



EUROPEAN SOCIAL POLICY NETWORK (ESPN)

Access to essential services for low-income people

Estonia

Merilen Laurimäe, Märt Masso and Ingel Kadarik



EUROPEAN COMMISSION

Directorate-General for Employment, Social Affairs and Inclusion

Directorate C — Social Affairs

Unit C.2 — Modernisation of social protection systems

Contact: Giulia Pagliani

E-mail: Giulia.PAGLIANI@ec.europa.eu

European Commission

B-1049 Brussels

European Social Policy Network (ESPN)

**ESPN Thematic Report on
Access to essential services for
low-income people**

Estonia

2020

Merilen Laurimäe, Märt Masso, Ingel Kadarik

The European Social Policy Network (ESPN) was established in July 2014 on the initiative of the European Commission to provide high-quality and timely independent information, advice, analysis and expertise on social policy issues in the European Union and neighbouring countries.

The ESPN brings together into a single network the work that used to be carried out by the European Network of Independent Experts on Social Inclusion, the Network for the Analytical Support on the Socio-Economic Impact of Social Protection Reforms (ASISP) and the MISSOC (Mutual Information Systems on Social Protection) secretariat.

The ESPN is managed by the Luxembourg Institute of Socio-Economic Research (LISER) and APPLICA, together with the European Social Observatory (OSE).

For more information on the ESPN, see:

<http://ec.europa.eusocialmain.jsp?catId=1135&langId=en>

***Europe Direct is a service to help you find answers
to your questions about the European Union.***

Freephone number (*):

00 800 6 7 8 9 10 11

(*) The information given is free, as are most calls (though some operators, phone boxes or hotels may charge you).

LEGAL NOTICE

This document has been prepared for the European Commission, however it reflects the views only of the authors, and the Commission cannot be held responsible for any use which may be made of the information contained therein.

More information on the European Union is available on the Internet (<http://www.europa.eu>).

© European Union, 2020

Reproduction is authorised provided the source is acknowledged

Quoting this report: Laurimäe, Merilen; Masso, Märt and Kadarik, Ingel (2020). ESPN Thematic Report on Access to essential services for low-income people – Estonia, European Social Policy Network (ESPN), Brussels: European Commission.

CONTENTS

SUMMARY	4
1 OVERVIEW OF NATIONAL/SUBNATIONAL MEASURES AIMED AT SUPPORTING LOW-INCOME PEOPLE IN ACCESSING ESSENTIAL SERVICES	5
1.1 Definition of “essential services”	5
1.2 Definition of “low-income people” used in the context of access to services	6
1.3 Measures for facilitating access for low-income people to services	6
1.3.1 Access to water	6
1.3.2 Access to sanitation	7
1.3.3 Access to energy	7
1.3.4 Access to public transport	8
1.3.5 Access to digital public services	8
1.4 Access to financial services (Directive 2014/92/EU)	9
2 NATIONAL/SUBNATIONAL POLICY FRAMEWORKS AND REFORMS	11
2.1 National/subnational policy frameworks	11
2.2 Ongoing or announced reforms.....	12
3 A FOCUS ON ACCESS TO TRANSPORT SERVICES.....	13
REFERENCES	15
ANNEX	19
Table A1: Essential service – Water	19
Table A2: Essential service – Sanitation	20
Table A3: Essential service – Energy.....	21
Table A4: Essential service – Public transport.....	22
Table A5: Essential service – Digital public services	23
Table B1: Essential services – Summary table.....	24

Summary

In Estonia, the term used in the context of essential services is “vital services” and it is more related to internal state security. A “vital service” is a service that has an overwhelming impact on the functioning of society, and the interruption of which presents an immediate threat to the life or health of people or to the operation of another vital service or service of general interest. In this report, “essential services” cover water, sanitation, energy, public transport, digital services and financial services.

In Estonia, there are no special reduced tariffs for low-income people to access essential services; however, the subsistence benefit (i.e. the minimum income protection scheme) helps to ensure that low-income people can access essential services. The subsistence benefit is a financial support and is provided to a person living alone or to a household whose monthly net income, after the deduction of housing expenses (including the cost of services of supplying water and leading off wastewater; the cost of thermal energy or fuel consumed for hot water and for heating; the costs related to the consumption of electricity; the cost of household gas; communication costs), is below the subsistence level. In 2020, the subsistence level was €150 per month for the first member of a household, €120 per month for each subsequent full-age household member and €180 per month for each under-age household member.

In addition, there are some services that are free of charge for everyone or that have reduced tariffs (or are free of charge) for certain groups (e.g. free transport or reduced fares for the disabled, pensioners, etc.).

As of July 2018, there is free public regional bus transport available in 11 out of Estonia’s 15 counties. In the other four, the disabled and anyone who is under the age of 20 or aged 65 and over travels free of charge. Free county bus transport has significantly increased the number of bus users (by 20% over the year). It is a well-targeted support, as low-income people, the young and elderly use public transport more, and it has become more common to travel longer distances and to centres: for example, a person who works 25 kilometres from home saves approximately €800 per year.

In Estonia, digital services are mostly free of charge, and so no specific measures are needed for low-income people to access them. Access to an internet connection in order to use digital services is also good. If the person has no internet access at home, they can use public internet access points in libraries or other public buildings, although not always free of charge.

In addition, there are some regulations that protect low-income people if they cannot make ends meet. Taking energy as an example, under certain conditions at least 30 days’ notice (90 days in winter) must be given before the power is cut off.

More broadly, the programme for sparsely populated areas supports the construction of a water and sewerage system, the laying of roads and the establishment of an autonomous electricity system, with the aim of ensuring good living conditions in rural areas with low population density.

The policy framework regarding essential services does not target low-income people specifically, and does not necessarily see any need to offer direct support measures to access these services. Instead, the state ensures that adequate and reasonably priced options are available to access these services. The situation of low-income earners is targeted through other social policy measures, like subsistence benefit or other allowances and benefits (e.g. in case of unemployment).

Section 3 focuses on transport services, although it cannot be stated with certainty that access to transport services presents difficulties for low-income people. However, in relation to social services, it is recognised that the accessibility and affordability of transport is a problem, especially for the unemployed and disabled. Therefore, local authorities organise a social transport service, and the Unemployment Insurance Fund offers commuting benefits for persons with disability or illness, to cover transport costs.

1 Overview of national/subnational measures aimed at supporting low-income people in accessing essential services

According to Principle 20 of the European Pillar of Social Rights (EPSR), everyone should have “the right to access essential services of good quality, including water, sanitation, energy, transport, financial services and digital communications”. Moreover, support for accessing such services should be available for those in need.¹ The importance of ensuring access to essential services is also well established globally in the framework of the United Nations 2030 Agenda for Sustainable Development and its 17 related Sustainable Development Goals (SDGs) which was endorsed in 2015 by all UN countries including all EU countries.² This report investigates the extent to which Principle 20 of the EPSR has already been implemented in the six services under scrutiny in Estonia. The group of “those in need” is restricted in the report to people on a low income and low-income households.

1.1 Definition of “essential services”

In Estonia, there is no definition of “essential services”, as viewed in the context of this report. However, there is a broad definition that encompasses essential services. The term used is “vital services” and it is more related to state security. According to the Emergency Act: “A vital service is a service that has an overwhelming impact on the functioning of society and the interruption of which is an immediate threat to the life or health of people or to the operation of another vital service or service of general interest. A vital service is regarded in its entirety together with a building, piece of equipment, staff, reserves and other similar facilities indispensable to the operation of the vital service ... The Ministry of Economic Affairs and Communications shall organise the continuity of the ... electricity supply; natural gas supply; liquid fuel supply; ensuring the operability of national roads; phone service; mobile phone service; data transmission service; digital identification and digital signing. The Ministry of Social Affairs shall organise the continuity of emergency care ... The Bank of Estonia shall organise the continuity of ... payment services [and] cash circulation. Local authorities who organise services provided by a provider of a vital service and on whose territory lives over 10,000 residents organise in their administrative territory the continuity of ... district heating; ensuring the operability of local roads; water supply and sewerage” (Emergency Act 2020).

More broadly, some of the essential services are listed in the Local Government Organisation Act, according to which: “The functions of a local authority include the organisation, in the rural municipality or city, of the provision of social services, the grant of social benefits and other social assistance, welfare services for the elderly, cultural, sports and youth work, housing and utilities, the supply of water and sewerage, the provision of public services and amenities, waste management, spatial planning, public transportation within the rural municipality or city, and the construction and maintenance of rural municipality roads or city streets unless such functions are assigned by law to other persons” (Local Government Organisation Act 2020).

¹ The EPSR was jointly proclaimed by the European Parliament, the European Council and the European Commission on 17 November 2017. For more information on the EPSR, see: https://ec.europa.eu/commission/priorities/deeper-and-fairer-economic-and-monetary-union/european-pillar-social-rights/european-pillar-social-rights-20-principles_en.

² The SDGs and their targets seek to realise the human rights of all, by promoting an integrated notion of sustainable development aimed at creating synergies between economic, environmental and social policies and objectives. For more information on the SDGs, see: <https://www.un.org/sustainabledevelopment/sustainable-development-goals/>.

1.2 Definition of “low-income people” used in the context of access to services

There is no official definition of “low-income people” used in Estonia in the context of the delivery of the six essential services under scrutiny.

However, as the subsistence benefit (i.e. the minimum income protection scheme) helps to ensure that low-income people can access essential services, the definition of “low-income people” in the context of the subsistence benefit will be used. The subsistence benefits provide a guaranteed income level, designed to protect people from direct poverty. The subsistence benefit is financial support for persons in need, and it is provided to a person living alone or to a household whose monthly net income, after the deduction of housing expenses (up to a certain limit), is below the subsistence level. In 2020, the subsistence level was €150 per month for the first member of the household, €120 per month for each subsequent full-age household member (i.e. adult aged 18 years or over) and €180 per month for each under-age household member (Ministry of Social Affairs 2018).

The following housing expenses are taken into account in the calculation of subsistence benefit: rent; the service charges in an apartment building, including maintenance fees; repayment of a loan taken out for renovation of the apartment building; water and wastewater charges; the cost of thermal energy or fuel consumed to provide hot water; the cost of thermal energy or fuel consumed for heating; the costs related to the consumption of electricity; the cost of household gas; land tax; the cost of buildings insurance; and the fee for the removal of municipal waste (Social Welfare Act 2020). The subsistence level has been increased yearly, and has also increased mean household income, especially for lower-income groups. The administrative data of the Ministry of Social Affairs indicate that there was a steady decline in the number of subsistence benefit recipients between 2004 and 2008, an increase between 2008 and 2011, and a decline since then. In 2019, the total number of household members who received subsistence benefit was 18,719 (10,904 households).³ Between 2004 and 2017, the share of the total population that received subsistence benefits varied between 1.5% and 5.2%; in 2017, it was 1.9%. In most cases, subsistence benefits are received either for 1–3 months of the year (in winter, when housing costs are higher) or for 12 months of the year. In 2019, 2,233 households received subsistence benefits for the entire year (12 months). Thus, for one group of people the benefits constitute a regular income.

1.3 Measures for facilitating access for low-income people to services

1.3.1 Access to water

There are no measures that directly aim at improving the access of low-income people to water. However, the subsistence benefits paid by local governments help to ensure that low-income people can make ends meet. As described in Section 1.2, the cost of water and wastewater services is also taken into account in the calculation of the subsistence benefit.

In Estonia, approximately 83% of the population in 2017 were connected to a public water supply (Eurostat 2019c) and 88% were connected to wastewater treatment plants (Eurostat 2019d). In 2017, expenditure on a centralised public water supply and sewerage services were on average 1.6% of a household member’s income in the Eastern Estonia river basin district and 1.5% in the Western Estonia river basin district. However, among low-income households the figures were 5% and 4%, respectively. Compared to 2014, water services have become more affordable. Among non-connected households, the average expenditure was 2% of a household member’s income in both the Eastern and the

³ <https://www.sm.ee/et/toetuste-statistika>

Western Estonia river basin districts, but for low-income households the figures were 7% and 5%, respectively in 2017 (Ministry of the Environment 2019).

More broadly, the programme for sparsely populated areas (*Hajaasustuse programm*) supports the construction of a water and sewerage system, the laying of roads to guarantee people access to their homes, and the establishment of an autonomous electricity system. The aim of the programme is to ensure good living conditions in rural areas. The eligibility conditions are not directly linked to low income, but the assessment takes into account the number of people aged up to 18 living in the household and the number of household members in the preferred target groups (e.g. the disabled). In the past five years, more than €30 million have been invested, and more than 7,000 households have received help. In 2017, 1,400 households received the grant (Hajaasustuse programm 2020; EAS 2018; Ministry of Finance 2019a)

The Environmental Investment Centre (*Keskkonna Investeeringute Keskus*) supports private households in connecting to a water supply and wastewater drainage. People whose household is in a wastewater collection area with more than 2,000 consumers are eligible for support (Environmental Investment Centre 2019).

1.3.2 Access to sanitation

In Estonia, access to water and access to sanitation are closely linked. Therefore, readers interested are invited to look at Section 1.3.1 above.

1.3.3 Access to energy

In 2018, 2.3% of the Estonian population said that they could not afford to heat the home adequately; among low-income people the figure was 4.2%.⁴ These figures are significantly below the EU average of 7.3% and 17.9%, respectively (Eurostat 2019a).

Since 2002, households have received help with their electricity costs through the subsistence benefit. As described in Section 1.2, the cost of thermal energy or fuel consumed to provide hot water and heating and the costs related to the consumption of electricity and household gas are also taken into account in calculating the subsistence benefit.

In December 2019, the Government adopted a National Energy and Climate Plan to 2030 (REKK), which addresses *inter alia* energy poverty. The plan envisages amendments to the Energy Sector Organisation Act to incorporate the requirements of the Energy Efficiency Directive (EU 2018/2002). This Act would include policy measures to address energy poverty. The purpose will be to improve the situation of persons/households that are in an economically precarious situation and are unable to participate in energy-saving measures without additional support.⁵

There are no special reduced tariffs for low-income people, but consumers can choose between different packages and providers in the electricity market; they can thus manage their consumption and keep an eye on costs.

In addition, according to the Electricity Market Act, the network operator may disconnect the supply if the consumer fails to pay for the network service; but prior notice must be sent to the consumer detailing the reasons for disconnection, when it will occur, the rights of the consumer and options to resolve the situation. If a person cannot manage financially as a result of illness or loss of employment, he/she may notify the operator; the customer then has at least 30 days to resolve the issue before disconnection can take place. During the winter period (1 October to 30 April), if a consumer fails to pay the bill but lives in a

⁴ Low-income people are regarded as those whose income situation in relation to the risk of poverty threshold is below 60% of median equivalised income.

⁵ Read more: https://ec.europa.eu/energy/sites/ener/files/documents/ee_final_necp_main_ee.pdf

building that is heated primarily by electricity (or where electricity is needed for the functioning of the heating system), the power may only be disconnected 90 days after the notice is sent and if in that time the consumer has failed to deal with the issue or has not notified the operator that the problem has been resolved. This regulation also protects low-income people who are struggling to make ends meet (Electricity Market Act 2020).

1.3.4 Access to public transport

In 2018, 11.6% of an Estonian household's expenditure went on transport (EU average: 13.2%) (Eurostat 2020). However, in 2014 the share of those who could not afford regular use of public transport was 1.5% (EU: 2.5%); among low-income people the figure was 4.3% (EU: 5.8%) (Eurostat 2019b).

As of 1 July 2018, there is a free public regional bus service available in 11 of Estonia's 15 counties (county lines). Under the regulations, the transport centres of Estonian counties can choose whether to go on selling tickets and work with partial funding from the state, or move over to the free regional bus lines system, in which case the state provides a 100% subsidy for local public transport. Free public transport does not extend to commercial lines (ERR 2018b). Buses that provide free transport are labelled accordingly. However, passengers still need to register their ride and validate their public transport card upon entering the bus. A public transport card costs €2 (a one-off charge, valid in all counties). In the other four counties, anyone who is under the age of 20 or aged 65 and over travels free of charge. As of 1 August 2019, those who are disabled also travel free of charge in the other four counties (Road Administration 2020; ERR 2018a). The purpose of free public regional bus travel is to enable people living in rural areas to access services and jobs, without having to spend a large portion of their wages on bus tickets or fuel. Therefore, low-income people especially benefit from free transport.

Free travel and reduced fares are also guaranteed to other groups (e.g. children, disabled persons),⁶ but there is no low-income criterion. In addition, in 2013, Tallinn made public transport free to registered city residents.

Transport costs are indirectly covered by the subsistence benefit, since the methodology for calculating the subsistence minimum also takes into account a household's transport costs.

1.3.5 Access to digital public services

There is a wide variety of digital services available in Estonia, from state-developed public services to private services. These services are mostly free of charge, and so no specific measures are needed to help low-income people access them. The national ID card, mobile ID or bank credentials must be used to log in to these services.

A crucial aspect of being able to use the services is an internet connection. In 2018, 90% of households in Estonia had internet access (EU: 89%). This figure has increased

⁶ According to the Public Transport Act "On a domestic route, the carrier is required to carry the following persons free of charge by road, water and rail: a child who has not attained the age of seven years; a child whose commencement of the compulsory school attendance has been postponed; a disabled person of up to 16 years of age; a person with a profound disability and at least 16 years of age; a person with a severe visual disability; a person accompanying a person with a profound or severe visual disability. Upon provision of regular services under a public service contract, pupils, the person accompanying a person having a profound disability and the person accompanying a disabled person of up to 16 years of age is granted a travel fare concession of up to 100% of the ticket price on an intra-city or other domestic train route, provided that the point of departure and the destination are located within the borders of one city, as well as upon carriage by road and water. Upon provision of regular services under a public service contract, travel fare concessions may, in addition to the travel fare concession specified in this section, be granted and the rate of the travel fare concession may be raised regarding another group of passengers determined on the basis of general properties." (Public Transport Act 2020)

considerably over the past decade, rising from 57% in 2008. The share is lower among groups with lower income – 75% in the first quartile, 92% in the second, 96% in the third quartile and 98% in the fourth (Eurostat 2019e). The share of persons who could not afford an internet connection for personal use at home was 4.3% in 2014 and 3.8% in 2015 (below the EU-28 average of 6.8% and 5.5%, respectively). The share was higher among persons with low income (9.4% in 2015 and 10.8% in 2014) (Eurostat 2017).⁷ The share of those who had no internet at home because access and the necessary equipment cost too much was 2% in 2017, though it was rather higher among those in the first income quartile (6%) (Eurostat 2019f).

Overall, access to an internet connection in order to use digital services is good in Estonia. Still, the share of those who do not have an internet connection or who have difficulty in affording one is higher among low-income groups. Despite this, there is no direct support mechanism available for such groups to make an internet connection or the equipment more affordable. The service is provided by private companies, who develop their own market-based prices. Often, in rural and remote areas, there are limited options for internet connection – e.g. no fixed-line connection is available and so mobile internet solutions must be used, which are often more expensive. The service fees are indirectly covered by subsistence benefit, since the methodology for calculating the subsistence minimum also takes into account a household's communication costs.

If there is no internet access at home, people can use public internet access points in libraries or other public buildings (e.g. schools or community centres), although these are not always free of charge.

Instead of developing direct support measures to improve internet access, the Government has concentrated on ensuring the availability of high-speed cable internet in every region of Estonia. An overall trunk cable network has been in place for several years now. Over the past couple of years a so-called "last mile" project has sought to bring the cables from the trunk network into the homes of people in remote regions. However, there is a connection fee for households. This project is not directly related to persons on low income; rather it is linked to location – private companies are not that interested in investing in remote areas, where the number of service users is low but investment costs are high. However, those people living in remote areas tend to be at greater risk of poverty than those in population centres and urban areas.

1.4 Access to financial services (Directive 2014/92/EU)

Directive 2014/92/EU on the comparability of fees related to payment accounts, payment account switching and access to payment accounts with basic features was transposed and made effective in national legislation on 18 September 2016, with amendments to the Law of Obligations Act, the Credit Institutions Act and the Payment Institutions and E-money Institutions Act.

Even before the legislation came into force, the largest banks operating in Estonia had instituted a fee-free account for residents of Estonia. However, some banks did charge a fee of €50 to €250, depending on country of origin from non-residents – including citizens from the European Economic Area countries – Banks considered this as required due diligence measures to prevent money laundering and terrorist financing. Bank account switching also used to work in practice before the legislation through inter-bank agreements concluded within the Estonian Banking Association and on the basis of recommendations from the European Commission. Some bigger banks have concluded that customer interest in bank account switching is low, and in the majority of cases the switching in fact goes smoothly (Postimees 2016). Before the regulations, banks disclosed their service fees on their website. There is also an independent website to compare the

⁷ Those whose income situation in relation to the risk of poverty threshold is below 60% of median equivalised income.

fees charged by different banks for payment accounts and services; this has been supplemented with the information requested by the Directive (Minuraha 2020).

According to the regulations, a bank cannot refuse to open a bank account if someone has a payment problem – whether that person be an Estonian or a foreigner. However, the Chancellor of Justice has received a number of complaints that, faced with a person in debt, banks will either not open a payment account at all, or else restrict the basic payment services (e.g. the person cannot make debit card payments, internet bank transfers or withdraw cash from an ATM) (Chancellor of Justice 2019). According to the banks, they are required to restrict the transaction of the seized payment account; but if the bank does not allow the debtor to make transactions electronically (up to a specified limit), then the client is obliged actually to go into a bank and pay a high fee to carry out the transactions (€2–5 per transaction).

2 National/subnational policy frameworks and reforms

2.1 National/subnational policy frameworks

The overall policy framework regarding people on low income is targeted at improving their opportunities to earn a higher income (e.g. lifelong learning opportunities, equal treatment, flexible work forms) and ensuring adequate support mechanisms, i.e. benefits, allowances and services for those who have reduced opportunities to participate in the labour market or to earn income (e.g. unemployment insurance, work ability allowance, subsistence benefit). This is also the case with the Welfare Development Plan 2016–2023 (WDP), which sets out the main objectives and courses of action for labour market, social protection, gender equality and equal treatment policies (Welfare Development Plan 2016). On the one hand, this should also ensure better access to essential services. On the other hand, well-developed essential services such as those covered in this report also support an increase in income and well-being, as is also emphasised in the WDP. For example, good transport improves a person's access to services and jobs and supports their mobility.

Several separate policy documents emphasise the need to improve access to essential services. However, instead of offering direct support measures, the focus is on ensuring that every household has the possibility to access the services by establishing such connections (e.g. electricity or internet cables) all over Estonia. For example, the action plans of the Government of Estonia since 2015 have emphasised that clean water, sanitation, electricity, transport and internet connections must be of good quality, accessible and affordable. These principles are visible in relevant development plans and strategies as well. The Digital Agenda 2020 for Estonia concentrates on developing an environment that promotes the use of ICT and smart solutions. One of the main goals is to support people's well-being (Digital Agenda 2020 for Estonia). For this, the Agenda includes the development of high-speed broadband, to ensure that the service is available to all. The National Transport Development Plan 2014–2020 sets goals for the entire transport network, including public transport (Transpordi arengukava 2013). The need for good-quality, adequate and accessible public transport is emphasised. Free public transport is directly related to the goal, although the development plan contains no specific support measures for users. Similarly, an accessible and reasonably priced energy supply is the goal of the Estonian Energy Sector Development Plan Until 2030, though no specific support measures are in place. The Regional Development Plan 2020 and the National Spatial Plan 2030+, both of which concentrate on the wider, overall environment of living and working in Estonia, bring all the aforementioned goals and targets together, with the aim of creating well-developed living and working conditions in all regions of Estonia (National Development Plan of the Energy Sector until 2030; Ministry of Finance 2017; Ülariigiline planeering Eesti 2030+). The objectives of Estonia's National Energy and Climate Plan to 2030 (REKK) relate to energy efficiency in different areas (e.g. energy efficiency of buildings, energy efficiency on transport, etc.).⁸

The Ministry of Finance coordinates the activities of the "Programme for promoting financial literacy among Estonian people for the period 2013–2020", which aims at more informed financial planning, a better understanding of financial services and a more responsible approach to offering financial services (Rahandusministeerium 2013).

Thus, overall the policy framework regarding essential services does not target low-income people specifically, and does not necessarily see any need to offer direct support measures to help them access the services. Instead, the state ensures that adequate and reasonably priced options are available to access these services. The situation of low-income earners is targeted through other social policy measures, like subsistence benefit or other allowances and benefits (e.g. in case of unemployment, incapacity for work, etc.).

⁸ Valitsus kinnitas riikliku energia- ja kliimakava: <https://www.valitsus.ee/et/uudised/valitsus-kinnitas-riikliku-energia-ja-kliimakava>.

2.2 Ongoing or announced reforms

Regarding public transport, there are plans in 2020 to increase subsidies for public transport options as well (Ministry of Finance 2019b).

Over several years, the trunk cable network was developed in Estonia to ensure internet connectivity all over the country. As of 2019, the “last mile” project has been implemented with the aim of bringing high-speed cable broadband to people living in remote areas, where the risk of poverty is higher than in urban areas. This project seeks to make the internet physically more accessible, as well as more affordable. Those without cable access have, over the past couple of years, had the option of using mobile internet, which is less stable and often more expensive. The Government is investing €20 million in the “last mile” project; that is topped up by additional investments of around €80 million from Elektrilevi,⁹ which is delivering the project. Altogether, up to 200,000 households should be covered by high-speed broadband by 2023. Connection to the network costs around €200 per customer, while the operator (i.e. the internet service provider using the connection) pays an additional fee (Delfi 2018).

⁹ Elektrilevi is Estonia’s network operator, [<https://www.elektrilevi.ee/en/ettevottest/elektrilevi-tutvustus>].

3 A focus on access to transport services

There is no information on which essential service is most difficult for low-income people to access. When comparing the Eurostat indicators on the availability and affordability of essential services, in general it would seem that availability and affordability in Estonia are better than on average in the EU (see previous sections).

This section focuses on transport services, although it cannot be stated with certainty that access to transport services presents any particular difficulties for low-income people. However, in relation to social services, it is recognised that access to transport services is a problem because of high cost, especially for the unemployed and disabled. Therefore, subsidies are provided to these groups to cover transport costs, in order to increase mobility and support social integration and equal opportunities. Between 2016 and 2018, the Unemployment Insurance Fund offered the long-term unemployed mobility support, with the aim of encouraging the unemployed to take up work away from home by helping to cover their transport costs (Praxis 2019). In addition, local authorities and the Unemployment Insurance Fund offer transport services and pay those people in the risk group (the disabled) commuting benefits (Social Welfare Act 2020; Estonian Unemployment Insurance Fund 2016).

The aim of free public regional transport is also to enable low-income people to become more mobile. Free county bus transport has significantly increased the number of bus users: the number of passengers travelling by bus increased by 20% in one year since the introduction of free public transport (Ministry of Finance 2019b). According to Statistics Estonia, the number of passengers taking the bus on county lines also increased in 2019 over 2018 (see Table 1).

Thanks to free travel, it has become more common for people to travel from the countryside into towns, and children and the elderly have started to use public transport more (Williamson 2018). It is a well-targeted support, as low-income people, the young and the elderly use public transport more. For example, a person who works 25 kilometres from home saves approximately €800 per year (Simson 2018).

Table 1: Passenger transport by bus on county lines, number of passengers in thousands, 2015–2019

Quarter	2015	2016	2017	2018	2019
1 st quarter	4,919.7	4,037.8	3,824.1	3,715.6	5,362.1
2 nd quarter	4,092.6	4,092.4	3,870.8	3,870.7	5,485.7
3 rd quarter	4,015.8	3,552.1	3,393.3	4,056.0	6,536.9
4 th quarter	4,183.5	3,974.4	3,816.8	5,107.5	...

Source: Statistics Estonia 2020. TS541: Passenger transport by bus on local and highway lines (quarters).
<http://andmebaas.stat.ee/?lang=en&SubSessionId=7c75a82c-9672-40e3-9e63-422594284c6b&themetreeid=-200#>

According to the Road Administration's public transport survey, 50% of respondents used public transport to visit acquaintances and relatives; 36% for work or school; 37% for leisure; 35% for shopping; 16% for other activities (e.g. visiting a doctor). Regarding county bus lines, passengers were far more satisfied with the convenience of purchasing a ticket and with ticket prices in 2019 than in 2018 (the free transport effect). In those counties with free public regional transport, 42% of passengers were very satisfied with the price of the ticket and 39% were fairly satisfied (in 2018: 32% and 49%, respectively). The results of the survey show that the share of frequent passengers decreased slightly, but the share of those who used county bus lines less frequently doubled in 2019 over 2018 (Maanteeamet 2019).

Free public transport and the greater number of passengers can also bring about problems: loss of the quality of the service (overcrowded buses, drunk people, etc.), unrealistic expectations (bus routes to every small location are desired), passengers who used to travel by train start to travel by bus, etc. (Williamson 2018).

References

Chancellor of Justice (2019). Krediidiasutuste tegevus põhimakseteenuste piiramisel. 11.06.2019, No 7-4/190429/1902979.

https://www.oiguskantsler.ee/sites/default/files/field_document2/Krediidiasutuste%20tegevus%20p%C3%B5himakseteenuste%20piiramisel.pdf?fbclid=IwAR0xNGu5TqPKxbYSXpDvgjcaOPh_HCA75A9ESaUX84iRnQNRv-xfakU914

Credit Institutions Act. RT I 1999, 23, 349. Entry into force pursuant to § 142, Passed 09.02.1999.

<https://www.riigiteataja.ee/en/eli/ee/512122019008/consolide/current>

Delfi (2018). Elektrilevi tahab 2019. aastal kiire interneti võrku ühendada 15 000 kodu. Vaata, kuidas nende sekka saada. Uudis 28.11.2018 [Elektrilevi wants to connect 15,000 homes to high-speed internet network. Press release 28.11.2018].

<https://kasulik.delfi.ee/news/uudised/elektrilevi-tahab-2019-aastal-kiire-interneti-vorku-uhendada-15-000-kodu-vaata-kuidas-nende-sekka-saada?id=84589789>

Digital Agenda 2020 for Estonia (2018). Ministry of Economic Affairs and Communications.

https://www.mkm.ee/sites/default/files/digital_agenda_2020_estonia_engf.pdf

EAS (2018). Hajaasustuse programm aitab maapiirkonnas elavaid peresid, uudis 09.04.2018 [Enterprise Estonia. The programme for sparsely populated areas helps families living in rural areas, press release 09.04.2018].

<https://www.eas.ee/hajaasustuse-programm-aitab-maapiirkondades-elavaid-peresid/>

Electricity Market Act (2020). RT I 2003, 25, 153. Entry into force in accordance with section 119.

<https://www.riigiteataja.ee/en/eli/529082019018/consolide>

Emergency Act (2020). RT I, 03.03.2017, 1. Entry into force 01.07.2017.

<https://www.riigiteataja.ee/en/eli/511122019004/consolide>

Environmental Investment Centre (2019). The construction of water and sewage infrastructure of private households. Information about the measure. Last updated on 06.11.2019.

<https://www.kik.ee/en/supported-activity/construction-water-and-sewage-infrastructure-private-individuals>

ERR (2018a). Free bus transport available in ten Estonian counties starting 1 July. News 08.06.2018.

<https://news.err.ee/837828/free-bus-transport-available-in-ten-estonian-counties-starting-1-july>

ERR (2018b). Free public transport boosts Ida-Viru County passenger numbers by 92%. News 16.08.2018.

<https://news.err.ee/854300/free-public-transport-boosts-ida-viru-county-passenger-numbers-by-92>

Estonian Unemployment Insurance Fund (2016). Commuting benefits.

<https://www.tootukassa.ee/eng/content/work-ability-reforms/commuting-benefits>

Eurostat (2017). Persons who cannot afford internet connection for personal use at home by age, sex and income group [ilc_mddu07a].

https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=ilc_mddu07a&lang=en

Eurostat (2019a). Inability to keep home adequately warm [ilc_mdse01].

http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=ilc_mdse01&lang=en

Eurostat (2019b). Persons who cannot afford a regular use of public transport [ilc_mdcs13a].

https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=ilc_mdcs13a&lang=en

Eurostat (2019c). Population connected to public water supply [env_wat_pop].

https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=env_wat_pop&lang=en

Eurostat (2019d). Population connected to wastewater treatment plants [env_ww_con].

https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=env_ww_con&lang=en

Eurostat (2019e). Households – level of internet access [isoc_ci_in_h].

https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=isoc_ci_in_h&lang=en

Eurostat (2019f). Broadband and connectivity - households [isoc_bde15b_h].

https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=isoc_bde15b_h&lang=en

Eurostat (2020). Transport costs EU households over €1.1 trillion. Eurostat news, 08.01.2020.

<https://ec.europa.eu/eurostat/web/products-eurostat-news/-/DDN-20200108-1>

Hajaasustuse programm (2020). RT I, 26.02.2018, 7, jõustumine 01.03.2018. [A programme for sparsely populated areas. RT I, 26.02.2018, 7, entry into force 01.03.2018].

<https://www.riigiteataja.ee/akt/110122019004?leiaKehtiv>

Law of Obligations Act. RT I 2001, 81, 487. Entry into force 01.07.2002.

<https://www.riigiteataja.ee/en/eli/ee/512122019001/consolide/current>

Local Government Organisation Act (2020). RT I 1993, 37, 558, entered into force pursuant to §67.

<https://www.riigiteataja.ee/en/eli/513112019001/consolide>

Maanteeamet (2019). Maakondliku bussiliiniga sõitnute rahulolu uuring, November 2019 [Road Administration. County bus passengers satisfaction survey, November 2019].

https://www.mnt.ee/sites/default/files/survey/maanteeamet_maakondlikud_bussiliinid_2019_final.pdf

Ministry of the Environment (2019). Veekasutuse majandusanalüüs. [Economic analysis of water use].

https://www.envir.ee/sites/default/files/2019_aprill_veekasutuse_majandusanaluuus.pdf

Ministry of Finance (2017). Regional development and policy.

<https://www.rahendusministeerium.ee/en/regional-development-and-policy>

Ministry of Finance (2019a). Avanes hajaasustuse programm maapiirkondades elavate perede toetamiseks, uudis 11.03.2019 [A programme for sparsely populated areas was opened to support families in rural areas, press release 11.03.2019].

<https://www.rahendusministeerium.ee/et/uudised/avanes-hajaasustuse-programm-maapiirkondades-elavate-perede-toetamiseks>

Ministry of Finance (2019b). Ühistransport saab uuel aastal juurde üle 8 miljoni euro. Uudis 26.09.2019 [Public transport will receive more than €8 million in the next year, press release 26.09.2019].

<https://www.mkm.ee/et/uudised/uhistransport-saab-uuel-aastal-juurde-ule-8-miljoni-euro>

Ministry of Social Affairs (2018). Subsistence benefit.

<https://www.sm.ee/en/subsistence-benefit-0>

Minuraha (2020). Tüüpilised makseteenused, pangandus. [Typical payment services, banking].

<https://minuraha.ee/et/pangandus/igapaevased-pangateenused/tuupilised-makseteenused>

National Development Plan of the Energy Sector until 2030. Approved on 20.10.2017 with an order no 285 of the Government of the Republic.

https://www.mkm.ee/sites/default/files/ndpes_2030_eng.pdf

Payment Institutions and E-money Institutions Act. RT I 2010, 2, 3. Entry into force 22.01.2010.

<https://www.riigiteataja.ee/en/eli/ee/511122019001/consolide/current>

Postimees (2016). Pangad: inimeste huvi pangavahetuse vastu on madal. Uudis 24.05.2016 [Banks: customer interest in bank account switching is low. Press release 24.05.2016].

<https://majandus24.postimees.ee/3706227/pangad-inimeste-huvi-pangavahetuse-vastu-on-madal>

Praxis (2019). Evaluation of the effectiveness of mobility support measure.

http://www.praxis.ee/en/works/evaluation_mobility_support/

Public Transport Act (2020). RT I, 23.03.2015, 2. Entry into force 01.10.2015.

<https://www.riigiteataja.ee/en/eli/518012019010/consolide>

Rahandusministeerium (2013). Eesti elanike finantskirjaoskuse edendamise programm aastateks 2013-2020, Tallinn 2013 [Ministry of Finance of the Republic of Estonia, Programme for promoting financial literacy among Estonian people for the period 2013-2020, Tallinn 2013].

https://www.rahandusministeerium.ee/sites/default/files/finantskirjaoskusprogramm_20130213_kinnitatud_2.pdf

Road Administration (2020). Maanteeamet, ühistransport. KKK – nulleurone bussipilet maakondlikel bussiliinidel [Road administration, public transport. Frequently asked questions – free bus ticket on county bus lines].

<https://www.mnt.ee/et/uhistransport/kkk-nulleurone-bussipilet-maakondlikel-bussiliinidel>

Simson, K (2018). Viis möödunud ja järgnevat kuud, Majandus- ja kommunikatsiooniministeerium. Foorum "Viis kuud maakondlikku tasuta ühistransporti" [Five past and following months, Ministry of Economic Affairs and Communications. Forum "Five months of free ride in Estonian regional bus network"].

<https://www.tallinn.ee/eng/freepublictransport/Five-months-of-free-ride-in-Estonian-regional-bus-network>

Social Welfare Act (2020). RT I, 30.12.2015, 5. Entry into force 01.01.2016, 18.01.2016, 01.07.2016, 01.01.2018, 01.07.2018 and 01.01.2020.

<https://www.riigiteataja.ee/en/eli/522032019017/consolide>

Transpordi arengukava (2013). Transpordi arengukava 2014 – 2020, Majandus- ja kommunikatsiooniministeerium [The National Transport Development Plan 2014-2020, Ministry of Economic Affairs and Communications].

https://www.mkm.ee/sites/default/files/transpordi_arengukava.pdf

Üleriigiline planeering Eesti 2030+ (2013). Üleriigilise planeeringu "Eesti 2030+" kehtestas Vabariigi Valitsus oma 30.08.2012. aasta korraldusega No 368, Siseministeerium [National Spatial Plan 2030+, Estonian Ministry of the Interior].

https://www.rahandusministeerium.ee/sites/default/files/Ruumiline_planeerimine/eesti2030.pdf

Welfare Development Plan (2016). Welfare Development Plan 2016 – 2023, Ministry of Social Affairs.

https://www.sm.ee/sites/default/files/content-editors/eesmargid_ja_tegevused/welfare_development_plan_2016-2023.pdf

Williamson, K. (2018). Tekkinud probleemid ja avanenud võimalused, Maanteeamet. Foorum "Viis kuud maakondlikku tasuta ühistransporti" [Problems encountered and opportunities opened, Road Administration. Forum "Five months of free ride in Estonian regional bus network"].

<https://www.tallinn.ee/eng/freepublictransport/Five-months-of-free-ride-in-Estonian-regional-bus-network>

Annex

Table A1: Essential service – Water

1) Definition of “low income” used in the context of the delivery of the service in the country:¹⁰

The definition of “low-income people” in the context of subsistence benefit will be given. The subsistence benefit provides a guaranteed income level, designed to protect people from direct poverty. The subsistence benefit is financial support for persons in need and it is provided to a person living alone or a household whose monthly net income, after the deduction of housing expenses (up to a certain limit), is below the subsistence level. In 2020, the subsistence level was €150 per month for the first member of the household, €120 per month for each subsequent full-age household member and €180 per month for each under-age household member.

2) Measures aimed at facilitating access for low-income people to water (for hygiene purposes, to cook...) in the country:

	National (*)	Subnational	
		Regional (only if <i>no</i> for national) (**)	Local (only if <i>no</i> for national) (**)
Reduced tariffs	No	No	No
Cash benefits	No	No	Yes-all
In-kind benefits	No	No	No
Advice/training or information services	No	No	No
Provision of a basic/uninterrupted supply	No	No	No

(*) For each measure: Does the measure exist in the country at national level (“Yes”/“No”)?

(**) **Only** if the measure does not exist at national level **and** if the service is organised at subnational level: Does the measure exist at regional level (Yes in all regions; Yes in most regions; Yes but only in a few regions; No)? And at local level (Yes in all local entities; Yes in most local entities; Yes but only in a few local entities; No)? Important: if a measure exists as a **general social support measure**, not specifically aimed at facilitating access for low-income people, the answer is “No”.

¹⁰ **National definition** used in this context (most frequently used definition if there is more than one definition). **Only if** there is no national definition **and if** the service is organised at subnational level, most common definition used in this context at regional (if any) or local (if any) level.

Table A2: Essential service – Sanitation

- 1) Definition of “low income” used in the context of the delivery of the service in the country:¹¹

The definition of “low-income people” in the context of subsistence benefit will be given. The subsistence benefit provides a guaranteed income level, designed to protect people from direct poverty. The subsistence benefit is financial support for persons in need and it is provided to a person living alone or a household whose monthly net income, after the deduction of housing expenses (up to a certain limit), is below the subsistence level. In 2020, the subsistence level was €150 per month for the first member of the household, €120 per month for each subsequent full-age household member and €180 per month for each under-age household member.

- 2) Measures aimed at facilitating access for low-income people to sanitation (i.e. systems for taking dirty water and other waste products away from dwellings in order to protect people’s health) in the country:

	National (*)	Subnational	
		Regional (only if <i>no</i> for national) (**)	Local (only if <i>no</i> for national) (**)
Reduced tariffs	No	No	No
Cash benefits	No	No	Yes-all
In-kind benefits	No	No	No
Advice/training or information services	No	No	No

(*) For each measure: Does the measure exist in the country at national level (“Yes”/“No”)?

(**) **Only** if the measure does not exist at national level **and** if the service is organised at subnational level: Does the measure exist at regional level (Yes in all regions; Yes in most regions; Yes but only in a few regions; No)? And at local level (Yes in all local entities; Yes in most local entities; Yes but only in a few local entities; No)? Important: if a measure exists as a **general social support measure**, not specifically aimed at facilitating access for low-income people, the answer is “No”.

¹¹ **National definition** used in this context (most frequently used definition if there is more than one definition). **Only if** there is no national definition **and if** the service is organised at subnational level, most common definition used in this context at regional (if any) or local (if any) level.

Table A3: Essential service – Energy

- 1) Definition of “low income” used in the context of the delivery of the service in the country:¹²

The definition of “low-income people” in the context of subsistence benefit will be given. The subsistence benefit provides a guaranteed income level, designed to protect people from direct poverty. The subsistence benefit is financial support for persons in need and it is provided to a person living alone or a household whose monthly net income, after the deduction of housing expenses (up to a certain limit), is below the subsistence level. In 2020, the subsistence level was €150 per month for the first member of the household, €120 per month for each subsequent full-age household member and €180 per month for each under-age household member.

- 2) Measures aimed at facilitating access for low-income people to energy (to light dwellings, heat or cool dwellings, use home appliances) in the country:

	National (*)	Subnational	
		Regional (only if <i>no</i> for national) (**)	Local (only if <i>no</i> for national) (**)
Reduced tariffs	No	No	No
Cash benefits	No	No	Yes-all
In-kind benefits	No	No	No
Advice/training or information services	No	No	No
Provision of a basic/uninterrupted supply	No	No	No

(*) For each measure: Does the measure exist in the country at national level (“Yes”/“No”)?

(**) **Only** if the measure does not exist at national level **and** if the service is organised at subnational level: Does the measure exist at regional level (Yes in all regions; Yes in most regions; Yes but only in a few regions; No)? And at local level (Yes in all local entities; Yes in most local entities; Yes but only in a few local entities; No)? Important: if a measure exists as a **general social support measure**, not specifically aimed at facilitating access for low-income people, the answer is “No”.

¹² **National definition** used in this context (most frequently used definition if there is more than one definition). **Only if** there is no national definition **and if** the service is organised at subnational level, most common definition used in this context at regional (if any) or local (if any) level.

Table A4: Essential service – Public transport

1) Definition of “low income” used in the context of the delivery of the service in the country:¹³

There is no official definition of “low-income people” used in Estonia.

2) Measures aimed at facilitating access for low-income people to public transport in the country:

	National (*)	Subnational	
		Regional (only if <i>no</i> for national) (**)	Local (only if <i>no</i> for national) (**)
Reduced tariffs	No	No	No
Cash benefits	No	No	No
In-kind benefits	No	No	No
Advice/training or information services	No	No	No

(*) For each measure: Does the measure exist in the country at national level (“Yes”/“No”)?

(**) **Only** if the measure does not exist at national level **and** if the service is organised at subnational level: Does the measure exist at regional level (Yes in all regions; Yes in most regions; Yes but only in a few regions; No)? And at local level (Yes in all local entities; Yes in most local entities; Yes but only in a few local entities; No)? Important: if a measure exists as a **general social support measure**, not specifically aimed at facilitating access for low-income people, the answer is “No”.

¹³ **National definition** used in this context (most frequently used definition if there is more than one definition). **Only if** there is no national definition **and if** the service is organised at subnational level, most common definition used in this context at regional (if any) or local (if any) level.

Table A5: Essential service – Digital public services

- 1) Definition of “low income” used in the context of the delivery of the service in the country:¹⁴

There is no official definition of “low-income people” used in Estonia.

- 2) Measures aimed at facilitating access for low-income people to digital public services (e.g. digital post, digital fiscal services, digital social security services, digital health care appointments...) in the country:

	National (*)	Subnational	
		Regional (only if no for national) (**)	Local (only if no for national) (**)
Reduced tariffs	No	No	No
Cash benefits	No	No	No
In-kind benefits	No	No	No
Advice/training or information services	No	No	No
Provision of a basic/uninterrupted supply	No	No	No

(*) For each measure: Does the measure exist in the country at national level (“Yes”/“No”)?

(**) **Only** if the measure does not exist at national level **and** if the service is organised at subnational level: Does the measure exist at regional level (Yes in all regions; Yes in most regions; Yes but only in a few regions; No)? And at local level (Yes in all local entities; Yes in most local entities; Yes but only in a few local entities; No)? Important: if a measure exists as a **general social support measure**, not specifically aimed at facilitating access for low-income people, the answer is “No”.

¹⁴ **National definition** used in this context (most frequently used definition if there is more than one definition). **Only if** there is no national definition **and if** the service is organised at subnational level, most common definition used in this context at regional (if any) or local (if any) level.

Table B1: Essential services – Summary table

- 1) Measures aimed at facilitating access for low-income people to the different services that exist at national, regional and/or local level in the country
- 2) Broader policy framework under which all or some of these measures are organised in the country
- 3) Ongoing or announced reforms of the measures and/or related frameworks aimed at (further) enhancing effective access to the service for low-income people in the country

	1. Measures (NAT, SUBNAT, BOTH, NONE) (*)	2. Policy framework (**)		3. Ongoing or planned reforms (Yes/No)
		National (Yes/No)	Subnational (Yes/No)	
Access to water	SUBNAT	No	No	No
Access to sanitation	SUBNAT	No	No	No
Access to energy	SUBNAT	No	No	No
Access to public transports	SUBNAT	No	No	No
Access to digital public services	NONE	Yes	No	Yes
Access to basic financial services (***)	Not applicable	Yes	No	No

(*) This column summarises the response provided in Tables A1-A5 above. "NAT" means that all the measures that exist in favour of low-income people are national measures; "SUBNAT" means that there are no national measures but some of/all the measures that exist are subnational measures; BOTH means a mix of NAT and SUBNAT; "NONE" means that there are no measures, be it at national or subnational level.

(**) Is there a broader national policy framework under which all or some of these measures are organised in the country for some of/all the services under scrutiny ("Yes"/"No")? **Only if** there is no such national framework for one service **and if** the service is organised at subnational level: Is there a broader subnational policy framework under which all or some of these measures are organised for this service ("Yes"/"No")?

(***) Open and use payment accounts with basic features (Directive 2014/92/EU).

Getting in touch with the EU

In person

All over the European Union there are hundreds of Europe Direct Information Centres. You can find the address of the centre nearest you at: <http://europa.eu/contact>

On the phone or by e-mail

Europe Direct is a service that answers your questions about the European Union. You can contact this service

- by freephone: 00 800 6 7 8 9 10 11 (certain operators may charge for these calls),
- at the following standard number: +32 22999696 or
- by electronic mail via: <http://europa.eu/contact>

Finding information about the EU

Online

Information about the European Union in all the official languages of the EU is available on the Europa website at: <http://europa.eu>

EU Publications

You can download or order free and priced EU publications from EU Bookshop at: <http://bookshop.europa.eu>. Multiple copies of free publications may be obtained by contacting Europe Direct or your local information centre (see <http://europa.eu/contact>)

EU law and related documents

For access to legal information from the EU, including all EU law since 1951 in all the official language versions, go to EUR-Lex at: <http://eur-lex.europa.eu>

Open data from the EU

The EU Open Data Portal (<http://data.europa.eu/euodp/en/data>) provides access to datasets from the EU. Data can be downloaded and reused for free, both for commercial and non-commercial purposes.

