Estonian home contains 1.6 rooms per person, slightly less than the OECD average of 1.8.<sup>70</sup> Overall, the NSG reports that, while the living conditions of wealthy and middle-class Estonians can be considered very good, the living conditions of people with lower incomes are only satisfactory. In addition, around half of Estonian residents live in dwellings that are either in very poor condition or have deficiencies and need to be modernised, according to their inhabitants.<sup>71</sup>

66 Ibid.

67 Ministry of Social affairs (2018) Koostöölepe: perearstiabi kättesaadavus kõigis Eesti piirkondades on riiklik prioriteet <https://www.sm.ee/et/uudised/koostoelepe-perearstiabi-kattesaadavus-koigis-est-ii-piirkondades-riiklik-prioriteet>

68 Inimareng (2020) Estonian Human Development Report 2019/2020 <https://inimareng.ee/>

69 OECD Better Life Index (2018) Estonia <http://www.oecdbetterlifeindex.org/countries/estonia/>

70 Ibid.

71 Inimareng (2020) Estonian Human Development Report 2019/2020 <https://inimareng.ee/>

Some social support measures are in place to help people with housing expenses, such as the social benefit, which covers part of the recipient's housing costs. Nevertheless, the number of recipients has drastically fallen over the years, according to the NSG. A series of other measures is in place to support people in the renovation of their dwellings, which should also improve their energy efficiency and reduce their environmental impact.<sup>72</sup> In 2018, housing development investment support was introduced for local governments with the aim of establishing a rental housing stock in certain areas. The National Strategy Group considers this measure positive, especially with a view to reducing regional disparities.

### JUST TRANSITION TO A GREEN ECONOMY

Despite Estonian residents being aware of the importance of environmental sustainability,<sup>73</sup> government actions are insufficient. Estonia is one of the most carbon- and energy-intensive economies in the EU, and its per-capita CO<sub>2</sub> emissions amounted to nearly twice the EU average in 2017.<sup>74</sup> This situation is in great part due to the prominent role played by the shale oil sector in the production of electricity. Residential buildings account for 33% of final energy consumption, while transport accounts

for 24%. Both forms of energy consumption have increased in recent years. In 2017, the Riigikogu, the Estonian Parliament, approved the national low-carbon strategy, the General Principles of Climate Policy until 2050. The objective of the plan is indeed to reduce greenhouse gas emissions in the country. This targets an 80% reduction in the emission of these gases by 2050 with respect to 1990 emissions. To do so, Estonia wants to focus on the industrial and transport sectors and to invest in new technologies.<sup>75</sup> However, as highlighted above, the current efforts are considered inadequate by the European Commission. Its Country Report Estonia 2020 concludes that the lack of adequate effort to reduce pollution is likely to prevent Estonia from reaching its national greenhouse gas emission target for 2030.<sup>76</sup>

The National Strategy Group urges the Estonian government to improve its waste-management and waste-sorting systems. The current waste collection system is based on the polluter-pays principle, so the party responsible for creating waste is also responsible for paying for its collection. Although waste collection prices are fairly low, the NSG stresses the need for prices to respect the so-called waste hierarchy established by the European Union (Directive 2008/98/EC) in order to encourage recycling as much as possible.<sup>77</sup>

72 Ministry of Economic Affairs and Communications (2015) Housing <https://www.mkm.ee/en/objectives-activities/construction-and-housing-sector/housing#support-measure-for-reconstruction-of-apartment-buildings2>

73 Center of Environmental Research, Ministry of the Environment, Tallin University (2018) Eesti elanike keskkonnateadlikkuse uuring [https://www.envir.ee/sites/default/files/2018\\_keskkonnateadlikkuse\\_uuring.pdf](https://www.envir.ee/sites/default/files/2018_keskkonnateadlikkuse_uuring.pdf)

74 European Commission (2020) Country Report Estonia 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0505&from=EN>

75 Ministry of the Environment (2018) General Principles of Climate Policy <https://www.envir.ee/en/news-goals-activities/climate/general-principles-climate-policy>

76 European Commission (2020) Country Report Estonia 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0505&from=EN>

77 Directive 2008/98/EC of the European Parliament and of the Council of 19 November 2008 on waste and repealing certain Directives <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32008L0098>

# CIVIC SPACE

The Estonian constitution guarantees freedom of assembly and of association, and the National Strategy Group does not highlight any particular issue in this regard in recent years. The 2020 edition of the CIVICUS Monitor tracking civic space classifies Estonia's civic space as open.<sup>78</sup> In July 2020, the government approved the Civil Society Program 2021-2024, which aims to foster civil society and increase its influence.<sup>79</sup> Following the 2019 parliamentary elections, various civic movements arose, such as 'My Estonia Too', 'Yes to Freedom, No to Lies' and 'Mornings at Stenbock'. These organised protests against the new populist government. Recently, climate-related protests have attracted more attention, especially weekly climate strikes organized by young people in various towns and cities as part of the movement 'Fridays for the Future'.

With regard to civic space, the NSG also reports that the Conservative People's Party of Estonia (EKRE), creates anxiety among human rights NGOs. Some party members have stated that NGOs should no longer be funded. In autumn 2019, this discussion gained new momentum, likely as a result of a coordinated campaign that was also supported by ministers from the coalition party Pro Patria.<sup>80</sup> Freedom of expression has also been facing some challenges in Estonia recently. Martin Helme, a member of parliament and deputy chair of EKRE, in March 2019 accused the public broadcaster ERR of

unbalanced reporting and requested that journalists who "demonstrate bias in their coverage, should be taken off air," CIVICUS reports. As a consequence of this political climate, several journalists quit their jobs.<sup>81</sup> In addition to these events, it is worth mentioning that in June 2019 the Minister of the Interior proposed partially privatising ERR in order to save money.<sup>82</sup> It is therefore not surprising that Estonia lost three places on the 2020 World Press Freedom Index, dropping to the 14th in the ranking.<sup>83</sup>

## SOCIAL DIALOGUE

The framework for social dialogue in Estonia is defined by the Good Practice of Engagement elaborated in 2017. This document stipulates that government authorities should involve interest groups and the public in the decision-making process, in order to increase its legitimacy. At the moment, public engagement is activated when a legal act is being prepared for adoption or a decision is being made at the level of the Riigikogu, the Government of the Republic or ministers.<sup>84</sup> Nevertheless, the National Strategy Group points out that the dialogue between public institutions and civic society is very often merely formal and limited to proposed legislation. Besides, the complexity of the subjects discussed represents a further obstacle to collaboration with CSOs. Social dialogue in the realm of labour is scarce

78 CIVICUS (2020) Monitor tracking civic space <https://monitor.civicus.org/country/estonia/>

79 Ministry of the Interior (2020) Kodanikuühiskonna programm 2021-2024 <https://www.siseministerium.ee/et/tegevusvaldkonnad/kodanikuuhiskond/kodar>

80 Estonian Human Rights Centre (2020) Freedom of assembly and association <https://humanrights.ee/en/materials/inimoigused-eestis-2020/kogunemis-ja-uhinemisvabadus/>

81 CIVICUS (2019) Right-wing coalition members threaten media independence and freedom of expression <https://monitor.civicus.org/updates/2019/06/18/Right-wing-coalition-members-threaten-media-independence-and-freedom-of-expression/>

82 Estonian Human Rights Centre (2020) Freedom of expression <https://humanrights.ee/en/materials/inimoigused-eestis-2020/sonavabadus/>

83 Reporters without Borders (2020) 2020 World Press Freedom Index <https://rsf.org/en/ranking/2020>

84 Government Office (2017) Good Practice of Engagement <https://www.riigikantselei.ee/en/good-practice-engagement>

in Estonia, as the participation of workers in trade unions is low and has decreased in recent years.<sup>85</sup> As a result, the NSG specifies that collective agreements apply only to the healthcare and transport sectors.

In the view of SOLIDAR's National Strategy Group for Estonia, social dialogue should have clearer and more-concrete objectives. In addition, solutions need to be found to improve

civil society actors' understanding of the subjects discussed at governmental level, so that they can participate more actively in the dialogue. The NSG proposes to add an "informative" preliminary phase to social dialogue, with the aim of ensuring that it is carried out on the basis of a shared understanding of the issues discussed, thus decreasing the information asymmetry that currently affects Estonian social dialogue.

## COMPARISON WITH THE COUNTRY SPECIFIC RECOMMENDATIONS

The European Commission's 2020 Country Specific Recommendations for Estonia are in many respects in line with what emerged from the Social Rights Monitor. In fact, the Commission highlights the need for a more accessible and resilient healthcare system, which is particularly urgent in the light of the current global health situation. Also, it identifies the inadequacy of the social safety net as a major issue for Estonia. This is corroborated by the NSG, which laments a lack of funding. In this respect, the European Commission draws the Estonian government's attention to the need

for more-adequate unemployment benefits, particularly in consideration of the socio-economic consequences of the Covid-19 emergency. The recommendations also focus on the importance of a green transition, with particular regard to the energy and transport sectors. However, unlike the NSG, the Commission does not make any recommendations linked to the recent pensions reform and the subsequent risk of poverty for the elderly. Moreover, no space is given to gender equality and Estonia's alarming gender pay gap.

85 Ministry of Social Affairs (2017) Eesti tööelu-uuring 2015 [https://www.sm.ee/sites/default/files/content-editors/Ministeerium\\_kontaktid/Uuringu\\_ja\\_analuusid/eesti\\_toelu\\_uuring\\_2015.pdf](https://www.sm.ee/sites/default/files/content-editors/Ministeerium_kontaktid/Uuringu_ja_analuusid/eesti_toelu_uuring_2015.pdf)

SOLIDAR's Social Rights Monitor 2020 has been developed in the framework of the Together for Social Europe programme co-funded by the EU Programme for Employment and Social Innovation (EaSI). It provides an insight into the state of social rights in 17 European countries. The Monitor assesses the state of social Europe in terms of equality of opportunities, fair working conditions, social protection, inclusion and civic space based on the observations of Civil Society Organisations working on the ground in combination with statistical data and scientific findings. It does so on the basis of observations of National Strategy Groups set up in each of these countries by a SOLIDAR member or partner. The 2020 Monitor also analyses to what extent these aspects are reflected in the Country Specific Recommendations of the European Semester process towards a socially sustainable recovery after the Covid-19 crisis.

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