



ESTONIAN ACADEMY
OF SECURITY SCIENCES
CENTRE FOR MIGRATION STUDIES

EMN
European Migration Network



EMN Focussed Study 2013 Attracting Highly Qualified and Qualified Third-Country Nationals Estonian National Report

Disclaimer: The following responses have been provided primarily for the purpose of completing a Synthesis Report for the above-titled EMN Focussed Study. The contributing EMN NCPs have provided information that is, to the best of their knowledge, up-to-date, objective and reliable within the context and confines of this study. The information may thus not provide a complete description and may not represent the entirety of the official policy of an EMN NCPs' Member State.

Top-line “Factsheet”
(National Contribution)
Executive Summary

Aim of this focussed study is to provide an overview of the policy implemented in Estonia and practical measures for attracting highly qualified and qualified third-country nationals. The situation in the Estonian labour market is similar those in other Member States – Estonia is in need of (highly) qualified labour force¹. As OECD Skills Strategy suggest², Estonia is looking into ways to facilitate the entry of highly skilled migrations.

Estonian immigration policy is based on the notion of fostering the arrival, temporary stay and settlement of foreigners if consistent with public interest and to prevent the arrival of foreigners who could endanger the public order or national security. Estonian immigration policy is also opposed to the mass inflow of low-skilled foreign workers. According to the Government Action Programme 2011-2015 in order to increase the competitiveness of Estonia's economy the Government will create conditions and the environment to attract international students and highly qualified specialists to Estonia. This contributes to the establishment of research and excellence centres in Estonia and helps provide companies with a higher-quality workforce³.

In 2012 there were 835 first permits issued for employment purposes. This is almost 42% less than in 2011. While the number of first resident permits issued for employment decreased in 2012, it still makes up 25% of the number of resident permits issued and comes second after family reasons (38%). First residence permits for studying manifest a slight rise in 2012 (516 permits) which is 10% more than in 2011 and makes 16% of the total resident permits issued in 2012⁴.

Estonia has one of the highest shares of foreigners in the total population. In 2012 foreigners made up 15.7% of the Estonian population⁵. Total number of third-country nationals in employment in Estonia is approximately 160 000 persons⁶. This makes the proportion of third-country nationals among the employed 14.7%, second after Latvia. This is 3.5 times as EU average (EU-27, 4.1%)⁷.

With the aim of facilitating the arrival of international students and highly qualified workers and ameliorate their reception and integration across-the-board consultations were initiated with social partners in the beginning 2012. Consultations have resulted in significant changes in the Aliens Act with the emphasis on revision and simplifying the regulations regarding arrival of international students and highly-skilled workers. The changes will come into force in September 2013. Consultations regarding reviewing regulations regarding other groups will continue in autumn 2013.

¹ Labour demand forecast 2019. Ministry of Economic Affairs and Communications. Tallinn 2012

² Better Skills, Better Jobs, Better Lives. A strategic Approach to skills policies. OECD, 2012.

<http://skills.oecd.org/documents/OECDSkillsStrategyFINALENG.pdf>

³ Government of the Republic Action Programme 2011-2015, Order of the Government of the Republic no. 209 5 May 2011, 5e-f.

⁴ Police and Border Guard Board

⁵ Eurostat, Migration and migrant population statistics

⁶ Eurostat, Labour Force Survey

⁷ Eurostat

Section 1 National Policies and Measures)

1.1 Policies

Q.1. Are there national policies in place for the attraction of highly qualified and qualified third-country nationals?

Yes. Attracting highly qualified and qualified foreigners to live and work in Estonia is outlined as a separate goal in the Government Action Plan 2011-2015 in the chapter of Labour Market. The Action Plan states that in order to increase the competitiveness of Estonian economy the Government will create conditions and the environment to attract international students and highly qualified specialists to Estonia⁸. This goal is targeted at both, citizens of other EU Member State and third-country nationals. There is no comprehensive policy document on policy and measures aimed at attracting highly qualified and qualified third-country nationals. The relevant regulation and requirements are included in the Aliens Act⁹. In 2012 extensive consultations were held with all relevant social partners to make the regulations more flexible to make the arrival conditions for qualified workers smoother. The amendments specified groups with low risk of abuse and violation of the admission system (e.g. international students, researchers, scientists and entrepreneurs) and provided them with an opportunity to come to Estonia on the basis of a visa (e.g. short-term employment regulation) and if the employer and employee have mutual interest for more long-term employment then these groups (and their family members) have the right to submit their resident permit applications in Estonia.

Ministry of Economic Affairs and Communications is also working on Entrepreneurship Growth Strategy for the new programming period 2014-2020, which also emphasises the importance of attracting the (highly) qualified workers to Estonia. The state sponsors partially the employment of (highly) qualified workers with international (professional) experience since 2008. The development employee grant scheme is managed by Enterprise Estonia¹⁰. Under this scheme companies can employ highly qualified workers – e.g. researchers, engineers, designers, sales directors and managers etc. and apply for the partial compensation of their salaries depending on the profile of the employee (from 50%-70% of the salary of the employee) for up to 26 months.

In 2007, an internationalisation strategy for Estonian higher education institutions 2006-2015¹¹ was adopted under the auspices of Ministry of Education and Research. The strategy outlines the main activities with the aim to improve the competitiveness of Estonian higher education in the international higher education area, in order to make the higher education system in Estonia more open and visible. The strategy includes measures to facilitate (i) the creation of a supportive legal environment; (ii) the internationalisation of teaching; and (iii) the development of a support system for internationalisation. The goals of the strategy for

⁸ Government of the Republic Action Programme 2011-2015, Order of the Government of the Republic no. 209 5 May 2011, 5e.

⁹ Aliens Act RT I 2010

¹⁰ Enterprise Estonia is a state initiated foundation under the auspices of Ministry of Economic Affairs and Communication. Enterprise Estonia promotes business and regional policy in Estonia and is one of the largest institutions within the national support system for entrepreneurship, providing financial assistance, counselling, cooperation opportunities and training for entrepreneurs, research institutions, the public and non-profit sectors. For more information please see <http://www.eas.ee/en/eas/overview>.

¹¹ For more information in English please see <http://www.kslll.net/PoliciesAndAchievements/ExampleDetails.cfm?id=131>. For more details please see <http://www.hm.ee/index.php?popup=download&id=10496>.

2015 include increasing the number of international students (mostly on master and PhD level, also post-doctoral students); increasing the number of Estonian students who participate in exchange programmes; increasing the number international professors among permanent teaching staff.

In 2009 Estonian Chamber of Commerce and Industry initiated *Bring Talent Home programme* (Talendid koju) which was aimed to give Estonian exporters access to Estonians who study abroad or work there as qualified and skilled professionals. The programme lasted till 2012 and was supported by European Social Fund. The programme included development of the Estonians who live and study abroad, who have international work experience and who had agreed to cooperate with Estonian companies either after they return to Estonia or during their residence abroad. The website (www.talendidkoju.ee) was used as job market tool, where companies could for free advertise job vacancies, traineeship or summer jobs. By the end of the programme over 20 000 people, who were at the time studying abroad or were working abroad, were contacted through the database. The Internet database had 1000 registered users. The direct contact was reached with 2500 people from Estonia who had been studying abroad. They were *matched* with 2500 companies who were looking for (highly) qualified workers. 500 staff competitions were advertised on the website as a result of which 27 persons were assisted to move back to Estonia¹². One of the main conclusions of the programme was that inviting and assisting people to settle in Estonia needs more systematic approach. Therefore, it has been proposed that the Ministry of Economic Affairs and Communications should take over the coordinating responsibility of so called *talent politics* (attracting highly qualified worker). The proposal is included in the draft document for Entrepreneurship Growth Strategy 2014-2020 mentioned above.

Q1.a. If Yes, please indicate the following:

- ***National definition of highly qualified third-country nationals, including references to relevant international standards such as ISCED/ISCO and/or salary thresholds;***

No definition of highly qualified foreigners/third-country nationals is currently provided by national legislation. The term “top specialist/senior specialist” will be added to the Aliens Act as a result of the amendments that will come into force September 1st 2013. The proposed definition is the following:

Senior or top specialist is a foreigner who has professional training or experience in any area of activity, whose employer is registered in Estonia and has agreed to pay the foreigner at least the latest annual average wages in Estonia published by Statistics Estonia, multiplied by the coefficient 2.

Currently, the salary threshold has the coefficient 1.24 of the annual average gross monthly salary, as last published by Statistics Estonia. This applies to experts, advisors and consultants¹³.

The EU Blue card holder’s general salary threshold is 1.5 of the annual average gross monthly salary, as last published by Statistics Estonia¹⁴. The EU Blue card holders being employed as

¹² Results of the Bring Talent Home Programme <http://valitsus.ee/UserFiles/valitsus/et/riigikantselei/strateegia/poliitika-analuusid-ja-uuringud/tarkade-otsuste-fondi-strateegiliste-arendusprojektide/Talendid%20koju%20projekti%201%C3%BChikokkuv%C3%B5te.pdf>

¹³ Aliens Act RT I 2010, §107.

- a senior specialist or a supervisor;
- a senior specialist in natural or technical science;
- a senior specialist in health service;
- a specialist in pedagogics;
- a specialist in business or administration;
- a specialist in information or communication or
- specialist in legal, cultural or social sphere

have somewhat lower salary threshold (coefficient 1.24 of the annual average gross monthly salary, as last published by Statistics Estonia).

Q1.b. If Yes, do the policies distinguish between highly qualified and qualified third-country nationals?

No.

Q1.c. If Yes, please indicate the rationale for their distinction.

N/A

Q1.d. If Yes, what is the main rationale for these policies? What is the objective? Please consider whether this rationale is linked to circular, temporary or permanent migration.

The intention of Estonian labour immigration policy is to strengthen the competitiveness of Estonian economy and to contribute to the establishment of research and excellence centres in Estonia and to provide companies with a higher-quality workforce¹⁵.

Q1.e. If Yes, briefly outline the main features of the policies. Please consider whether the following exists:

- *Points-based system (i.e. a system that admits third-country nationals who have a sufficient number of qualifications and experiences from a list that typically includes language skills, work experience, education and age¹⁶);*

No. Estonia does not employ points-based system for admission of third-country nationals.

- *Employer-led system (i.e. a system that allows employers to select the workers they need, subject to, government regulations¹⁷);*

Yes. In Estonia the labour market needs are assessed by the employers and their projections are reflected in the *Labour demand forecasts*¹⁸. According to the Forecast 2019 Estonia will need approximately 27,400 top specialists by the year 2019(e.g. 3400 specialist per year).

There are several regular analyses on Estonia's economic performance based on employers' estimations that have also highlighted the demand for highly

¹⁴ Aliens Act RT I 2010, §190⁷

¹⁵ Government of the Republic Action Programme 2011-2015, Order of the Government of the Republic no. 209 5 May 2011, 5e.

¹⁶ Definition from: <http://www.migrationpolicy.org/pubs/rethinkingpointssystem.pdf>

¹⁷ Ibid

¹⁸ The latest estimations can be found in *Labour demand forecast 2019*

qualified foreign labour.

Estonian Unemployment Fund conducts survey on the *Need for Foreign Labour*¹⁹ among the employers every three years. Last survey was carried out in 2011 and outlined remarkable increase in the employers' estimations for the need in highly qualified labour force in Estonia in the coming five years.

Estonian Institute of Economic Research carries out annual appraisal of Estonia's international economic competitiveness²⁰. In addition an overview of Estonia's position in the world competitiveness scoreboard²¹, the appraisal summarises the employers' assessment of Estonia's business environment. The appraisal has through several years outlined the demand and shortage of highly qualified workers in Estonia. Even during the time of acute economic crises and elevated unemployment the employers in Estonia regarded the availability of highly qualified employees low. Employers also deemed the attractiveness of Estonian business environment low for international highly qualified workers.

Additionally, employers are required to gain the permission from the Estonian Unemployment Insurance Fund before employing the foreigner, following the public competition (so-called labour market test). It is mandatory to publicise the position and look for the worker in Estonia and the EU. If the position is not filled as a result of the public competition within three weeks, the employer is allowed to seek for workers from outside of the EU. However, as of June 2011, the employers are exempt from applying for Unemployment Insurance Fund permission when renewing or extending the residence permit of the foreigner²². There are also certain occupations exempt from the permission, some of which could be classified as requiring (higher) qualification – e.g. teachers, lecturer and researchers, working as an expert and consultant, employment for the purposes of performing directing or supervisory functions of a legal person (e.g. management or supervisory boards of private companies) governed by public law registered in Estonia. Other groups included in the exemption are ministers and clerics (includes monks and nuns), journalists accredited to Estonia, posted workers, athletes and their instructors (sportsmen, coaches, referees); persons engaged in creative activities who work in a performing arts institution for the purposes of the Performing Arts Institutions Act.

With the changes of the Aliens Act coming into force in September 2013, short-term registered employment positions will no longer be required to organise public competition for three weeks and making use of the services of a state employment agency before the position can be filled with a third-country national. The permission will from now on be based on the assessment of the labour force and market situation by the Estonian Unemployment Insurance Fund.

The requirement for separate permission by the Estonian Unemployment

¹⁹ The Need for Foreign Labour. Estonian Unemployment Fund 2011. For more details please see http://www.tootukassa.ee/public/_Aruanne_2011_2605.pdf

²⁰ International Competitiveness of Estonia, Estonian Institute of Economic Research 2012. For more details please see http://www.ki.ee/publikatsioonid/valmis/Eesti_rahvusvaheline_konkurentsivoime_Aastaraamat_2012.pdf.

²¹ The scoreboard is put together by World Competitiveness Centre at the International Institute for Management Development. For more details please see <https://www.worldcompetitiveness.com/OnLine/App/Index.htm>

²² Aliens Act RT I 2010, §177

Insurance Fund will also be waived for foreigners who have obtained their Bachelors, Master of Doctoral degree in Estonia²³. Senior specialist will also be exempt from the Estonian Unemployment Insurance Fund's permission²⁴ if the (private) company where he or she will be working has been registered in Estonia for at least 12 months and the company has the capital in the amount of at least 65,000 euros, which is invested in business activity in Estonia or the company's sales revenue is at least 200,000 euros per year or the social tax paid in Estonia monthly for the persons employed by the company equals at least with the social tax paid in Estonia monthly on the remuneration equalling fivefold Estonian annual average gross wages. The remuneration requirement for senior specialists who are exempt from the Estonian Unemployment Insurance Fund's permission is at least the latest annual average wages in Estonia published by Statistics Estonia, multiplied by the coefficient 2²⁵.

- *Hybrid system (i.e. combination of points-based and employer-driven model²⁶);*
N/A

Q.2. Are other groups of third-country nationals included in the national policies on attracting (highly) qualified third-country nationals?

Yes.

Q2.a. If Yes, please indicate what other groups are included (i.e. investors, entrepreneurs, international graduates, transferred workers etc.)?

These groups include investors, entrepreneurs and foreign/international students.

Q.3. Do the policies in your Member State focus on specific areas of occupations?

No, but there are exemptions from Unemployment Insurance Fund permission for certain occupations. Please see Q1.e.

If Yes, please briefly indicate the specific areas of occupations and their link with the policies.

Please see above.

Q.4. Has the transposition of EU Directives²⁷ led to more favourable legislation/measures/conditions for specific groups of (highly) qualified third-country nationals?

Yes.

Q4.a. If Yes, please indicate the relevant Directives and the more favourable legislation/measures/conditions which were created for these specific groups (i.e. EU Blue Card Directive and Researchers Directive).

- Council Directive 2009/50/EC of 25 May 2009 on the conditions of entry and residence of third-country nationals for the purposes of highly qualified employment (the so called EU Blue Card Directive) allowing to temporary unemployment during

²³ Aliens Act §181, they are also exempt from the salary clause (Aliens Act §178).

²⁴ Aliens Act § 181

²⁵ Aliens Act §178

²⁶ Ibid

²⁷ E.g. EU Blue Card Directive and Researchers Directive

the period of validity of an EU Blue Card

Q.5. Are the national policies addressing the aspect of brain drain in the countries of origin?

No.

Q.6. Are the national policies addressing the aspect of brain circulation with the countries of origin?

No.

Q6.a. If Yes (to either of these questions), please briefly indicate how the national policies address these aspects, supporting your answers with reference to research or any other sources of information.

N/A

Q.7. Have your national policies been the subject of public debate?

Yes.

Q7.a. If Yes, please briefly indicate the main features of the policies which were debated as well as the reasons for such debate and the level at which these occurred (e.g. Parliament, society, media). Please support your answer with reference to research or any other sources of information.

In 2012 wide-ranging consultation with relevant line ministries and social partners and stakeholders in preparation of amendments to the Aliens Act regarding attracting (highly) qualified third country nationals and international students and researchers to Estonia. In general immigration related issues are not widely discussed in the public media, nor have they been part of election debates²⁸. The debate and consultation in 2012 was first of its kind and was highly appreciated by the stakeholders. They also have high expectation for the continuation of the consultations in the autumn 2013.

Government ministers directly responsible for the areas the amendments of the Aliens Act are referring to – the Minister of the Interior, Minister of Economic Affairs and Communications and the Minister of Education and Research presented and explained the main reasons for making the changes and also introduced the main alterations in the legislation²⁹. Main employers organisations –e.g. Estonian Chamber of Commerce and Industry³⁰ have welcomed the much needed amendments, but also outlined that first step has been taken, but further changes were needed (according to Estonian Development Fund) in order to meet the society's needs³¹ and goals the government has set to attract (highly) qualified workers.

The stakeholders involved in the Aliens Act consultations were relevant line ministries and authorities – Ministry of Economic Affairs and Communications, Ministry of Education and Research, Ministry of Foreign Affairs, Ministry of Culture, Ministry of Social Affairs; Police and Border Guard Board, Estonian Internal Security Service, Estonian Tax and Customs Board, Estonian Health Insurance Fund. Representatives of employers' organisations, trade unions and universities were also involved – Estonian

²⁸ Migration and Asylum Policy 2011–Estonian Report, 2012

²⁹ Ministers: Estonia open to Talent, Postimees 11.04.2013

³⁰ Estonian Chamber of Commerce and Industry News Letter <http://www.koda.ee/index.php?id=10558>

³¹ Editorial of Postimees, 11.04.2013, <http://arvamus.postimees.ee/1198638/juhtkiri-aeg-matta-malestus-umbkeelsest-ehitajast/>

Employers' Confederation, Estonian Trade Union Confederation, Estonian Chamber of Commerce and Industry, Estonian Service Industry Association, American Chamber of Commerce in Estonia, Finance Estonia, Estonian Rectors' Conference, Estonian Rectors' Conference of Universities of Applied Sciences, University of Tartu, Tallinn Technical University, Tallinn University, Estonia of Life Sciences, Estonian Academy of Arts, Estonian Music and Theatre Academy, Estonian Business School, Tallinn University of Applied Sciences, Archimedes Foundation, Estonian Research Council, Estonian Development Fund, Erasmus Student Network.

Q7.b. If Yes, please briefly indicate possible impacts of the debate on the national policies.

Some of the changes proposed – e.g. simplified procedure of application, allowing applying for resident permits in Estonia following short-term registered stay were included in the amendments.

1.2 Measures

Refer to the legal framework in case relevant changes to labour migration legislation have occurred as compared to the information contained in the EMN Study on Satisfying Labour Demand through Migration.

Q.8. Does your Member State employ concrete measures in order to satisfy the policy goals?

Yes.

Q8.a. If Yes, please indicate the measures that contribute to the implementation of the national policies and indicate their specific goals.

Certain categories of highly qualified workers are exempt from the general immigration quota (please see Q15).

With the new amendments to the Aliens Act the (highly) qualified third-country national workers will have the right to bring their immediate family with them to Estonia.

There will be fast-tracking procedure regarding short-term registered employment. With the changes of the Aliens Act coming into force in September 2013, short-term registered employment positions will no longer be required to organise public competition for three weeks and making use of the services of a state employment agency before the position can be filled with a third-country national. The permission will from now on be based on the assessment of the labour force and market situation by the Estonian Unemployment Insurance Fund.

According to the current regulation a visa that is issued for short-term employment in Estonia shall be formalised as a long-stay visa³². D-type visas are only issued by Estonian foreign representations³³ therefore the accessibility for temporary and short-term employment (but also studying and doing research in Estonia) is somewhat hindered due to limited network of Estonian foreign representations, which will not be remarkably widened in the near future. Before starting short-term temporary employment in Estonia the foreigner is obliged to register his or her employment at Police and Border Guard Board. The simplified registration procedure allows the

³² Aliens Act §110

³³ http://www.vm.ee/sites/default/files/Eesti_esindatus_2015_ja_2015+.pdf

person to start working on the same calendric day as the Police and Border Guard Board receives the notification of registration and the assessment of the legality of the employment will be carried out after the person has started working in Estonia. This will apply to teachers or lecturers, in an educational institution, researchers and senior specialist who appropriate professional training or experience for such activities³⁴.

Q8.b. If Yes, are there any measures aimed at facilitating the integration of (highly) qualified third-country nationals?

No.

Currently it is not obligatory for newly arrived migrants to take part in accommodation courses or introduction activities. The programme and courses were initiated by the Integration and Migration Foundation Our People in 2009 and are financed from the European Integration Fund³⁵.

With the recent changes to the Aliens Act, a new article has been added³⁶ which allows the Police and Border Guard Board to allocate third-country nationals to introduction programmes when they are applying or renewing their permits. The regulation will come into effect in after the programme has been devised. The introduction programme for third-country nationals is an activity plan for supporting the integration of the recently arrived immigrants that includes basic course on Estonian state, society, culture coupled with specialised modules corresponding to different target groups (senior specialists, international students, entrepreneurs and their family members). In parallel with the introduction courses language courses will be offered. Introduction programme will consists of different courses depending on specific needs and language skills of the foreigner. The aim of the introduction programme is to support the adjustment of the recent arrivals by providing them with the necessary and relevant information on organisation of daily life (registering the place of residence, finding a nursery, kindergarten or a school place for children, social benefits etc.) in Estonia at the earliest stage possible.

Q.9. Do public policies exist in your Member State that specifically aim at positively influencing the immigration decision of (highly) qualified third-country nationals?

Yes.

Q9.a. If Yes, please also indicate such incentives.

With the new amendment highly qualified third-country nationals³⁷ are provided family reunification rights (includes spouses and children)³⁸.

There are no tax incentives in Estonia for highly qualified third-country national workers. Social security and other welfare benefits are the same for all residents (after they have been granted permission to stay in Estonia).

Equal Treatment Act came into force in 2008. The Act provides protection against discrimination on the grounds of national origin (ethnic origin), race, colour, religion or other beliefs, age, disability, sexual orientation.

³⁴ Aliens Act §107¹

³⁵ <http://www.meis.ee/kohanemisprogramm>

³⁶ Aliens Act §121¹

³⁷ Refers to teachers, lecturer, scientist, researchers and senior specialists

³⁸ Aliens Act §137

1.3 Relations with third countries and labour migration agreements

Q10. Do the policies in your Member State focus on specific third countries?

No.

Q10.a. If Yes, please list these third countries, providing a brief indication of the reasons for focusing on specific third countries?

N/A.

Q11. Has your Member State entered into labour migration agreements relating to attracting qualified and/or highly qualified third-country nationals to the national territory?

No.

Q11.a. If Yes, what role do these labour migration agreements play in executing your Member State's policies?

N/A

Q11.b. If Yes, please fill out the following:

N/A

Q12. Has your Member State adopted legislations facilitating labour migration from specific third countries ('country-specific legislation')?

No.

Q12.a. If yes, please elaborate concisely.

N/A

Q13. Has your Member State entered into other more favourable arrangements with non-EU/EEA countries and/or regions relating to attracting qualified and/or highly qualified third-country nationals to the national territory?

No.

Q13.a. If yes, please elaborate concisely.

N/A

Section 2

Evaluation and Effectiveness of Measures

2.1 Evidence of effectiveness based on statistics

The tables are provided in the annex. Please note that due to the small size of the sample in Estonia, the reliability of statistics provided by Eurostat is occasionally low.

- The number of third-country nationals employed and self-employed in Estonia in the relevant ISCO groups (i.e. those related to qualified and highly qualified employment according to national definitions) over the last 5 years aggregated by sex and age group – *the numbers are provided for employed third-country nationals, there is no reliable data on self-employed third-country nationals in Estonia.*
- The number of third-country nationals employed and self-employed in Estonia over the last 5 years aggregated by relevant ISCED level of education (i.e. those associated with qualified and highly qualified employment according to national definitions), sex and age group – *the numbers are provided for employed third-country nationals, there*

is no reliable data on self-employed third-country nationals in Estonia.

- The number of first residence permits issued for relevant reasons (e.g. highly skilled workers, EU Blue Card) over the past 5 years aggregated by sex and age group.
- It should be noted that when analysing the data on employment of third-country nationals by ISCO and ISCED classification, the figures include also non-citizens, who are third-country nationals in the context of the legislation of the EU, but at the same time they are considered as permanent residents of Estonia and also long-term third-country nationals (mainly Russian Federation citizens), who are not economic migrants who are the object of the study.
- Total number of third-country nationals in employment in Estonia is approximately 160 000 persons³⁹ (14.7% of the employed). The number of third-country nationals in high-skilled occupations has been stable in Estonia in the past five year ranging from 17,300 in 2008 to 16,500 in 2012. Due to low reliability of the data available, it is not possible to present the precise breakdown according to the ISCO categorisation, nor for gender or age. In 2012 the estimation for OC 2 –professionals is 5,700 and for OC 3 – Technicians and associate professionals is 8,000. There is no data available for OC1 – Legislators, senior officials and managers (Table 2). According to the estimations for gender break down in 2012, there was a slight male domination (53%, Table 3.) in highly-skilled workers in Estonia. The estimations for age breakdown are only available for the biggest age group which is 45-54 (5,600 persons). This accounts for one third of the highly-skilled workers in Estonia (Table 4.)
- The number of highly educated third-country nationals has also been stable in the past five years with a slight decline from 25,100 in 2008 to 22,400 in 2012⁴⁰. According to the data available all of them have ISCED level 5 education (1st stage of tertiary education) (Table 5.). The estimations for gender breakdown is also slightly male dominated (52%). The age breakdown estimations are available only for the two eldest age groups 45-54 (8,100 persons) and 55-64 (7,000) (Table 7) which accounts for two thirds of highly-skilled third-country nationals.
- In 2011 there was only one residence permit issue for EU Blue card holder (female, aged 25-34) (Tables 8-9). In 2012 there were already 16 residence permits issued for EU Blue Card holders. EU Blue card holder are dominated by male applicants (11 out of 16), mostly ages 25-34 (10 out of 16)

Q.14. Is there any evidence (quantitative and/or qualitative) of a link existing between the measures outlined in Section 1 and the immigration of highly qualified and qualified third-country nationals?

No. So far there is no comprehensive system in Estonia for assessing and evaluating legal provisions and practical measures for attracting (highly) qualified workers from third countries. Ad hoc analysis and evaluations are provided for preparing changes and amendments to legislation (e.g. changes to the Aliens Act)⁴¹.

³⁹ Eurostat

⁴⁰ Eurostat

⁴¹ E.g. Explanatory Memorandum to Amendments of the Aliens Act and other related legislations 2013.

Every three years Estonian Unemployment Fund carries out survey among the employers to consider the need of foreign labour in Estonia. The last survey was carried out in 2011⁴² and the employers were asked both about the existing experience with foreign labour and also their forecast on the need to bring in workers from abroad in the coming 5 years. When compared to the results of the survey in 2008 the number of employers who asserted the need for (highly) qualified workers had increased remarkably (71% of the respondents; in 2008 it was 44%). Also 83% of the respondents stated that they were contended with the foreign employees they had hired.

In 2011 Estonian Development Fund⁴³ initiated so called *talent monitoring*⁴⁴. The aim of the monitoring is to analyse the impact of global trends on Estonia's opportunities to be successful in the (global) competition for talent and to offer viable solutions and activities to make Estonia more appealing to highly qualified workers. In addition to scrutinising the challenges of talent shortage, future trends and their impact the monitoring also aspires to develop comprehensive talent policy for Estonia⁴⁵.

Q.15. Is there a quota for highly qualified and qualified third-country nationals?

Yes. There is no separate quota for highly-qualified third-country nationals. There is a general immigration quota established annually by the Government of the Republic (the maximum allowed by the law is 0.1% of the permanent population)⁴⁶.

In 2011 and 2012 established 1,008 persons as the immigration quota, which accounted for 0.075% of the permanent population of Estonia⁴⁷. Some categories of highly-skilled workers are exempt from the quota, some are not. The groups exempt from quota are: foreigners coming to study in Estonia, researchers⁴⁸. EU Blue card applicants are included in the quota requirement.

With the recent amendments coming to force in September 2013, the list of groups exempt from the quota will be broadened – e.g. international students after they have completed their studies want to remain in Estonia for work. People coming to Estonia for family reasons (e.g. spouses, children, grandchildren and grandparents) are already exempt from the quota.

Q15.a. If Yes, is the quota exhausted?

No. 2012 the quota was not exhausted, it was used up for 58%⁴⁹.

Q.16. Is there any evidence (quantitative and/or qualitative) of a link existing between the labour migration agreements (also in the framework of Mobility Partnerships) outlined in Section 1 and the immigration of highly qualified and qualified third-country nationals?

⁴² The Need for Foreign Labour. Estonian Unemployment Fund 2011. For more details please see http://www.tootukassa.ee/public/_Aruanne_2011_2605.pdf

⁴³ The Estonian Development Fund was established in 2007, by the Riigikogu (Estonian Parliament) with the purpose of initiating and supporting changes in the Estonian economy and society that would accelerate modernisation of our economic structure, lead to growth in exports and contribute to creating new jobs requiring high qualifications. For more details please see <http://www.arengufond.ee/>

⁴⁴ For more information please see <http://www.arengufond.ee/print.php?view=foresight%2Ftalendiseire>

⁴⁵ Estonian Development Fund report to the Riigikogu (the Parliament) 2011. For more details please see <http://www.arengufond.ee/upload/Editor/Publikatsioonid/arengufond-raport-riigikogule-2011.pdf>

⁴⁶ Aliens Act § 113.

⁴⁷ Explanatory Memorandum to the Draft Decree of the Government of the Republic "Establishing the immigration quota for 2013.

⁴⁸ Aliens Act § 115.

⁴⁹ Explanatory Memorandum to the Draft Decree of the Government of the Republic "Establishing the immigration quota for 2013.

No.

Q16.a. If yes, please elaborate concisely.

N/A

If (statistical) evidence as requested above regarding concrete measures and labour migration agreements is not available, please outline and analyse any other statistics which may provide indications of the effectiveness of the national policies and measures.

N/A

2.2 National methods of evaluation

Q.17. Does primary research (using any methods) exist in your Member State evaluating the national policies, related practical measures and labour migration agreements (also in the framework of Mobility Partnerships) implemented to attract highly qualified and qualified third-country nationals?

No.

Q17.a. If Yes, which methods have been used?

N/A

Q17.b. If Yes, what is the outcome regarding the effectiveness of these measures and labour migration agreements?

N/A

2.3 Policy makers' or other stakeholders' (i.e. academics, non-governmental or private sector representatives) experience

Q.18. If evidence (see 2.1 and 2.2) is not available, what is then the national policies makers' or other stakeholders' experience and assessment regarding the (perceived) effectiveness of measures (see also questions under 2.2)?

It is the first time that such a wide-ranging consultations took place in the area of immigration and more specifically on improving conditions and regulations for attracting (highly) qualified third-country nationals to Estonia. Stakeholders have given positive feedback for the process and have high expectations for the consultations in the autumn 2013.

The stakeholders involved were relevant line ministries and authorities – Ministry of Economic Affairs and Communications, Ministry of Education and Research, Ministry of Foreign Affairs, Ministry of Culture, Ministry of Social Affairs; Police and Border Guard Board, Estonian Internal Security Service, Estonian Tax and Customs Board, Estonian Health Insurance Fund. Representatives of employers' organisations, trade unions and universities were also involved – Estonian Employers' Confederation, Estonian Trade Union Confederation, Estonian Chamber of Commerce and Industry, Estonian Service Industry Association, American Chamber of Commerce in Estonia, Finance Estonia, Estonian Rectors' Conference, Estonian Rectors' Conference of Universities of Applied Sciences, University of Tartu, Tallinn Technical University, Tallinn University, Estonia of Life Sciences, Estonian Academy of Arts, Estonian Music and Theatre Academy, Estonian Business School, Tallinn University of Applied Sciences, Archimedes Foundation, Estonian Research Council, Estonian Development Fund, Erasmus Student Network.

Section 3 Challenges and Barriers

This section reflects on possible challenges and barriers that may affect the attractiveness of a Member State for highly qualified and qualified third-country nationals' immigration.

3.1 Possible challenges and barriers

Q.19. Have challenges and barriers in your country been identified based on previous research which affect the attractiveness of your Member State for (highly) qualified third-country nationals?

No. The main challenges and barriers were however identified in the process of consultation for amendments for the Aliens Act⁵⁰.

In order to assist the implementation of the section Government Action Programme different stakeholders and partners were invited to bring forward the main challenges of attracting highly qualified workers and international students to come to Estonia.

The complexity, length and cost of the procedures were identified as the main weaknesses. The current regulation was not flexible enough to allow people who could bring added-value to Estonia (e.g. workers with relevant skills, (highly) qualified specialists, scientists, researchers, lecturers, masters and doctoral students) to come to Estonia. The challenges also include limited network of foreign representations, which hampers the arrival of workers, weak support system and lack of introduction and accommodation programmes make it difficult and burdensome for employers to bring in relevant work force. For instance the duration and procedures of application for EU Blue card scheme have not proven to shorten the time of processing applications (mainly due to the longevity assessment of compliance of qualifications), so that many employers have instead decided to apply for regular (announcing the position through the Estonian Unemployment Insurance Fund, and initiating the application at Estonian foreign representation) work/employment permits which takes approximately the same amount of time.

The aim of the amendments is to allow the employers to hire senior specialists with in weekdays. The development of accommodation programmes and simplifying procedures for specific groups is in first stages.

In addition to the lengthy and costly application procedures it was emphasised that more attention is to be turned to developing the support and introduction services in Estonia. At the moment the responsibility of facilitating adaptation and accommodation of recently arrived third-country national workers falls on the employers. While larger companies have through the years established their own new-workers adaptation schemes, it is burdensome to carry this out for small companies bringing in 1 or 2 highly qualified workers. Majority of Estonian companies are SME. Here the main challenge is the size of the community (e.g. international students and researchers, recently arrived (qualified and highly qualified) specialist)) to provide self-supported introduction counselling and activities. It was also outlined that Estonia is not widely-known among potential workers. Moreover, Nordic countries surrounding are remarkably more attractive to foreign workers and international students by their living standard than Estonia.

Their expectation would be that there would be one centrally managed accommodation programme that would include introduction information on daily life in Estonia (e.g.

⁵⁰ Explanatory Memorandum to Amendments of the Aliens Act and other related legislations 2013.

information on schooling, social and medical care, taxation and alike) leaving the employer responsible for professional adaptation. The amendments provide for the compilation of the national accommodation programme.

In 2012, under the auspices of EXPAT project⁵¹ a survey was carried out to find out the expats⁵² current satisfaction with the available services as well as their quality of life in the current country of residence. The EXPAT project addresses the factors that hinder the expats' smooth arrival and good quality of life in the Central Baltic Sea Region and develops methods and solution to improve the identified challenges, because this will serve the interests of both the expats and the region as a whole. The survey covered topics such as the quality and availability of public sector services, availability of information, perceived level of security, and other social needs. The respondents outlined that in case of Estonia it has been difficult to understand how several public sector services (e.g. how to get personal identification and social security number, use of the health care system in general, finding appropriate childcare and school etc.) function. Furthermore it was mentioned that it is rather hard to find friends in the country of residence (in this case Estonia – e.g. few possibilities to meet the locals) and there is little information about leisure and possibilities to organise one's hobbies. It was also suggested by the respondents that there should be more opportunities to learn about Estonian history and customs.

Q19.a. If Yes, please indicate these factors.

Please see above.

Q.20. If such evidence is not available, what is then the national policies makers' or other stakeholders' experience and assessment regarding the challenges and barriers which affect the attractiveness of your Member State for (highly) qualified third-country nationals?

Please see above. The main challenges, as identified by the stakeholders, in addition to good economic performance, reducing bureaucracy in the application procedure, is the development of the support and accommodation network (providing good schooling opportunities for family members, establishing accommodation programme to make the introduction of new (highly) qualified workers as smooth as possible).

Section 4 Conclusions

Q.21. What conclusions would you draw from your findings that are relevant to the aims of this Focussed Study? Can you identify good practices and lessons learnt with regard to attracting highly qualified and qualified third-country nationals? What is the relevance of your findings to (national and/or EU level) policymakers?

Similarly to other Member States Estonia is seeking ways to attract (highly) qualified workers to come and settle in Estonia. This goal has also been identified on the highest political level and is included in the Government Action Programme.

When compared to public debates and consultations in the field of immigration in general and attracting (highly) qualified third-country nationals in specific there has not been wide-ranging

⁵¹ EXPAT is European Union Interreg IVA Central Baltic Sea Region -funded project. The aim of the project is to make the Central Baltic Sea Region a more attractive destination and a more welcoming region to settle in highly qualified international workers. For more information please see <http://www.expatriationproject.info/>

⁵² Expat in this project refers to all foreigners living in partner cities (Tallinn and Tartu in case of Estonia), in addition to third-country nationals it includes also other EU nationals.

discussion on these topics. 2012 saw the first comprehensive involvement of major relevant stakeholders (employers' associations, trade unions and higher education institutions) in the process of preparing changes to the Aliens Act. Numerous shortcomings were outlined in the discussions. The main areas in need for improvement were identified as reducing bureaucracy in the process of application and developing better support service system in Estonia for recently arrived third-country nationals and their family members.

Several of the proposals – simplification of procedures of application for (highly) qualified third-country nationals and international students and researchers, extending simplified application procedures to their family members were introduced as amendments to the Aliens Act coming into force in September 2013. There are also regulations relating to other groups (e.g. investors, entrepreneurs) that were brought up. Consultations regarding these groups will continue in autumn 2013.

Estonia does not yet have comprehensive evaluation system to assess the impact and effectiveness of legal provisions and practical measures for attracting (highly) qualified workers from third countries. Ad hoc analysis and evaluations are provided for preparing changes and amendments to legislation (e.g. changes to the Aliens Act).

ANNEX 1

Table 1. First Residence Permits by Reason

Reason	2008	2009	2010	2011	2012
Family	1380	1136	1063	1371	1255
Employment	911	1063	941	1430	835
Studying	353	392	459	464	516
Other	1224	1178	1088	1042	706
Total	3868	3769	3551	4307	3312

Source: Police and Border Guard Board

Table 2. Employment of Third-Country Nationals in high-skilled occupations (1 000)

Occupation according to ISCO categorisation	2008	2009	2010	2011	2012
OC1 Legislators, senior officials and managers	6.7 (u)	:	:	:	:
OC 2 Professionals	5.3 (u)	7.5 (u)	7.3 (u)	5.6 (u)	5.7 (u)
OC 3 Technicians and associate professionals	5.3 (u)	6.1 (u)	:	6.6 (u)	8 (u)
Total	17,3	18,3	17,3	15,0	16,5

Source: Eurostat; u- data unreliable

Table 3. Employment of Third-Country Nationals in high-skilled occupations and sex (1 000)

Sex	2008	2009	2010	2011	2012
Male	9.3 (u)	8.8 (u)	8.1 (u)	7.9 (u)	8.7 (u)
Female	8 (u)	9.5 (u)	9.2 (u)	7.1 (u)	7.8 (u)
Total	17,3	18,3	17,3	15,0	16,5

Source: Eurostat; u- data unreliable

Table 4. Employment of Third-Country Nationals in high-skilled occupations and age (1 000)

Age breakdown	2008	2009	2010	2011	2012
25-34	:	:	:	:	:
35-44	:	:	:	:	:
45-54	7 (u)	7.3 (u)	7.7 (u)	:	5.6 (u)
55-64	:	:	:	:	:
Total	17,3	18,3	17,3	15	16,5

Source: Eurostat; u- data unreliable; : no data available

Table 5. Employment of highly educated Third-Country Nationals (1 000)

Level of education according to ISCED categorisation	2008	2009	2010	2011	2012
First stage of tertiary education (ISCED level 5)	25,1	26,4	22,0	22,2	22,4
Second stage of tertiary education (ISCED level 6)	0,0	0,0	0,0	:	:
Total	25,1	26,4	22,0	22,2	22,4

Source: Eurostat

Table 6. Employment of highly educated Third-Country Nationals by sex (1 000)

Sex	2008	2009	2010	2011	2012
Male	12,4	11.7 (u)	8.7 (u)	11.4 (u)	11.7 (u)
Female	12,7	14,6	13,2	10.8 (u)	10.7 (u)
Total	25,1	26,4	22	22,2	22,4

Source: Eurostat

Table 7. Employment of highly educated Third-Country Nationals by age (1 000)

Age breakdown	2008	2009	2010	2011	2012
25-34	:	:	:	:	:
35-44	:	:	:	:	:
45-54	11.1 (u)	11.6 (u)	9.1 (u)	8.4 (u)	8.1 (u)
55-64	6.8 (u)	7.3 (u)	6.5 (u)	6.7 (u)	7 (u)
Total	25,1	26,4	22	22,2	22,4

Source: Eurostat

Table 8. EU Blue Card issued 2011-2012 by sex

Sex	2011	2012
Male		11
Female	1	5
Total	1	16

Source: Police and Border Guard Board

Table 9. EU Blue Card issued in 2011- 2012 by age

Age breakdown	2011	2012
25-34	1	10
35-44		5
45-54		1
55-64		
Total	1	16

Source: Police and Border Guard Board