



# ESTONIA

OECD Global Action on Promoting Social and Solidarity Economy Ecosystems

Estonia does not have a national framework around the social and solidarity economy (SSE). According to the Estonian Social Enterprise Network (ESEN), **160 social enterprises** in total employed **1 693 people** in 2021. The same year, social enterprises generated **EUR 49 million** in revenues, which is 53% more than in 2014.

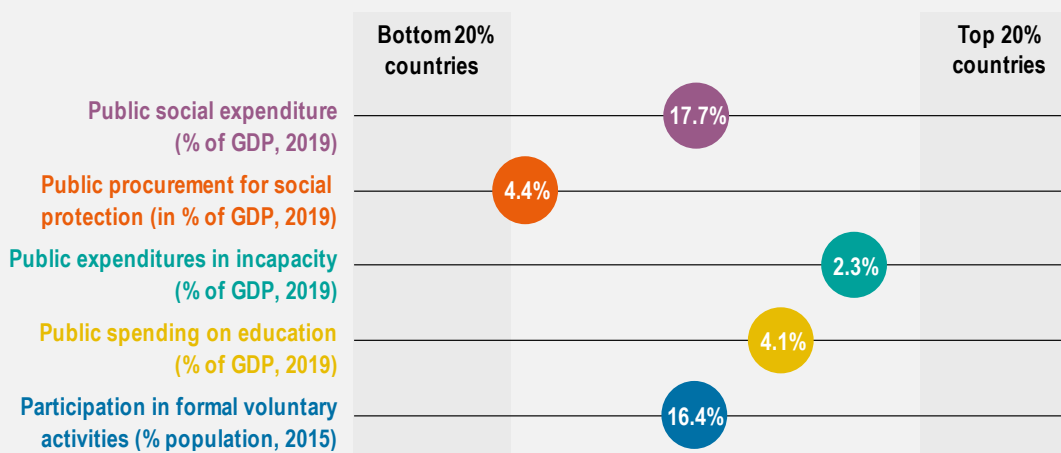
## SOCIO-ECONOMIC INDICATORS

Estonia is a unitary country and a member of the European Union. It is a high-income country with a very high human development level.

	GDP per capita	Labour force participation rate	Youth not in employment, education or training (NEET)	Poverty rate	Gini coefficient	Rural population	Stakeholder engagement for developing regulations
<b>Estonia</b>	USD 47 152	81.2%	12.3%	15.8%	0.305 / 1	43.9%	2.7 / 4
<b>OECD</b>	USD 53 937	73.2%	14.8%	11.0%	0.313 / 1	23.1%	2.1 / 4

Note: Data from Estonia refer to 2022, except for NEET (2021), poverty rate (2020), Gini coefficient (2020) and stakeholder engagement (2017). OECD data refer to 2022, except for poverty rate (2018), Gini coefficient (2020) and stakeholder engagement (2017). GDP per capita for OECD is an estimated value. See sources at the end of the document.

## Country position in selected social indicators



Note: For each indicator, the position of the bubble on the line represents the country's ranking compared to OECD and EU countries. Higher rankings are on the right. The panel of countries for the international ranking can vary from an indicator to another due to data availability. See sources at the end of the document.

## SOCIAL AND SOLIDARITY ECONOMY ECOSYSTEM

### Definition of the social and solidarity economy in Estonia

No official definition of the SSE is available in the country.



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This Country Fact Sheet is prepared in the framework of the [OECD Global Action "Promoting Social and Solidarity Economy Ecosystems"](#), funded by the European Union. It is part of a series of country pages that provide information and relevant data on the social and solidarity economy ecosystems across the world.

## Institutional frameworks



### Institutions

The **Ministry of Interior, the Ministry of Finance and the Ministry of Social Affairs** all provide funding, resources and services to SSE entities and social enterprises, although each of them has their own specific strategy, funding programme, rules and procedures. These three ministries are also amongst the implementing agencies for strategic plans relevant to SSE entities and social enterprises.



### Legal and policy instruments

Estonia does not have a national framework around the SSE. The country has adopted several initiatives involving the SSE and social enterprises, such as the national development strategy "Estonia 2035", the Entrepreneurship Growth Strategy, the Cohesive Estonian Development Plan 2021-2030, the National Development Plan for Civil Society 2015-2020 and the Well-being Development Plan 2016-2023



### Stakeholder engagement

Not available.

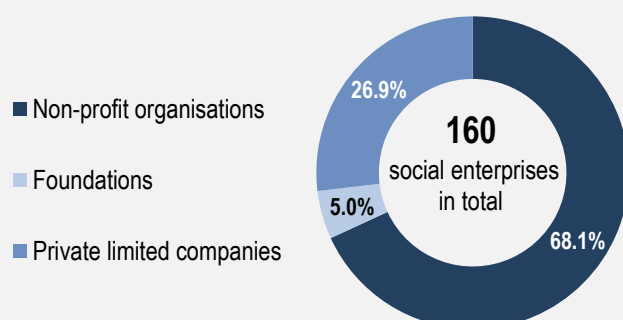
## Main figures

Among the **160 social enterprises** reported, **68.1% are non-profit organisations, 26.9% private limited companies, and 5% foundations**. **1 693 people** are employed in social enterprises as of 2021. Social enterprises' revenues reached **EUR 49 million** in 2021, which corresponds to **0.15% of the GDP**.

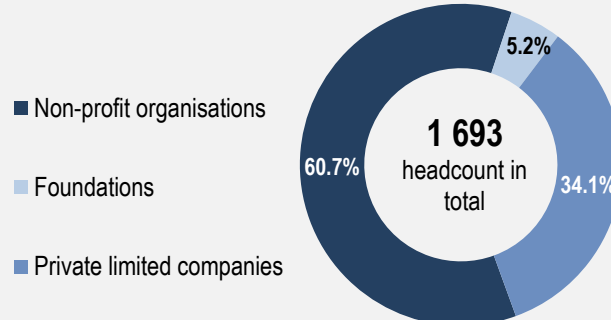
### SCOPE

The data provided cover social enterprises that are members of the Estonian Social Enterprise Network (ESEN) as well as other entities that are identified to be social enterprises by ESEN.

Number of social enterprises (2019)



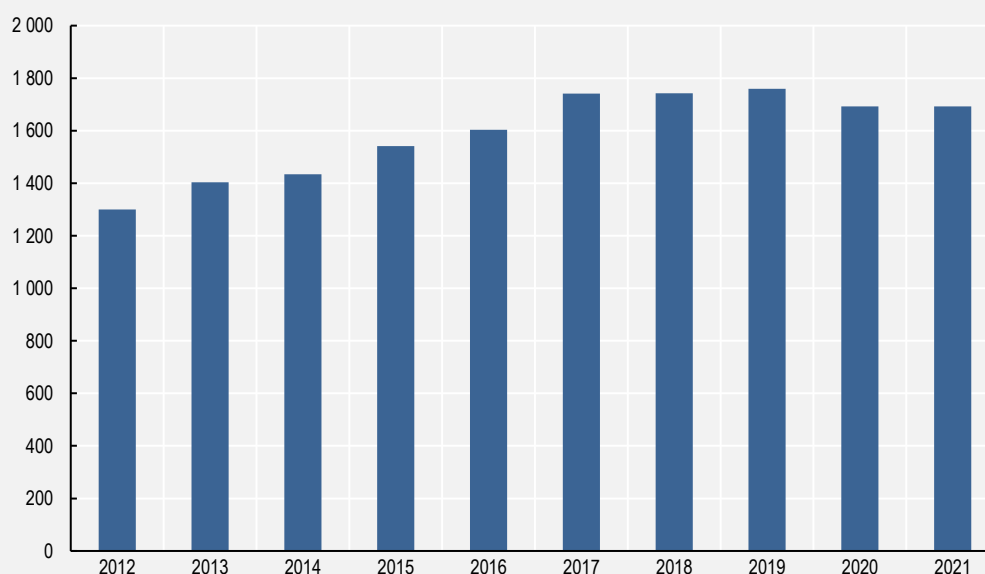
Employment in social enterprises (2019)



Note: Employment data are given in headcounts. The information is provided by ESEN and Statistics Estonia as of 4 September 2022.

### ZOOM IN ON SOCIAL ENTERPRISES

Job creation in social enterprises



Note: The sample is retrieved from ESEN, and the number of jobs created are retrieved from ESEN annual reports.

## Revenues



Social enterprises in Estonia generated **EUR 49 million** in revenues in 2021.

## Economic contribution



The revenues generated by social enterprises corresponded to **0.15%** of the GDP in 2021.

Note: The data have been retrieved from Statistics Estonia.

## Legal frameworks

Legal frameworks to support the development of the SSE can be adopted at the national and subnational levels. They can regulate the SSE as a whole, or specific legal entities of the SSE (such as associations, cooperatives, mutual societies, foundations and social enterprises).

For the SSE	Not available.
For specific SSE entities at national level	<ul style="list-style-type: none"> <li>Apartment Associations Act (1995) - <a href="#">Link</a></li> <li>Foundations Act (1995) - <a href="#">Link</a></li> <li>Non-Profit Associations Act (1996) - <a href="#">Link</a></li> </ul>

Note: The list above is not exhaustive of all existing legal frameworks around SSE in Estonia.

## Fiscal treatment

Different fiscal treatment can be established for the social and solidarity economy as a whole, or for specific SSE entities, at the national and subnational level.

Fiscal treatment of SSE entities	Fiscal treatment for contributors to the SSE
<ul style="list-style-type: none"> <li>Organisations that hire disadvantaged workers are exempt from social security costs.</li> <li>Non-profit associations and foundations can benefit from income tax reductions if they are approved by the Tax and Customs Board.</li> </ul>	<ul style="list-style-type: none"> <li>An approval by the Tax and Customs Board enables non-for-profit entities to collect tax-deductible donations from the public and enables their volunteers to claim tax reimbursements.</li> <li>Donations from individual donors are tax deductible from personal income tax up to EUR 1 200 and not over 50% of annual taxable income.</li> <li>Corporate donors can choose between two ceilings: 3% of the amount of the payments subject to social tax made by the taxpayer during the same calendar year, or 10% of the profits for the last financial year.</li> </ul>

Note: The list above is not exhaustive. Information is retrieved from OECD desk research and "Relevant taxation frameworks for Social Economy Entities" published in 2023 by the European Commission.

## Social impact measurement initiatives

Driven by a mission of social purpose, SSE entities are increasingly requested to demonstrate the positive value that they generate through their activities. Social impact measurement enables them to assess their positive contribution to society. A diverse range of possible initiatives are available to governments and practitioners to foster a social impact measurement culture.



### Guidance-based initiatives

- [Maailmamuutjad.ee - Registry of changes](https://maailmamuutjad.ee) △ Estonian Social Enterprise Network, supported by Ministry of the Interior and the Civil Society Endowment

Note: Guidance-based initiatives deliver guidance on social impact measurement approaches, which are tailored to the specific needs of the social and solidarity economy.

## FURTHER READING ON THE SSE IN ESTONIA

[Social Enterprise Estonia: Social Enterprise Database](#) | [European Commission: Social Enterprises and Their Ecosystems in Europe](#) | [EU Social Economy Gateway - Estonia](#)

## DATA SOURCES

- Socio-economic data refer to 2022 unless stated otherwise, and relate to data downloaded as of 17 July 2023. Datasets used: GDP per capita, current PPP: OECD national accounts statistics, <https://doi.org/10.1787/na-data-en>; Labour force participation rate (15-64 year old): OECD Employment and Labour Market Statistics, <https://doi.org/10.1787/data-00310-en>; NEET (15-29 year olds, all levels of education): OECD Education at a Glance 2022, <https://doi.org/10.1787/19991487>; Poverty rate (after taxes and transfers, poverty line 50%): OECD Social and Welfare Statistics (database), <https://doi.org/10.1787/data-00654-en>; Gini coefficient (disposable income, post taxes and transfers): OECD Income Distribution Database, <https://www.oecd.org/social/income-distribution-database.htm>; Rural population (OECD): OECD, CFE Regions and Cities databases, <http://oe.cd/geostats>; Stakeholder engagement for developing regulations: OECD Better Life Index, <https://www.oecdbetterlifeindex.org/#/111111111111>; Public social expenditures: OECD Social Expenditure Database (SOCX), <http://dotstat.oecd.org/Index.aspx?QueryId=26920>; Share of public procurement for social protection (in % of total general government procurements): OECD (2022), "Government at a Glance - 2021 edition", <http://dotstat.oecd.org/Index.aspx?QueryId=107598>; Public spending on incapacity: OECD (2022); Public spending on incapacity (indicator), <https://doi.org/10.1787/f35b71ed-en> (Public spending on incapacity refers to spending due to sickness, disability and occupational injury); Spending on education (primary to tertiary level, in % of GDP): OECD Education Statistics (database), <https://doi.org/10.1787/c4e1b551-en>; Participation in formal voluntary activities (% of people): Eurostat table [ilc\_scp19], based on the 2015 EU-SILC ad-hoc module.
- SSE data were collected through OECD questionnaire in May 2022. Estonian SSE data are based on the sample provided by the Estonian Social Enterprise Network (ESEN) and Statistics Estonia. The data were provided by the Department of Citizenship Policy and Civil Society under the Ministry of Interior.
- Further information on the methodology followed in the country fact sheets can be found [here](#).

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