

## 3.6 Integration of young people in the labour market

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### Youth employment measures

Estonia does not currently have comprehensive labour market policy targeted only at youth; rather young people can apply for all available benefits and services.

Young people (starting from the age of 16) can benefit from all other public employment services provided to the registered unemployed by the [Unemployment Insurance Fund](#). The specific needs of each unemployed person are identified by the Unemployment Insurance Fund as part of an Individual Action Plan. Unemployed young people are offered personalized labour market services to support their job search.

As part of the Youth Guarantee scheme several initiatives were created, specifically targeting youth: career workshops, “[My First Job](#)” and the [Tugila](#) (Youth Prop Up) programme.

[My First Job](#) is designed to encourage the recruitment of young people, and thereby reducing youth unemployment. The service supports employers who employ young people aged 16-29,

- who have been registered as unemployed for at least four months and have not found a job, and
- who have no professional qualification (they have either primary or secondary education), and
- who do not have work experience, or is it a short-term (in the last three years worked for less than a year, or have worked in a total of fewer than two years).

The employer can receive up to 50% of the salary of the young person for 12 months. In addition, the training costs for the employer can be reimbursed for up to 2,500 euros (per young person of the YG program) during the first two years from the commencement of employment, to promote the development of the skills of the young person and increase his/her competitiveness in the labour market. An employment contract with a young person must be signed for a minimum of two years. The target outcome is that 70% of the participants are employed 6 months after having participated in the measure. The responsible body for the provision is the [Unemployment Insurance Fund](#).

[Youth Tugila](#) (Youth Prop Up) programme started at the end of 2015 under the Youth Guarantee. The aim is to support young people through youth work in order to facilitate the transition to work or back to school. The target group is 15-26-year-old NEET youth. Youth centres participating in the programme are responsible for finding NEET youth and carrying out different activities, which may last up to 6 months – during this period young people are helped to decide whether to continue studying or work. Centres help to create contacts with schools, the Unemployment Insurance Fund, career centres and employers. After participating in the programme, the contact with the young person is preserved for another 6 months to give extra help if needed. The responsible party for the provision of the programme is the [Estonian Association of Youth Centres](#).

Since 2012, the [Unemployment Insurance Fund](#) has signed 14 partnership agreements with large companies in different economic sectors. These companies in line with other cooperation activities are also willing to give young people a chance to learn skills on the job and gain (first) work experience by providing on-the-job training and organizing work-trials. In 2020, there were 5 companies that offer first work experience through the programme "My first job".

Starting in 2018, employers have the possibility to ask funding from the [Unemployment Insurance Fund](#) in order to hire minors aged 13-16. The financial support is 30% of the gross salary of the underaged person. Altogether, the total amount of funding is planned to be 3.87 million euros. The measure is financed by the European Social Fund action "Provision of labour market services to ensure better access to employment".

### **Flexicurity measures focusing on young people**

There are currently no specific policies for young people to improve their flexibility of working arrangements and their social security net.

The only specific active labour market measure addressing the issue of flexicurity of young people is the initiative "[My First Job](#)" – a service is to reduce youth unemployment by helping young people with little or no experience and without specialized education to find work. The measure includes paying wage support to the employer (50% of the employee's wage, but not more than twice the national minimum wage, for 12 months) and remunerating the costs of training (up to 2,500 euros during two years).

Since 2017, the [Employment Contracts Act](#) was changed with the specific aim to support employment

opportunities for young people under 18.

## **Reconciliation of private and working life for young people**

There are no youth-specific policy measures to support flexibility in working time arrangements. Also, there are no youth-specific policy measures to promote gender equality in the labour market.

## **Funding of existing schemes/initiatives**

Young people (starting from the age of 16) can benefit from all public employment services provided to the registered unemployed by the [Unemployment Insurance Fund](#), which mostly are financed by the state budget.

There are active labour market measures provided as part of different ESF programmes (including for young people), where most of the budget consists of 85% of ESF funds and 15% of the state budget. A youth-specific example - “[My First Job](#)” - service is funded 85% by ESF and 15% by the state budget. “[My First Job](#)” includes paying wage support directly to the employer (50% of the employee’s wage, but not more than twice the national minimum wage, for 12 months) and remunerating the costs of training (up to 2,500 euros during two years).

- The dedicated budget for the “[My First Job](#)” for the years 2015-2020 is 18.9 million euros, the yearly budgets depend on the demand.
- [Youth Tugila](#) (Youth Prop Up) programme budget for the year 2016: 818,771 euros.

## **Quality assurance**

There is no single system for evaluating all policy measures and initiatives to support youth employment. All the services initiated, developed and supported by the Government are part of the strategic planning of the relevant policy area i.e. the mechanisms for monitoring and evaluating the policies described in [chapter 3.2](#).

All the programmes and activities implemented with the support of ESF are part of the monitoring and evaluation framework: a system of evaluation (ex-ante, mid-term and final evaluation). No evaluations relating to the activities specifically supporting young people and described above have been conducted by the end of 2016.

There was an evaluation commissioned by the Ministry of Social Affairs in 2015-2016 concerning the active employment policy measure “My First Job” to find out main reasons, why it is not so actively used by youth and what are the main obstacles for youth to enter the programme. The [evaluation](#) showed that one of the main reasons for not using this measure is the low knowledge of the possibilities of this activity, fear amongst employers and young people in having a long-term working contract, but also the fear of employers in hiring young people with no special education and little working experience. The report brings out that in order to help the young people most in need of help gaining working experience the criteria for the activity have to be lowered and better support for employers and youth both during entering the activity and afterwards as well. This would raise the experience gained and lower the amount of terminated contracts.

The indicators used to assess the quality of employment measures under the Youth Guarantee scheme:

- Service “[My First Job](#)” - 70% of participants are in employment 6 months after the service.
- Beginning supportive measures for the NEET youth, supporting the return of these young people to education and/or successful entry to the labour market - 55% of NEET youth (aged 15-26) who participated at the supportive measures are, in 6 months following the activities, no longer in the NEET

youth status.

- Workshops introducing the labour market for young people offered by EUIF - 70% of participants (aged 15-26) in services have acquired knowledge and skills raising their employment-readiness.