



Esther Lynch  
General Secretary of the European  
Trade Union Confederation

Your Ref: 03.06.2025 No 25-01089

Our Ref: 03.07.2025 No 11-2/2142-2

## **Response to ETUC Letter Regarding Social Dialogue and Labour Law Amendments in Estonia**

Dear Ms Lynch,

Thank you for your letter regarding the proposed amendments to the Estonian Employment Contracts Act. We highly value the role of the European Trade Union Confederation in safeguarding social dialogue and workers' rights across Europe, and we appreciate your engagement with developments in Estonia.

Please kindly note that while your letter was addressed to the Prime Minister of the Republic of Estonia, Mr. Kristen Michal, he has forwarded it to the Ministry of Economic Affairs and Communications for reply, as the matters raised fall under the competence of our ministry. We are pleased to provide clarification and context regarding the proposed amendments to the Employment Contracts Act and the broader objectives behind them.

### **Background and Purpose of Amendments**

Estonia is currently facing a systemic challenge in the form of widespread use of independent contracting arrangements in place of regular employment. Many workers - students, parents of young children, and retirees are entering into these contracts due to their need for flexible working arrangements, yet as a result, they are deprived of essential protections such as minimum wage guarantees, paid leave, redundancy benefits, and limits on working hours.

According to employers, a major reason for this status quo lies in the rigidity of the current Employment Contracts Act in regulating working time. The proposed amendments aim to address this issue by offering more flexibility within the standard employment framework, thereby extending social protection to more people. The primary objective is to *reduce precarious work*, not to encourage it.

### **Social Dialogue and Negotiation Process**

Planning for the current legislative amendments began in 2021, and trade unions have been thoroughly involved throughout this process. Since their inception, the proposed changes have been discussed in numerous tripartite meetings, with both employer and employee representatives

present. The current legislative proposal is the result of compromise - an attempt to reconcile differing interests - and, as such, it is understandable that no party is entirely satisfied. However, this is a reflection of constructive social dialogue, not its absence.

We therefore reject the assertion that social dialogue has been bypassed. Furthermore, the bill is now undergoing parliamentary review, and trade union representatives are again involved in the discussions, as was the case in two previous public discussion rounds.

### **Clarifications on Specific Concerns**

- **Flexible Contracts and Collective Bargaining:** The reforms do not aim to undermine collective agreements but to make flexible employment possible within the scope of regular employment contracts. This aims to reduce dependency on freelance-type contracts, which currently lack collective protection altogether.
- **Working Hours Guarantees:** It is important to stress that employment contracts are entered into voluntarily by both parties. It is not credible that a person seeking full-time work would accept a contract offering only ten hours a week unless that arrangement suited their needs. Moreover, safeguards are included in the draft act to prevent abuses or one-sided agreements.
- **Part-time Work and Overtime:** The right of part-time employees to receive extra compensation for additional hours remains fully intact. If they work beyond the agreed hours, those hours will be remunerated accordingly.
- **Exclusion of Minors and New Employees:** We recognize the concerns raised regarding the provision excluding minors and new employees from hourly pay requirements. This issue is being addressed, and the provision will be removed from the act. The initial intention was to prevent unintended consequences that might reduce access to proposed flexible contracts for certain groups.
- **Employee Autonomy and Scheduling:** It is not realistic to assume that workers would agree to rigid schedules 12 months in advance if in reality they need flexibility, and such practices are not encouraged by the proposed amendments. In fact, this type of agreement is already legally possible under the current legislation. The proposed law does not mandate it.

### **Ministerial Remarks and Estonia's Commitments**

With regard to the relevant statements attributed to the Minister for Economic Affairs and Industry, we would note that these reflect his perspective on the evolving nature of work and industrial relations. They should not be construed as a shift in Estonia's legal obligations or international commitments. The Estonian government remains fully committed to the principles enshrined in ILO conventions, the European Pillar of Social Rights, and the European Union's social acquis.

### **Conclusion**

We sincerely hope this clarifies the government's intentions and the broader policy context.

Estonia continues to believe in the importance of strong social dialogue and the development of fair labour standards. The ongoing parliamentary process offers further opportunities for constructive input, and we remain open to dialogue with all stakeholders, including our valued partners at EAKL and ETUC.

Thank you again sincerely for your letter and for your continued advocacy on behalf of workers across Europe.

With best regards,  
*(signed digitally)*

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