

3.2 Administration and governance

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Governance

The legislation is liberal and offers a lot of flexibility in agreeing on terms and conditions of employment. Regulations regarding employment and labour contracts are regulated by the [Employment Contracts Act](#). According to [Human Capital Report](#) Estonia is a success story with regard to successful human capital potential maximization, ranking 15th globally. The Estonian labour market can be described by:

- highly skilled workforce
- 86% of adults speaking at least one foreign language
- low unionisation
- simple and straightforward labour legislation
- easy hiring and job contract termination processes

The employment market policy is developed in tripartite social dialogue representing employees, employers and the Government.

There is no single body responsible for youth employment and entrepreneurship as the domain covers several policy areas – most importantly education, youth, labour market, economic affairs - which have established a different division of tasks between different ministries responsible for policy areas and between local and central level.

There is a mechanism established to ensure harmonised policy-making and implementation. There is a mechanism established to ensure harmonized policy-making and implementation that also covers youth social inclusion. The central position in this mechanism - approving the propositions to develop a policy document or to change the existing one, monitoring the implementation through approving the action plans and their reports

and also monitoring the cooperation and in case of need initiating the cooperation - is granted to the [Government](#) and the [Government Office](#). The [Ministry of Finance](#) also plays a coordinating role in planning, monitoring and ensuring the division of resources of different financial instruments including the state budget, among all the policy fields.

The main Governmental authorities relevant to youth employment and entrepreneurship:

- the [Ministry of Economic Affairs and Communications](#): responsible for developing entrepreneurship and economic affairs
- the [Ministry of Education and Research](#): responsible for youth policy and education policy
- the [Ministry of Social Affairs](#): responsible for labour market policy, but also for social protection and services including child and family policy

Main public actors and foundations of policy fields relevant to youth employment and entrepreneurship:

- [Social Insurance Board](#), an agency of the Ministry of Social Affairs, responsible for social insurance benefits and child protection services.
- [Estonian Unemployment Insurance Fund](#), a public legal entity acting in the area of the Ministry of Social Affairs and responsible for provision of labour market services, governed by the tripartite Supervisory Board composed of the representatives of the Government, employees (the Confederation of Estonian Trade Unions, the Estonian Employees' Unions' Confederation) and employers (the Estonian Employers' Confederation).
- The [Education and Youth Board](#) (Harno), a government agency of the Ministry of Education and Research that deals with the implementation of Estonian education and youth policy. The joint institution was established on the basis of the services of [Foundation Innove](#), [Foundation Archimedes](#), Information Technology Foundation for Education and [Estonian Youth Work Centre](#). Harno was set up on 01.08.2020.
- [Foundation Enterprise Estonia](#), an independent body established by the government under the Ministry of Economic Affairs and Communications, which helps to carry out innovation and enterprise policy through different support schemes, counselling and training.

The main non-public actors:

- [Estonian Chamber of Commerce and Industry](#), representative of the Estonian business community, which mission is to develop entrepreneurship in Estonia;
- [Estonian Employers' Confederation](#), includes all the main industry associations and many large businesses in Estonia;
- [Confederation of Estonian Trade Unions](#), an umbrella organisation for trade unions;
- [Estonian Employees' Unions' Confederation](#), an organisation uniting different professional unions;
- [Estonian Association of Youth Centres](#), implementing youth work including activities for NEET;
- [National Youth Council](#), the umbrella organization of youth associations and youth organizations.

Cross-sectoral cooperation

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