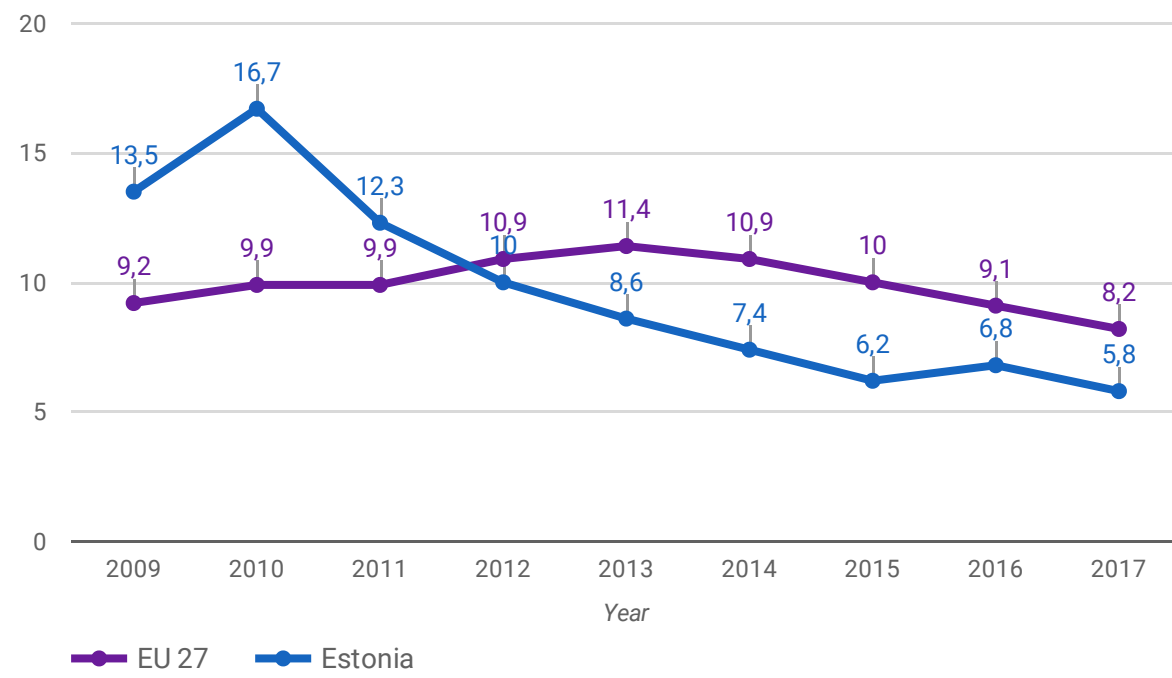


Labour Market Characteristics and Policies

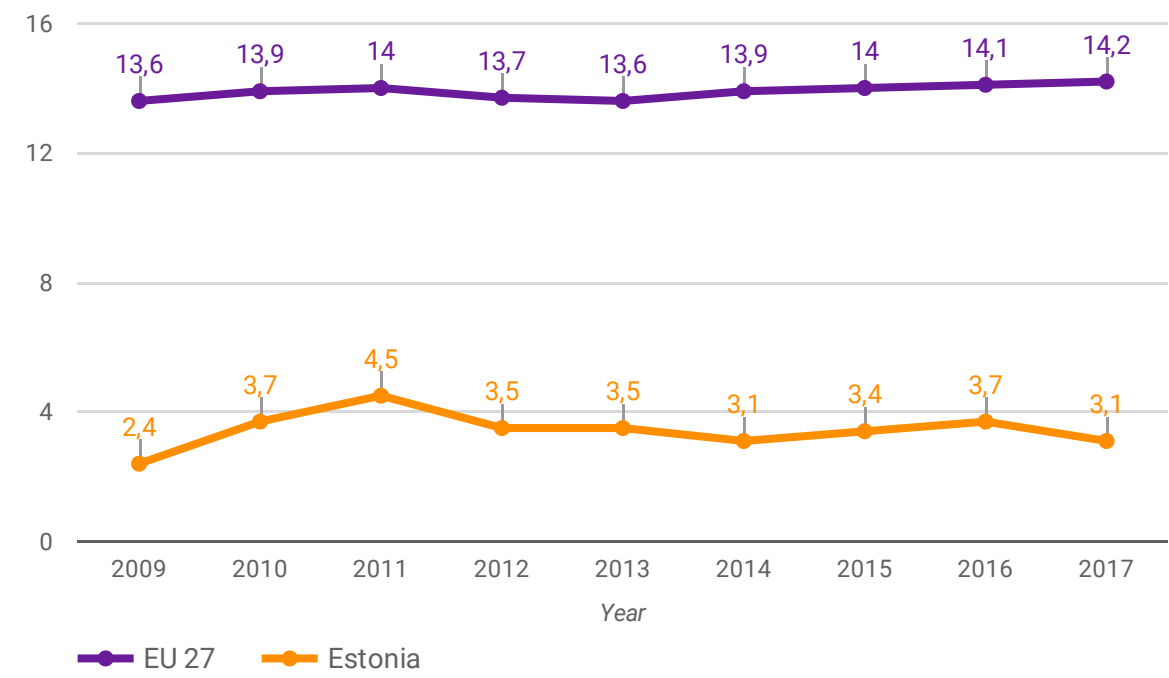
EMPLOYMENT



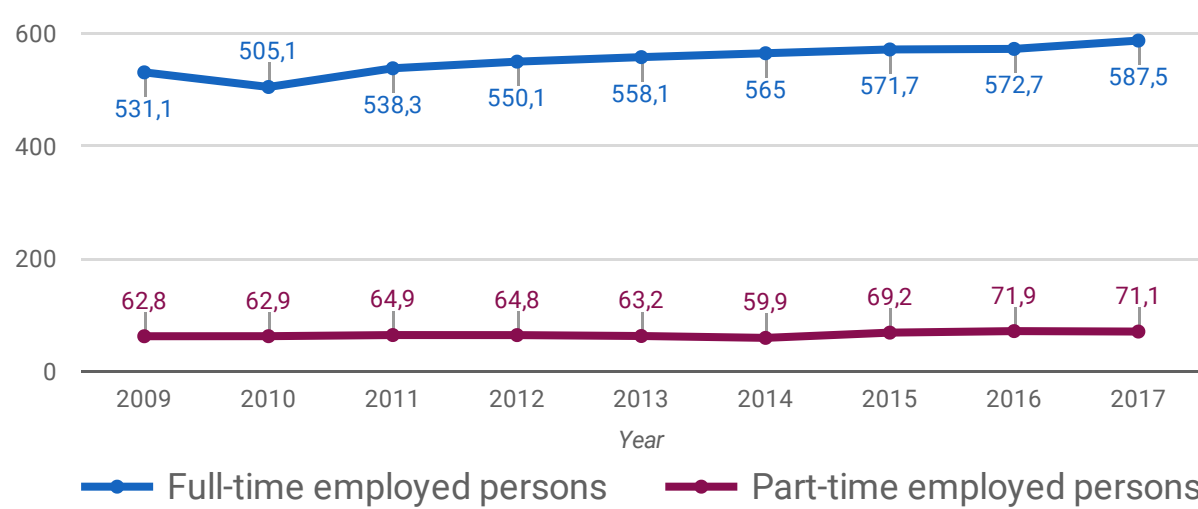
Unemployment rate



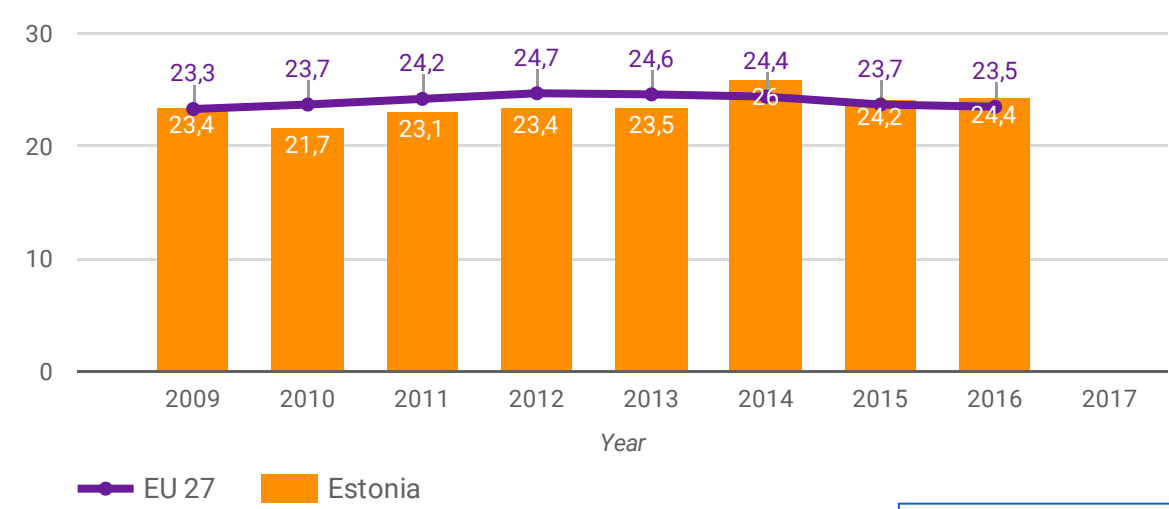
Temporary employees (% of total)



Employed persons (in thousands)

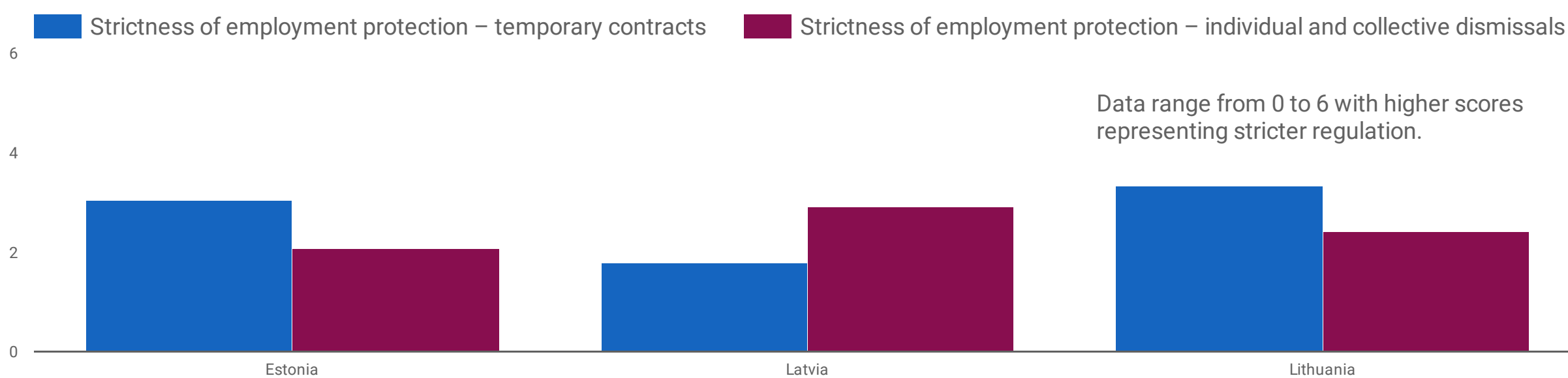


People at risk of poverty or social exclusion, %



Source: Eurostat, 2009-2017

OECD indicators of employment protection in the Baltics



Source: OECD, 2013-2015

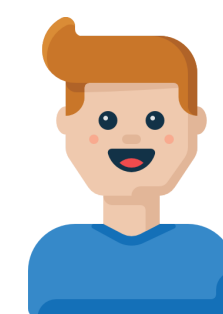
WAGES



Year	Minimum wages (EUR/month)	Gross average wages (EUR/month)
2009	278,02 €	931,67 €
2010	278,02 €	894,61 €
2011	278,02 €	995,06 €
2012	290 €	970,95 €
2013	320 €	1.073,87 €
2014	355 €	1.137,51 €
2015	390 €	1.006,73 €
2016	430 €	1.080,77 €
2017	470 €	null
2018	500 €	null

Lowest and highest paying industries:

Arts, entertainment and recreation: € 617 / month
Accommodation and food service activities: € 1900 / month



Minimum wage (Eurostat): monthly national minimum wages
Gross average wages are provided by the **UNECE Statistical Database**, compiled from national and international (OECD, EUROSTAT, CIS) official sources.

Collectively agreed wages

Most collective agreements concluded at company level. Trade unions and employers' associations concluded the 2017 national minimum wage agreement. This agreement stipulates the national level minimum wage increase to be calculated annually on the basis of labour productivity and economic growth in 2018-2022.

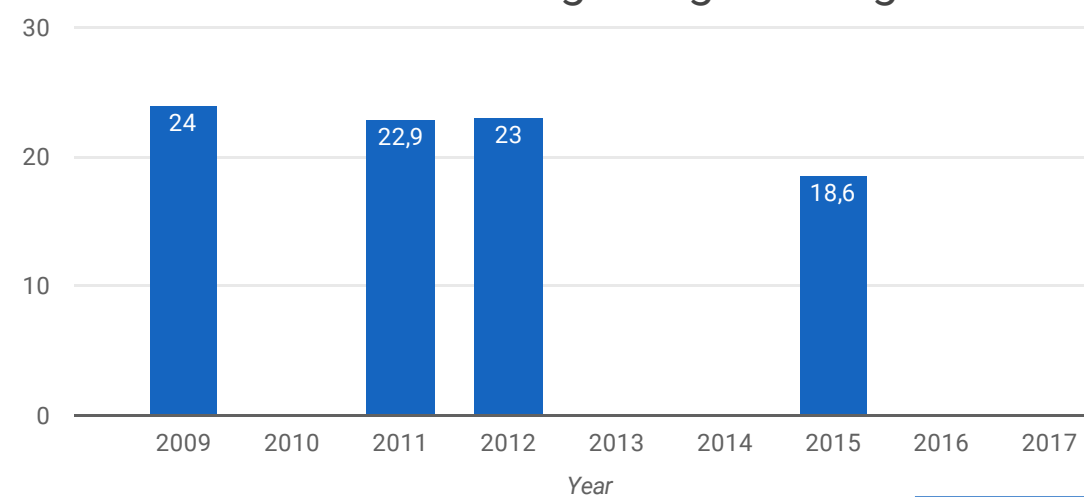
Source: Eurofound, 2016



Bargaining coordination (Eurofound, 2017) - Some bargaining at all levels, company-level bargaining the most widespread: 97% of collective agreements concluded at company level; 2% at sector-level; 1% national-level. The conclusion of collective agreements is closely related to the presence of trade unions in companies. Only 2% of companies without trade union presence have a collective agreement, in contrast to 41% of companies with union presence.

Source: Kallaste, 2019, ETUI book Collective Bargaining in Europe

Collective bargaining coverage

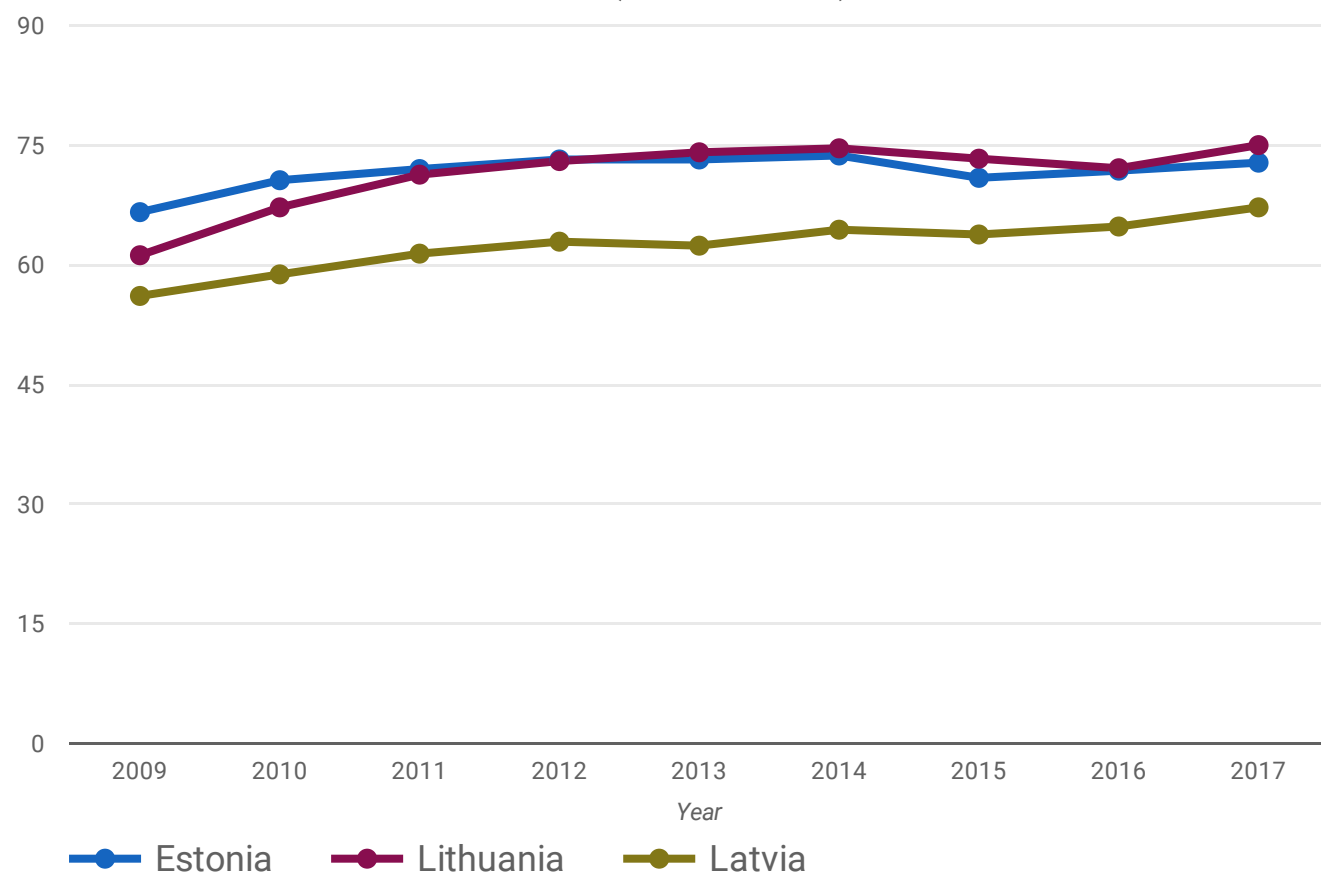


Source: ILO, 2009-2017

ECONOMY



Labour productivity per person employed and hour worked (EU28=100) %



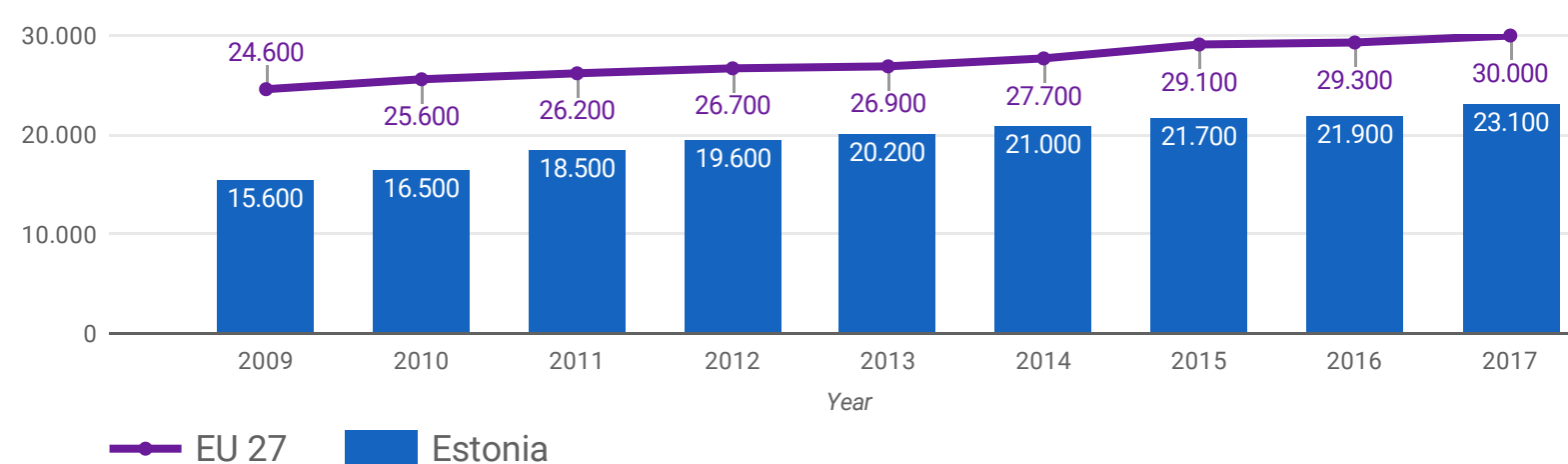
Employment in Foreign Controlled Enterprises (% total persons employed, 2015)

38,08

Value Added in Foreign Controlled Enterprises (% total value added, 2015)

40,97

Purchasing power adjusted GDP per capita (in PPS_EU28)



Source: Eurostat, 2009-2017

EMPLOYMENT PROTECTION POLICY



- Length of notice period at different tenure durations
- Severance pay at different tenure durations
- Definition of unfair dismissal

- 1) less than one year of employment – no less than 15 calendar days; 2) one to five years of employment – no less than 30 calendar days; 3) five to ten years of employment – no less than 60 calendar days; 4) ten and more years of employment – no less than 90 calendar days. Calculation (for EPL indicators): 9 months tenure -15 calendar days, 4 years tenure 30 calendar days, 20 years tenure 90 calendar days.
- One month's average wage of the employee. Also an insurance benefit shall be paid by the Estonian Unemployment Insurance Fund to an employee whose employment relationship with an employer or to an official whose employment in the service has lasted for: 1) five to ten years - in the amount of one month's average salary or wage; 2) over ten years - in the amount of two months' average salary or wage.
- Fair: An employer may extraordinarily terminate an employment contract with good reason arising from the employee as a result of which, upon respecting mutual interests, the continuation of the employment relationship cannot be expected, especially if the employee has: 1) for a long time been unable to perform his or her duties due to his or her state of health which does not allow for the continuation of the employment relationship (decrease in capacity for work due to state of health). A decrease in capacity for work due to state of health is presumed if the employee's state of health does not allow for the performance of duties over four months; 2) for a long time been unable to perform his or her duties due to his or her insufficient work skills, non-suitability for the position or inadaptability, which does not allow for the continuation of the employment relationship (decrease in capacity for work); 3) in spite of a warning, disregarded the employer's reasonable instructions or breached his or her duties; 4) in spite of the employer's warning been at work in a state of intoxication; 5) committed a theft, fraud or another act bringing about the loss of the employer's trust in the employee; 6) brought about a third party's distrust in the employer; 7) wrongfully and to a significant extent damaged the employer's property or caused a threat of such damage; 8) violated the obligation of maintaining confidentiality or restriction of trade. Before termination of an employment contract, in particular on the basis specified in cases 1) and 2), the employer shall offer other work to the employee, where possible. The employer shall offer other work to the employee, including organise, if necessary, the employee's in-service training, adapt the workplace or change the employee's working conditions if the changes do not cause disproportionately high costs for the employer and the offering of other work may, considering the circumstances, be reasonably expected. An employer may cancel an employment contract due to a breach of an employee's obligation or decrease in his or her capacity for work. An employer may also extraordinarily cancel an employment contract if the continuation of the employment relationship on the agreed conditions becomes impossible due to a decrease in the work volume or reorganisation of work or other cessation of work (lay-off).
- A probationary period shall not exceed 4 months.
- Three months' average wages of the employee.

- Length of trial period
- Compensation following unfair dismissal

- Maximum number of successive standard Fixed Term - Contracts (initial contract plus renewals and/or prolongations)
- Maximum cumulated duration of successive standard Fixed Term Contracts
- Types of work for which temporary work agency (TWA) employment is legal
- Are there restrictions on the number of renewals and/or prolongations of TWA assignments?
- Maximum cumulated duration of TWA assignments

- If an employee and employer have on more than two consecutive occasions entered into an employment contract for a specified term for the performance of similar work or extended the contract entered into for a specified term more than once in five years, the employment relationship shall be deemed to have been entered into for an unspecified term from the start.
- 120 months.
- If fixed-term duties are performed by way of temporary agency work, an employment contract may be entered into for a specified term also if it is justified by the temporary characteristics of the work in a user undertaking.
- If duties are performed by way of temporary agency work, the restriction on consecutive entry into or extension of an employment contract for a specified term mentioned in item 11 shall be applied to every user undertaking separately.
- The restriction on consecutive entry into or extension of an employment contract for a specified term mentioned in items 11 and 12 shall be applied to every user undertaking separately. By contrast, there is no limit on regulations on number and duration of the contracts between the TWA and the employee.

- Do regulations ensure equal treatment of regular workers and agency workers at the user firm?

- There is no legislation stipulating equal treatment specifically for TWA workers. However, the Employment Contracts Act prohibits applying to employees who have fixed-term contracts less favourable conditions than those applied to regular workers, except when justified by objective reasons deriving from legislation or collective agreements.
- Redundancy within 30 days if: (1) an employer who employed up to 19 employees terminates the employment contracts of at least 5 employees; (2) an employer who employs 20-99 employees terminates the employment contracts of at least 10 employees; (3) an employer who employs 100-299 employees terminates the employment contracts of at least 10% of employees; (4) an employer who employs at least 300 employees terminates the employment contracts of at least 30 employees.
- Consultation in good time the trustee / shop steward or, in his or her absence, employees with the goal of reaching an agreement on prevention of the planned terminations or reduction of the number thereof and mitigation of the consequences of the terminations, including re-employment assistance or re-training of the employees to be laid off. After consultations an employer shall submit in writing the information about collective terminations and consultations to the Estonian Unemployment Insurance Fund.
- 15 days for consultation + 30 for Fund notification minus average values reported in Items 2 (4 days) and 3 (1 month) = 11 days.

- Definition of collective dismissal

- Additional notification requirements in cases of collective dismissal

- Additional delays involved in cases of collective dismissal
- Other special costs to employers in case of collective dismissals

- No additional requirements.

Source: Employment protection legislation OECD database - Regulations in force on 1st January 2013