

## Mutual Learning Programme Database of National Labour Market Practices

### Estonia - Training Vouchers for personalised training provision.

*This database gathers practices in the field of employment submitted by European countries for the purposes of mutual learning. These practices have proven to be successful in the country concerned, according to its national administration. The European Commission does not have a position on the policies or measures mentioned in the database.*

<b>Source of national practice</b>	Mutual Learning Programme Thematic Event on Upskilling unemployed adults, 25 June 2015. European Employment Policy Observatory Review Synthesis: Upskilling unemployed adults, 2015.
<b>Title of the policy or measure (Original language)</b>	Koolituskaart.
<b>Title of the policy or measure (English)</b>	Training Vouchers for personalised training provision.
<b>Country</b>	Estonia
<b>Name of the responsible body</b>	Estonian Unemployment Insurance Fund (UIF).
<b>Geographical scope of the responsible body</b>	National
<b>Name(s) of other organisations involved (partners/sub-contractors)</b>	Universities, vocational education institutions and private training institutions are involved in the provision of training. Funding is provided by the UIF.
<b>Start year of implementation</b>	2009
<b>End year of implementation</b>	Ongoing
<b>EU policy relevance</b>	The voucher-based training system is in line with the European Guidelines on developing a skilled workforce responding to labour market needs and promoting lifelong learning.
<b>National labour market context</b>	<p>The Estonian labour market is characterised by a high demand for skilled workers and a mismatch between labour supply and demand; the unemployed often have an inadequate skills profile to match the current labour market needs. 27% percent (in 2014) of Estonia's workforce (age group 25-64) only has a basic or general secondary education and does not have a professional education (vocational or higher education). The number of people who lack a professional education is highest in the youngest age group of the unemployed.</p> <p>The unemployment rate has decreased from 16.7% to 7.4% between 2010 and 2014 and the employment rate has risen from 55.2% to 63% in the same period.</p>
<b>Policy area</b>	Active labour market policies, Education and training systems, Skills supply, productivity and lifelong learning

<b>Specific policy or labour market problem being addressed</b>	Unemployment due to a lack of specific skills or knowledge.
<b>Aims and objectives of the policy or measure</b>	To provide the means for training that corresponds to the specific needs of the unemployed. The pilot project for the training vouchers system started in October 2009 and was introduced as a parallel option to procured training. The system of training vouchers was aimed at providing flexible training opportunities without waiting for procured training groups to be complete and start and also at reducing drop-out rates, because the level of personal responsibility is higher with this measure than with other training measures provided by the UIF. Under the training vouchers system, the person is not appointed a training course but is free to choose their own course in agreement with UIF.
<b>Main activities/actions underpinning the policy or measure</b>	<p>Training vouchers enable an unemployed person to participate in a training course which is carried out by a training provider approved by the UIF. The cost of the voucher-based training is compensated up to a total amount of 2 500 euros (until the 31st of July 2011 the ceiling was EUR 959) within a two-year period. Voucher-based training lasts for a maximum of one year. The training is offered in case the unemployed person has not found a job, despite active job search, due to a lack of specific knowledge and skills. An unemployed person who participates in labour market training receives a stipend (the daily rate being 3.84 Euro), transport and accommodation allowance (10 cents per kilometre for both ends, with a maximum daily rate of 26 Euro);</p> <p>In the period 2009-2010, only further training was available on the basis of training vouchers. The voucher was provided to persons with previous vocational education or work experience who needed additional skills and knowledge to complement their current professional experience. The vouchers were not used for basic training or training in general management, social or personal skills, but strictly for professional advancement. Since vouchers were used for skill upgrades, rather than to complete retraining in a new profession, the measure was more often used by more highly educated unemployed persons. Thus, this measure did not assist those with low qualifications or those in need of retraining. In 2011, the conditions for providing training vouchers were revised and, since then, the voucher can be used for retraining as well.</p> <p>Cooperation with training providers is based on the established and agreed principles of cooperation (on the basis of partnership). If the training provider is in breach of the principles of cooperation the partnership can be terminated.</p>
<b>Geographical scope of policy or measure</b>	National

<b>Target groups</b>	Other
<b>Outputs and outcomes of the policy or measure</b>	<p>Output: 9390 participations in 2014 (7561 different individuals).</p> <p>Outcome: The impact evaluation of labour market training shows that labour market training has a positive impact on income from wages and on employment for the participants. Moreover, evidence shows that participation in voucher-based training has a stronger impact on future employment and incomes of the participants than procured training. Voucher-based training provided in 2010 was assessed by using a propensity score matching. Persons registered as unemployed, who were statistically as similar as possible to those who participated in training, were used as a control group. Only occupational training programmes were analysed. The impact on the whole sample could be evaluated for the first six months following the training, from the seventh month onwards, the number of observations decreased.</p> <ul style="list-style-type: none"> <li>• Six months after the training the employment rate in the voucher-based training group was 12% higher than in the control group. For the procured training group the impact was 6% higher compared to the control group.</li> <li>• The impact on earnings for the voucher-based training group after six months was EUR 107 (for procured training about EUR 20).</li> </ul> <p>More information on the results can be found in the following report: <a href="#">this link</a></p>
<b>Management and implementation arrangements</b>	<p>This instrument is offered as part of general training for the unemployed. Universities, private training institutions and vocational education institutions are actors involved in the provision of training.</p>
<b>Key challenges</b>	<ul style="list-style-type: none"> <li>• Ensuring the quality of training;</li> <li>• Difficult to influence the supply of training (because training is provided in the open market);</li> <li>• Affecting prices for training in the open market (UIF are a major purchaser and, it could affect prices for training in the open market);</li> </ul>

<b>Key conditions for success</b>	<p>It allows for more <i>flexible</i> and <i>fast</i> service provision, meaning that training and re-training is based on the individual needs of the unemployed (for more specific needs). Procured training may not exactly suit individual needs, because it is ordered for a group rather than an individual.</p> <p><i>Individual approach</i> - the advantage of the individualised customer approach, compared to the procurement based group training, is that the customers can choose the appropriate course according to their individual needs and the desired specialisation. It gives participants the opportunity to choose between training courses from suitable training providers.</p> <p><i>Personal responsibility</i> – by giving the customer a chance to participate in the training search process, increasing the client's involvement and ensuring that the client is more responsible and active in the learning process.</p>
<b>Method of assessment</b>	Internal evaluation
<b>Type of assessment</b>	Quantitative assessment
<b>Duration and frequency of the assessment</b>	No regular impact evaluations for personal training vouchers.
<b>Further information on the assessment</b>	
<b>Links to the website, background information and assessment material</b>	<p>Lauringson, A., Villsaar, K., Tammik, L. ja Luhavee, T. (2011) Impact Evaluation of labour market training. Tallinn: Eesti Töötukassa.</p> <p><a href="#">this link</a></p>
<b>Contact details</b>	
<b>Keywords</b>	Upskilling, Unemployed Adults, Training, Education, Vouchers.