On behalf of the
European Commission
DG Employment,
Social Affairs and Inclusion

Gesellschaft für
Versicherungswissenschaft
und -gestaltung e.V.

GVG

Social Impact of Emigration and Rural-Urban Migration in Central and Eastern Europe

Final Country Report

Estonia

April 2012

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Content

1. POPULATION, SOCIO-ECONOMIC AND POLITICAL OVERVIEW

Estonia was part of the Soviet Union between 1944 and 1991. During this period, Estonia went through massive and interlinked processes of industrialisation, urbanisation and immigration. The share of urban population increased from 29% to 71%, and the share of ethnic minorities increased from 3% to 37% (Tammaru, 2001). About 80% of the minorities are ethnic Russians, followed by two other Russian-speaking Slavic groups (Ukrainians and Byelorussians) and Finns. After the restoration of independence in August 1991, Estonia went through radical political and labour market reforms. The focus of political reforms was to establish a democratic society, but there was also a nation-building dimension in such reforms. For example, Soviet time immigrants were not granted Estonian citizenship automatically[1]. Estonia also adopted a simple and very liberal framework for economic policy. In June 1992, Estonia was the first former Soviet Union country to introduce its own national currency.

Radical economic reforms brought along major changes in the labour market with significant amount of jobs lost in the industrial sector where immigrants were over-represented during the Soviet period. Both the disintegration of the Soviet Union, nation-building in Estonia and job losses in industry changed the relative status of the Russian-speaking, now minority population. For example, the minority unemployment rate (there was no unemployment during the Soviet period) was about twice higher compared to Estonians over the last two decades (Marksoo et al., 2010). Such status change brought along also a wave of return migration that mainly occurred in the very beginning of the 1990s. By the time of the 2000 census, ethnic minorities accounted for 32% of the population of Estonia, and this figure has remained almost unchanged since then.

As a result of radical and successful economic reforms in the beginning of the 1990s, economic growth (which was temporarily halted in 1998 by the Russian economic crisis) fluctuated around 8% between 1995 and 2007 (Marksoo et al., 2010). The Estonian economy became re-oriented to a large part to European countries. Estonia also became a member of the NATO on 29 March 2004 and joined the European Union on 1 May 2004. As of 21 December 2007, Estonia has been part of the Schengen visa area. Economic growth was halted by the global economic crises in 2008. Estonia was one of the first countries that adjusted to the global economic challenges, and is recovering from the recent financial and economic crisis as in 2011. Estonia became a member of the Economic and Monetary Union on 1 January 2011. However, the unemployment rate that peaked at 19.8% at the beginning of 2010 is still very high with 13.3% in the second quarter 2011 (Statistics, 2011g). The unemployment benefits accounted for 2% of social benefits in Estonia, which is less than in EU-27 in average (5%) (Estonian Human Development Report, 2011). Likewise, the social protection expenditure accounted for 15% of GDP in Estonia, but 26% in EU-27 in 2008 (Estonian Human, 2011). But the share of people who have a disposable income below the risk-of-poverty threshold (60 % of the national median equivalised disposable income after social transfers) is similar in Estonia and EU-27 (15.8% and 16.4%, respectively) according to Eurostat (2011a). One should also note that the radical reforms increased social stratification in Estonia in the 1990s (as measured, e.g. by the Gini coefficient), but Estonia is among the very few CEE countries where the Gini coefficient has decreased in the 2000s (from 36.0 to 31.1) (Eurostat, 2011d).

[1] In 1992, the Estonian parliament reapplied the 1938 Citizenship Law. This law provided rights of Estonian citizenship to all pre-1940 citizens and their descendants. Most historical ethnic minorities had Estonian citizenship before 1940. Members of these groups received Estonian citizenship automatically in 1992. All other Estonian residents (mainly post-1944 immigrants and their children) could obtain Estonian citizenship through naturalisation or apply for citizenship in other countries, such as Russia. Those that were not eligible to acquire Estonian or another citizenship remained stateless. Between 1992 and 2010, the share of people classified as having undetermined citizenship decreased from 32 to 7.2% of the population.

2. MAIN EMIGRATION AND INTERNAL MIGRATION TRENDS AND PATTERNS

Data for internal migration and emigration for the last two decades could be obtained from three different sources: the 2000 census (covers the 1989-2000 period), the population register (2000-) and sample surveys. However, none of these sources provide complete data on the event of migration, both what regards external migration and internal migration. In 2000 census, a retrospective question was asked on place of residence at the time of 1989 census. Thus, census database does not include moves of those people who lived in Estonia in 1989, but not in 2000 (i.e. emigrants, including return migration of Russians back to Russia after the demise of the Soviet Union in 1991), and miss multiple moves made between 1989 and 2000 are also missed. The population register also suffers from the problem of under-registration of migration events. Data is available from 2000 onwards, but until 2005, it was not mandatory for people to register their place of residence (also to de-register when leaving Estonia). Estonia has also a data exchange agreement with Finland that has a good tradition of population registration which implies that Estonian data on emigration to Finland, the main destination country of Estonian emigration, is quite accurate. Data on migration could be also obtained from sample surveys such as Estonians' Emigration Intentions and Actual Emigration Survey (EEIAE), and Estonian Labour Force Survey (ELFS).

The total population of Estonia decreased from 1,565,600 inhabitants in the 1989 census to 1,370,100 in the 2000 census, a decline of 195,500, or 12 percentage points. The decrease was caused in part by the natural decrease (-40,000 people) but mainly by negative net migration (-155,000 people), the latter largely due to the return migration of Russians to Russia (Tammaru and Kulu, 2003a). The main figures for internal migration are as follows: there were 1,173,525 people who lived in Estonia both in 1989 and 2000, and 199,169 (17%) of these people lived in a different municipality in 2000 compared to 1989 (there is no information on multiple moves between 1989 and 2000) (Tammaru et al, 2004).

The population of Estonia continued to decline between 2000 and 2010, but at a significantly slower pace. The estimated population size of Estonia as in the beginning of 2010 accounts to 1,323,323 or less than 46,777 people than at the time of the last census in 2000 according to Statistics Estonia. Most of this population decline is on account of the natural decrease (-33,387) which leaves -13,390 for net emigration. This figure reflects the number of registered migrations only and thus it underestimates actual migration flows. For example, the net emigration with Finland, the main destination country for Estonian emigrants, has been negative by 18,510 people according to Statistics Finland (Taskutieto, 2011). Finland and Estonia belong to the same language group, which makes it easy to move to Finland. There are very few immigrants from other CEE countries in Finland according to Statistics Finland. The estimates from the Estonian migration potential survey[2] (Veidemann, 2010) indicate that about 45% of people with emigration intention would like to move to Finland. It could be that people planning to move to Finland are more likely to actually move as well, but the very crude estimate that we hereby provide of the total net emigration would thus be about 35,000 - 40,000 people between 2000 and 2010 or 2.6% of the population of Estonia.

There were 349,852 moves across municipality borders between 2000 and 2010. This number of internal/domestic migrants is high despite the fact that registered migration data does not capture all actual moves. According to the estimates of Statistics Estonia, 20% of the population of Estonia did not live at the registered place of residence as in 2008 (Tiit, 2009). The high population mobility is due to the high share of people in the prime migration ages in Estonia. Namely, fertility was high in Estonia in the 1980s, and these people who were born at that time are now in the prime migration age (in their twenties). Since the 1990s birth cohorts are much smaller, the number of people in prime migration ages will start to decrease as well.

[2] Since statistics in Estonia cover neither the actual extent of emigration nor its structure, then the Ministry of Social Affairs in 2010 ordered with ESF funds for the fourth time a survey of Estonians' emigration intentions and actual emigration (EEIAE); analogous surveys were conducted in 2000, 2003 and in 2006.

To conclude, the evidence on both internal migration and emigration shows increasing mobility trends in the 2000s as compared to 1990s of the Estonian residents[3]. This probably relates to several factors such as increased ability to move in Europe, especially since Estonia joined EU in 2004, and the fact the large generations born in the 1980s are now in the prime mobility ages (in their 20s). It should be highlighted that since Estonia has adopted liberal policies during its statehood reforms, there are no formal agreements that shape or restrict mobility either with other countries, or within the country.

2.1. Main emigration trends

Estonia was a country of immigration, mainly from Russia, till the end of the 1980s. Ethnic minorities formed 39% of the total population at the time of 1989 census. About 80% of the minority population are Russians, followed by Ukrainians and Byelorussians. Since Estonia regained independence in 1991, emigration has prevailed. The main destination of Estonian emigration between 1990 and 2010 has been Finland. The World Bank (2011) estimates a total of 165,000 of Estonian origin migrants, but the bulk of it is formed by Russian return migrants back to Russia in the 1990s. The size of the Estonian Diaspora (which includes second generation immigrants) could be estimated to be about 125,000-135,000 (cf. Tammaru et al., 2010). Nearby Finland, the biggest Estonian Diaspora reside in Russia, Sweden, the USA, Canada and Australia. There are important differences in migration to the East and West. While migration to the East is mainly return migration of ethnic minorities back to their home country, migration to western countries is mostly temporary, in the form of short-term studies and employment abroad and often involves return migration to Estonia.

In the 1990s, emigration was mainly in the form of return migration of ethnic minorities back to their homeland. The overall net migration of Estonia was negative by 155,000 people between 1989 and 2000 censuses or 11.3% of the total population, 145,000 alone on account of ethnic minorities (mainly return migration), and 10,000 on account of Estonians (mainly migration to Western Europe) (Tammaru and Kulu, 2003b). As a result, the share of ethnic minorities dropped to 32% in 2000[4]. There is no complete picture on the annual emigration flows in the 1990s. However, it is possible to shed light on emigration based on receiving country data. In the beginning of the 1990s, a considerable part of emigrants were ethnic Finns (Ingrian Finns) who were granted a right to return to Finland by Finnish law. But emigration has significantly increased since the mid-2000s, and this is most likely due to increased labour migration since Estonia joined EU in 2004, and especially during the last years of economic crises that has hit Estonia harder compared to Finland.

Annual migration statistics are available from 2000 onwards. According to Statistics Estonia, 35,600 people have left Estonia between 2000 and 2009, and the net migration was negative by 17,700 inhabitants that makes 1.3% of the total population (Table 2.1). This was mainly in the form of emigration to Western Europe, while the migration of ethnic minorities back to their homelands had ceased already in the end of the 1990s (Tammaru et al., 2010). Emigration intensified after Estonia joined the European Union in 2004 and the negative net migration balance reached its peak in the years 2005 and 2006 (-2.5)[5]. At the same time, there was also an economic boom in Western Europe, especially in the construction sector, that attracted migrants from Eastern Europe. Overall, the Estonian emigration since the 2000s is characterised by the following: the main receiving countries are Finland, Russia and Germany with respectively 65%, 14% and 5% emigrants from Estonia based on official data on deregistration (Anniste, 2009). In addition to Finland, another larger Estonian community has emerged in UK where the estimated number of Estonian citizens is 10.000 as in 2010 according to Eurostat. Eurostat provides no information about the number of Estonian

[3] When excluding the high return migration of Russians back to Russia in the very beginning of the 1990s.

[4] Estonia has today one of the highest share of people with foreign descent in Europe − the first generation immigrants account for nearly 20% and together with the second generation immigrants they account for nearly 30% (Sakkeus, 2010).

[5] It decreased in the following years to raising immigration.

citizens in Germany, but this community is very likely much smaller as well. Gross monthly wages in Finland are 3,200 EUR, in Estonia 800 EUR (Anniste, 2009), which attracts labour migrants from Estonia.

Differences in the citizenship status shape emigration from Estonia to an important degree as well. According to the 2000 census, around 40% of the ethnic minorities had Estonian citizenship, 19% (85,000) were Russian citizens, and as many as 38 % (165,000) had no citizenship at all. According to the Estonian Police and Border Guard Board the number of minorities without citizenship has dropped just below 100,000 residents in 2011 (Van Ham and Tammaru, 2011). Although these people have a permanent residence permit in Estonia which enables them to travel within the Schengen zone without a visa, if they wish to stay for more than 90 days or work or study in another EU Member State they need to apply for a work or residence permit in the destination country. Thus, the policies of free movement of labour do not pertain to all the ethnic minorities living in Estonia, i.e. not all of them can take full advantages of the open labour markets in the EU.

To capture temporary migration, the Ministry of Social Affairs has ordered an Estonians' Emigration Intentions and Actual Emigration Survey in 2000, 2003, 2006 and 2010[6]. Analysis of the 2010 survey results among 1,511 respondents (Veidemann, 2010) reveals that 12% of the respondents or an estimated 112,000 Estonian citizens had worked abroad over the past five years. 60% of those who have worked abroad over the past five years have returned to Estonia due to the loss of job, half of them have found employment in Estonia and half have remained unemployed. The intentions to work abroad have increased between 2006 and 2010 surveys. In 2006, 3.9% of the working-age population (15-64 year old) or 36,000 wanted to go abroad; the respective figures were 8.5% and 77,000 in 2010. Significant changes have also occurred in emigration intentions between 2000 and 2010:

- The share of those who intended to go to work abroad for up to five years has decreased from 43% to 36%;
- The share of people who wish to leave permanently has fluctuated along with the cycle of economic booms and busts, 15% in 2000, 7% in 2006 and 25% in 2010 (see Järv, 2007 and Veidemann, 2010 on the basis of the EEIAE data);
- The biggest emigration motivator in 2000 and in 2003 was the wish to earn higher wages (Kallaste and Philips, 2004); in 2006, employment abroad was perceived as an opportunity to obtain new knowledge and skills and was regarded as a natural part of the career; in 2010, however, due to economic difficulties (low wages) and high level of unemployment, working abroad was regarded as the last resort.

Information on circular migration could be obtained from the Estonian Labour Force Survey (ELFS). This could not always be found from data. For example, it was popular to pick berries in Finland during the summer months in the 1990s, but there is no evidence of the exact extent and nature of this phenomenon. ELFS data shows that circular migration has also increased after EU accession and during the current economic crisis. The estimates based on 2007 ELFS survey showed that 4,000 people residing in Estonia have a job abroad, while by spring 2010, this estimate went up to 28,000 people based on ELFS 2010 survey; the latter figure forms 3% of the working-age population (15-74-year old[7]) (see Veidemann, 2010, analysis based on EEIAE and ELSF data). This survey captures people who were in Estonia at the moment of the survey, but they had a job, either temporary or permanent (part-time) abroad. Such work related commuting is especially significant between Estonia and the neighbouring country Finland. The nature of employment abroad has changed over time based on this ELFS data (Veidemann, 2010): employment in foreign countries before was rather a temporary kind of job (odd jobs, seasonal work), but by 2008, 90% of the jobs were permanent and approximately 90% of the persons working abroad had a job

[6] This is a representative survey among the working page population with a sample size of approximately 1,500 respondents in each survey wave.
[7] According to the ELFS, working-age population since 1997 is 15-74-year old people, until 1997 15-69-old.

corresponding to their educational level. The main reasons for working abroad are related to the wish to earn higher wages and to find better working conditions. Outflow of skilled workers from Estonia has been justified by the demand structure in the destination countries and the wage gap between the migrant and local workforce with a similar skills level (workers with lower qualifications gain from working abroad relatively more in terms of wages than workers with higher level of skills).

Return migration

According to Statistics Estonia, remigration has increased in recent years – four out of ten immigrants have Estonian citizenship. (Õhtuleht, 2011, October 1).

Looking at migration between Estonia and Finland it can be noted that along with the increase of emigration from Estonia to Finland especially after EU accession of Estonia, return migration flows have increased as well (see Table 2.2.). Migration from Finland to Estonia started to raise substantially as from 2001, in particular after Estonia's EU accession up to 2009 and these migration flows mostly entail return migration of Estonian emigrants who have moved to Finland since 1991.

2.2. Main internal migration trends

Estonia was relatively urbanized by the end of the Soviet period, 71.5% of the population lived in urban areas in 1990 (Table 2.3)[8]. These are settlements that have administratively an "urban" status. Generally, settlements larger than 2,000 inhabitants are "urban", but there are many exceptions to this rule of thumb. There are no explicit criteria for getting an urban status, and a municipality has a certain degree of choice of getting either an "urban" or "rural" status. Planning regulations are somewhat more restricted in urban compared to rural areas. The share of urban population dropped to 69.2% in 2000 for three reasons. First, urban areas were more strongly affected by the return migration of the minority population (the Russian minority resided predominantly in urban areas) back to their homelands in the 1990s, they suffered more from the natural decrease relative to rural areas, and from net migration losses (15,000) towards rural areas as a result of internal migration (Tammaru and Kulu, 2003a). The share of the urban population has increased somewhat since 2000, but cities still lost 20,300 people or 2,3% of their inhabitants to rural areas as a result of internal migration between 2000 and 2009 (Anniste, 2009).

However, migration between urban and rural areas lumps together two underlying processes of domestic migration (Tammaru et al., 2004). First, a very straightforward concentration on population in the settlement system[9] can be observed as a result of internal migration since 1990, every level of the settlement system gains migrants from lower levels, but loses to higher levels (Table 2.5). Overall, only the capital city urban region has a positive net migration, while all other levels of the settlement system suffer from migration losses. There are several reasons for domestic migration concentration in Estonia like in many other East European countries (Tammaru and Kulu, 2003a; Kontuly and Tammaru, 2006):

- The cohorts born in the 1980s are the biggest ones ever, and they have now reached prime mobility ages;

[8] Administrative definition - urban are those municipalities that consider themselves to be urban. These are mainly (but not exclusively) high density settlements with more than 2,000 inhabitants.

[9] A settlement system is a size and function (e.g. some central cities of more peripherally located counties perform important administrative functions for the region, but they could not be particularly big) based hierarchy of urban and rural settlements. Following levels of the settlement system in Estonia are in use: capital city urban region, regional town urban region, county seat urban region, small town outside urban region, rural municipality outside urban region (see Kontuly and Tammaru, 2006 for the details).

- There has been a significant expansion of the university education since the 1990s with the number of university students having tripled compared to the late Soviet period;
- There were significant job losses in rural areas in agriculture, while new jobs mainly emerged in the service sector with the capital city Tallinn enjoying the most dynamic economy in the country;
- Consequently, a very intensive in-migration of young people to the main cities of Estonia, especially to the capital city Tallinn, is noted.

Thus, there is very intense concentration of population in the settlement system on the one hand. However, the most important feature of internal migration relates to suburbanisation, i.e. dispersal of population within urban regions from core cities to their immediate (previously) rural hinterland (Table 2.6) (Leetmaa and Tammaru, 2007; Leetma et al., 2009; Tammaru and Leetmaa, 2007; Kährik and Tammaru, 2008; Tammaru et al., 2009). Suburbanisation is most intense around the capital city. Suburbanisation is also responsible for the net positive internal migration of rural areas. For example, the population of many rural municipalities around the capital city have increased their population several times. Suburbanisation includes moves to both the existing housing stock (including the transformation of former summer home areas into areas of permanent living) and to the new residential areas. The latter are mainly built to the very borders of the core cities on the abandoned farmlands since most of the agricultural production around the core cities came to an end in the 1990s, providing attractive construction sites for new homes. Since most of the jobs stay in core cities, the commuting from hinterlands to core cities has increased dramatically over the last two decades (Ahas et al., 2010; Tammaru, 2005). There are several reasons for increased residential suburbanisation:

- The priority of Soviet time housing construction was to build standardised high rise housing estates in the core cities;
- The importance of agricultural production limited available land for new housing construction around the cities during the Soviet period. Likewise, being situated on the Western border of the Soviet Union implied that coastal areas around the main cities (including the capital city) had restrictions on residential development as well;
- Moves from core cities to the rural hinterland over the last two decades could thus be, at least partly, viewed as a compensatory process following the very low level of suburbanisation under central planning.

The concentration in the settlement system has been under way over the last two decades, and it has not been very sensitive to economic cycles since the main reason of urban-ward migration relates to studies. However, things are different with regard of suburbanization that is much stronger correlated to economic cycles. Suburbanization, especially as related to moves to new residential areas around the main cities, was most intense in the middle of the 2000s before the global economic crisis (Tammaru et al., 2009). Since 2008, access to mortgages has decreased significantly and this has ended most of the new housing construction in the suburbs.

2.3. Main characteristics of migrants

2.3.1. Characteristics of emigrants

Ethnic minorities were over-represented among emigrants until 2002, especially in the beginning of the 1990s. Between 1989 and 2000 censuses the estimated net migration was -155,000 in Estonia, -145,000 on account of ethnic minorities, mainly Russians, returning back to homeland, and -10,000 on account of ethnic Estonians (Tammaru and Kulu, 2003b). Among emigrants to the Western countries a similar ethnic composition as among the total resident population of Estonia over the last 20 years can be observed. However, the

destinations of migrants are different depending on the ethnic origin. Estonians are over-represented in migration to Finland while ethnic minorities are over-represented in migration to other Member States of the EU, but more detailed information by ethnicity is missing for other countries than Finland. Despite differences in relative shares, in absolute terms, Finland is still the most important destination in EU for ethnic minorities as well (Anniste, 2009).

The **gender** distribution among emigrants from Estonia is similar to the overall gender distribution of the Estonian resident population (Table 2.7). However, the gender composition of people *employed* abroad differs significantly from the overall composition of the employed population in Estonia: while generally males and females are represented almost equally in the employed population of Estonia, in 2008, males accounted already for approximately 90% of emigrants employed in foreign countries (Veidemann, 2009).

Quite expectedly, **young people** (20-29 years old) are strongly over-represented among emigrants from Estonia in general, while people aged 60 and over are strongly underrepresented (Table 2.7). When looking at the age composition of emigrants employed abroad, this differs from the general age distribution among employed non-migrants in Estonia, 25-49 years old people accounted for 75% and 60% respectively (Veidemann, 2009). Compared to earlier years when younger people dominated in emigration, the share of middle-aged people in emigration has increased in recent years (Veidemann, 2009).

Looking at **educational levels** and the **status** of migrants on the **labour market**, following trends are noted: in 2008, there were more unemployed among those who in 2007 worked for some time abroad as compared to those who had not worked abroad (7% and 4%, respectively) (Veidemann, 2009).

People with university education are under-represented among emigrants which is quite different in many other CEE countries with high levels of highly skilled migration. The share of emigrants with higher education (ISCED 5) fell from 18% in 2001 to 6% in 2007). It might be that in a small country, well educated people have better career opportunities at homeland. In 2008, 35% of all employees in Estonia had tertiary education while 18% of those who were working abroad (Veidemann, 2009). This tendency is confirmed also by the survey conducted by the Bank of Estonia (Randveer and Rõõm, 2009).

There are some professions where problems related to emigration and brain loss are acute, these being the **health professions**. While the absolute numbers as related to emigration are not particularly important (see Tables 2.8 and 2.9), the impact is substantial in relative terms. For example, the annual number of nurses graduating from the Estonian educational system accounts to about 150 people (Postimees, 2011b). In 2009, 134 nurses withdraw their documents from the Estonian Health Care Board (HCB)[10] in order to leave to work abroad (the number of certificates issued was 1.6% of the total number of practising nurses) (Saar and Habicht, 2011); in 2010, this figure increased to 201 (Postimees, 2011b). Thus, within the last two years, more nurses have left Estonia than have graduated from the Estonian educational system. A representative of the labour recruitment company HR Factory recently stated that 600 nurses could be recruited immediately from Estonia to Germany if that would be possible (Postimees, (2011c). Germany and also Finland are most actively seeking health professionals from Estonia. It should also be noted that a large number of Diaspora nurses has led to the establishment of a well-functioning network of information flows about job vacancies and working conditions in destination countries, making leaving Estonia and adaptation abroad increasingly easier among medical personnel.

The problems are as acute with doctors. Leaving of even 2-3 good specialists in a small country like Estonia can have important effects on the Estonian health system. Overall, there were 4973 doctors working in Estonia as in 2005 (Mand, 2005). In the years 2004-2005, 598

[10] Data on the mobility of health professionals are based on the Ministry of Social Affairs annual reports on health care statistics and the Health Care Board registry of health care professionals.

medical staff members (including 379 or 7.6% of doctors) applied for a licence from the Health Care Board for working abroad (Sepp, 2005); in the years of economic boom their emigration decreased as a result of rise in wages. However, within less than four months in 2010, 150 certificated were issued (85 only in the same period of 2008), more-or-less equally for doctors and nurses (Parliament, 2010). Between 2004 and 2009, the HCB issued 709 mutual recognition of diploma certificates to medical doctors (ranging from 283 in 2004 (the least 75 in 2007) to 106 in 2009) (Saar and Habicht, 2011). The major destination countries were Finland (74%), the United Kingdom (10%), Sweden (6%) and Germany (6%). The largest numbers of emigrants (190) were doctors with no specialization; 118 family physicians; 72 anaesthetists; 58 radiologists and 44 general surgeons. There are 9 doctors per 100,000 inhabitants in EU-15, but 5.5 doctors per 10,000 inhabitants in Estonia (Mand, 2005).

Despite high salary levels, doctors feel dissatisfied with their salaries in Estonia. A research study among young Estonian doctors working in Estonia and in Finland highlights that the biggest difference in the work related satisfaction relates to the salary level, while the smallest difference relates to the content of the work (Pärtelpoeg, 2009). But young Estonian doctors point also to many other reasons for emigration, including better working conditions and better (less intense) working schedules in the main destination countries such as Finland (Pärtelpoeg, 2009).

At a more general level, a survey among Estonian emigrants in Finland[11] provides some information about the **motivation for emigration**: it reveals that family related motives were more important in the emigration of the 1990s, while work related motives have gained more prominence in the 2000s. This survey further shows that intentions of return migration are significantly higher among ethnic Estonians, while ethnic minorities who have left for Finland have significantly reduced intentions to return to Estonia. There are no differences in the intentions to return from Finland back to Estonia depending on the occupation or income level of the respondents, but those outside the labour market (unemployed, inactive) have reduced intentions to return as compared to people in the labour market. A survey carried out by the Estonian Ministry of Social Affairs in 2010 shows that persons who have experience in working abroad are younger, men and have benefited from a vocational education (Veidemann, 2010, on the basis of the EEIAE data). These results imply that men have a higher probability of return migration since there are no gender differences among emigrants from Estonia as indicated above.

Finally, the above mentioned survey among emigrants in Finland in 2009 gives us some evidence on the characteristics of **potential return migrants**. People were asked whether they intend to return back to Estonia (and we consider them as potential return migrants in this section, others being referred to as settlers). It appears that people with tertiary education (obtained in Estonia) are somewhat overrepresented among those Estonian migrants living in Finland who intend to stay, while over-educated (those who state that their work tasks are below their trained qualification) are somewhat overrepresented among those who intend to return (Table 2.10). It can be observed that Estonian migrants who have obtained an education in Finland are clearly overrepresented among the potential settlers. Regarding the country of education, it is interesting to note that while only 5% of the respondents initially left Estonia for educational reasons, 38% of them eventually studied (received a diploma/degree) in Finland. This is partly because the sample drawn in 2009 also includes those who moved to Finland in childhood and who continued to attend school. Country of education is important as well. Those who have obtained their education in Finland have greater intentions to stay while those who have obtained their education in Estonia wish to return. Short-term migrants and those who moved to Finland in order to earn higher incomes than in Estonia are also over-represented among potential return migrants.

[11] The survey is based on a sample of 1,000 Estonian emigrants drawn from the Population Register of Finland, and was carried out by ES Turu-uuringute AS as a telephone survey in 2009.

2.3.2. Characteristics of internal migrants

Internal migrants, like emigrants and return migrants are significantly younger than the general population. However, the age composition differs by migration flows (Kontuly and Tammaru, 2006; Tammaru et al., 2006). Young people dominate in urban-ward moves, people in the family ages (25-45) are most likely to suburbanize, while both people in family ages and older are over-represented in counter-urban moves. The main reason for migration towards urban areas relates to studies. The extent of urban-ward migration further depends on the housing availability in large cities. There was a scarcity of living space in larger cities till the end of the Soviet period and especially in the 1990s, new housing construction in the cities was modest. However, the massive return migration of ethnic minorities back to their homeland freed substantial part of the urban housing stock and thus eased housing constraints for domestic in-migration to the main cities. For example, the capital city of Estonia, Tallinn, lost 100,000 people of its 500,000 inhabitants between the 1989 and 2000 censuses, mainly as a result of the emigration of the Russian-speaking minorities back to Russia (Tammaru and Kulu 2003b).

The destinations of the suburbanization were twofold. In the 1990s, most people moving to suburban areas settled in the existing housing stock. Transformation of the former summer home areas built during the Soviet period was an ideal option for many to move from a small urban apartment to a house of its own. This process continued also in the 2000s, but the relative importance of moves into new suburban residential areas became more important until the global economic crises started in 2008. Among the suburbanisers, especially among the movers to new suburban residential areas, ethnic Estonians, families, people with university education and high income prevail (Kährik and Tammaru, 2008).

Estonians and people with a tertiary (higher) education are also responsible for population concentration in the settlement system[12], while in addition to older people (50 and over), people with a primary and secondary education show also strong de-concentration tendency (Kährik and Tammaru, 2008). Ethnic Estonians clearly concentrate in the Tallinn metropolitan area and other main urban regions, while ethnic minorities concentrate less into the capital city metropolitan area on one hand, and also migrate to non-metropolitan areas on the other (also Kährik and Tammaru, 2008).

3. NATION-WIDE LABOUR MARKET AND SOCIAL DEVELOPMENT TRENDS UNDER THE INFLUENCE OF EMIGRATION

3.1. Economic and labour market developments[13]

The Estonian labour market experienced important changes in the 1990s. Macroeconomic reforms and structural changes significantly reduced the demand for labour. Open unemployment, practically non-existent before 1990, and dramatic declines in employment have emerged as two of the most critical outcomes of transition (Figure 1, see also Table 3.1). Employment in Estonia fell substantially in the early years of the transition, in line with the contraction of the economic activity. According to the ELFS data, the unemployment rate grew in the years 1991 to 1995 from 1.5% to 9.7%. Primarily, it was the inefficient jobs which disappeared, mostly in industry and agriculture, where the number of employees was artificially high (Marksoo, 2011). In the following three years, the unemployment rate remained steady around 10%. The next drastic decline in employment followed the economic crisis in Russia in 1998 and 1999, which also caused the unemployment rate to increase to a

[12] Settlement system is a system of settlements, arranged by their size. Big settlements are on the top of the system, while small settlements are on the bottom. Concentration means moving from the bottom towards the top of the system, while de-concentration means moving from the top towards the bottom of the system.

[13] Ülle Marksoo has contributed to this section.

record 14.6% by the beginning of the year 2000 when the number of unemployed exceeded 97,000. The number of unemployed started to decrease in 2001. Likewise, the flow from unemployment to inactivity peaked in 2001/2002 (Marksoo, 2011). There is also a clear link between the growth of GDP and the fall of the unemployment rate, both short and long-term unemployment (Figure 2). The unemployment rate decreased to 4.7% by 2007 and the long-term unemployment rate to 2.3%.

Although the first signs of economic downturn emerged already in 2007, some employers were facing labour shortages still in the middle of 2008. The unemployment rate for the second quarter of 2008 was 4%, which is the record low level. The employment rate which had been close to 70% in mid-2008, dropped below 59% by the beginning of 2010, particularly reflecting the strong adjustments in the construction sector and manufacturing, but also in trade, transport and communication (Marksoo, 2011). In the fourth quarter of 2008, the global financial turmoil started to have significant impact on the Estonian labour market (Randveer and Rõõm, 2009). The Estonian labour market reacted dramatically to the crisis. During two years the unemployment rate in Estonia increased sharply from 4.2% in the first quarter of 2008 to 19.8% in the first quarter of 2010. According to the 2010 ELFS, there were 115,900 unemployed persons in Estonia and the unemployment rate was 16.9%.

According to the ELFS (Põder, 2011), the Estonian population aged 15-74 in 2010 included 570,900 employed, 115,900 unemployed and 348,000 inactive persons. The average number of employed persons in 2010 decreased by 13% (by 85,600 persons) compared to 2008. The number of unemployed persons increased by 77,500 (three times) in the same period. The employment rate (persons aged 15-64) decreased from 69.5% to 60.7% whereas the unemployment rate increased from 5.5% to 16.9% compared to 2008. The economic crisis has most affected the sectors where men generally work (construction, manufacturing); as a result, the employment of men has decreased at a substantially faster pace than the employment of women (employment rate decreased from 67.8% to 56.8% and from 58.7% to 53.8% in 2008-2010, respectively).

A close linkage between emigration and the labour market was revealed already in the first years of the economic reform. Officially, there was full employment at the end of the Soviet period. The rate of unemployment in Estonia would have been much higher in the beginning of the 1990s without return migration (out-migration of the Russian minority) since ethnic minorities were over-represented in those sectors that were especially hard hit by labour market transformation. For the past decade, impacts of emigration on the Estonian labour market can be indirectly derived on the basis of the EEIAE and ELFS surveys[14]. In ELFS data, it should be taken into account that these have underestimated the number of migrants and only temporary migration is covered[15], hence they enable to analyse emigration on the basis of previous experience of working abroad and working currently abroad.

EEIAE and ELFS show that emigration has helped to some extent balance the labour market at times of economic boom and bust, with emigration increasing when employment opportunities contracted in Estonia[16]. Still, compared to other EU-27 countries, emigration from Estonia during the past decade has been relatively small[17] and therefore has not had a significant impact on the Estonian labour market with the exception of some sectors such as

[14] The impact on the employment rate or unemployment rate on the basis of EEIAE and ELFS has not been identified so far (Urve Kask, Statistics Estonia (see list of interviews in the Annex to this report); Ülle Marksoo, Ministry of Social Affairs (see list of interviews in the Annex to this report); Liina Malk, Ministry of Social Affairs (see list of interviews in the Annex to this report).

[15] The population of ELFS is formed of permanent (more than one year) working-age population of Estonia and temporarily absent are those who are residing in Estonia but intend to stay abroad less than a year.

[16] According to the ELFS, 19,000 people worked abroad in 2009; about 1,000 of them were unemployed in 2008; in 2010, 10% of people with experiences of working abroad had been unemployed before going to work abroad (Veidemann, 2010).

[17] According to Eurostat (2011b), in 2009, the number of emigrants in Estonia was the smallest among EU-27 countries (4,658 persons).

health care (doctors, nurses) and construction. To sum up, positive and negative impacts on the general labour market situation may be defined as follows:

- On the one hand, emigration in certain periods has helped alleviate unemployment in low-demand regions and sectors (construction, manufacturing) in Estonia. Since Estonia joined the EU in 2004, emigration has been most intense from high unemployment areas (Northeastern Estonia) and among people in lower than university education (Anniste, 2009).
- Although there is not widespread brain-drain from Estonia, it has given rise to shortage of (highly) skilled labour in some specific sectors (medicine) [18].

According to most recent data of the Bank of Estonia, Estonians who had permanently settled in a foreign country provided their family members in Estonia with remittances from abroad in the amount of 0.7 billion kroons (44.7 million EUR) in 2010 (Postimees, 2011a). In comparison with total wages earned by employees in Estonia it is still small, since according to the Statistics Estonia, gross wages of wage earners (478,161 gross income earners) amounted to 68 billion kroons (4.4 billion EUR) in 2010.

According to Eurostat (Comini and Faes-Cannito, 2010), the net workers' remittances increased over the period 2004-2009 four times (from 9 to 39 million EUR) in Estonia. Workers' remittances inflows have much greater importance than outflows (41 and 2 million EUR in 2009, respectively) (Table 3.2). That can be explained by the relatively low income level in Estonia. According to the Estonian Human Development Report (Eamets, 2011), the wage level in the Baltic States is approximately three times lower than the wage levels of the old EU member states; at the same time, the wage level of the Scandinavian countries and Germany is approximately 20% higher than the average wage level of the old EU member states[19].

However, notwithstanding the fast growth, the workers' remittance inflows accounted only for 0.3% of GDP in Estonia in 2009 (the GDP was 13,861.3 million EUR). Compared to the pre-crisis period, workers' remittance inflows to Estonia gained greater significance, growing during the economic and financial crisis twofold (from 21 to 41 million EUR in 2007-2009), whereas 95% of remittance inflows came from other EU Member States. In 2009, Estonia was one of the eight Member States with a positive remittance balance (recipient countries), compared to others, however, with a very small volume of net remittance. Compared to the volume of outflow of workers' remittances, the compensation of employees outflow was much bigger: 56 million EUR in 2009 in Estonia. Nevertheless, Estonia was among the four Member States with the lowest compensation of employees' outflows. 86% of the compensation of employees outflow from Estonia was sent to other Member States. During the period of crisis the compensation of employees outflow decreased by 18%. This decline affected mostly extra-EU outflow, which decreased nearly by half (Comini and Faes-Cannito, 2010).

Estimation of the World Bank (WB) on the amount of remittances is much higher compared with Eurostat estimation (WB, 2011). According to the WB, Estonia was positioned among the top five remittance recipients (among 39 high-income non-OECD countries) and the remittance share of GDP was 1.6% in 2009. The difference between the WB and Eurostat data might be due to different sources of data, estimations of informal flows, etc. and indicates the need to amend the quality of these data.

[18] The share of emigrants with higher education (ISCED 5) of all emigrants is relatively small, but the situation is different in medicine where also the effect of brain-drain is significant.
[19] In Estonia, GDP per capita in PPS in relation to the EU-27 average was one of the lowest among EU countries (64%) in 2010 (Eurostat, 2011c).

According to the WB bilateral remittance estimates [20] for 2010 using migrant stocks, destination country incomes and source country incomes, Estonia received in 2010 nearly 70% of remittances (total amount of 342 million US$ from more than 25 countries) from four countries (Russian Federation, Finland, Sweden and United States). Remittances from Estonia were sent to 6 countries, 85% were sent to the Russian Federation and Ukraine.

Labour emigration increased in the period of the crisis, probably due to high unemployment rate in Estonia, especially compared to the main destination country Finland. Despite the decrease, unemployment was still at 16.9% in 2010, especially high among men and the youth. Although youth unemployment (15-24 years old) has decreased since the beginning of 2010, it still amounted to 32.9% in 2010. The share of young people among those who had worked abroad diminished over 2008-2009, a reason being the decrease of unemployment rate among young people (e.g. from 21.7% in 2004 to 10% in 2008); however, due to the still high rate of youth unemployment an increasing number of young people working abroad can be expected. Increasing emigration in the prime years (25-49 years old) has a direct influence on Estonia's demographic structure, including in turn on Estonia's labour potential, economic and social sustainability. As a consequence of the working-age population decrease by 1.2% during 2004-2010 (Table 3.1), the shortage of workforce will increase again, which in turn will increase pressure on wage rise and hiring immigrant labour. The increasing share of lower-educated emigrants from Estonia in the last years and growth of orientation to blue-collar jobs (in construction, transportation, storage) should show that brain drain from the Estonian labour market is decreasing.

Unlike many other countries, the share of emigrants from Estonia with lower level of education has increased, and therefore it may be said that Estonia does not suffer from brain drain, with the exception of the health care sector which is (increasingly) affected by a significant level of (highly) skilled emigration as described under Section 2.3. According to the research on the effects of physician emigration on human development, Estonia is among thirty countries most affected by medical brain drain in the period 1991-2004 (Bhargava et al., 2011).[21] The overall economic crisis has increased the emigration of health professionals: in 2009, the proportion of health professionals with certificate to work abroad represented 2.6% of practising medical doctors, 1.6% of practising nurses and 3.4% of practising dentists (in 2008, 1.8%; 1.2% and 1.9%, respectively) (Saar and Habicht, 2011).

3.2. Social security

For emigrants from Estonia towards other EU Member States, the new social security coordination regulations which came into force as of 1 May 2010 (No 883/2004 and 987/2009) and regulation No 1231/2010 (in force as from 01.01.2011), which extended the above named regulations to the citizens of third countries residing legally in the Member States, apply. The payment of social insurance benefits in Estonia is organised by the Social Insurance Board, the Estonian Health Insurance Fund and the Estonian Unemployment Insurance Fund[22]. Estonian regulations provide pension, health insurance, unemployment benefits and family benefits for permanent residents of Estonia and for aliens living in Estonia on the basis of temporary residence permits or temporary right of residence. Depending on the country of destination, pensions and benefits are exported according either to EU regulations or to bilateral agreements.

[20] These data are estimated using assumptions and arguments as explained in Ratha and Shaw, (2007): South-South Migration and Remittances, Development Prospects Group, World Bank (www.worldbank.org/prospects/migrationandremittances; accessed on 02.11.2011).

[21] As compared to other EU-27 countries, only Romania in addition to Estonia is ranked (20th and 25th place, respectively) among thirty countries most affected by medial brain drain in 1991-2004 (changes in brain drain rates in 2004- 1991 0.063 and 0.049, respectively).

[22] Social Insurance Board (responsible for pensions and family benefits): http://www.ensib.ee; Estonian Health Insurance Fund (health care, sickness and maternity benefits): http://www.haigekassa.ee; Estonian Unemployment Insurance Fund (unemployment benefits): http://www.tootukassa.ee.

Concerning the main EU destination countries for migrants from Estonia, (Finland and Germany), EU social security coordination thus applies. Further, bilateral social security agreements have been concluded with Canada, Finland, Latvia, Lithuania, the Netherlands, Russia, Sweden and Ukraine (Social Insurance Board, 2011). In addition to EU social security coordination schemes bilateral agreements with Latvia and Lithuania take into account the insurance periods completed on the territory of the former USSR; agreements with Finland take into account the export of Finnish public pensions; the agreement with Sweden covers medical care for temporary visitors and the one with the Netherlands the export and enforcement of social security benefits. With Russia as one of the three main destination countries an agreement for providing pension insurance to its citizens and their families has been concluded.[23] The agreement with Canada covers only pensions while the agreement with the Ukraine encompasses pensions, health insurance, unemployment and family benefits. Negotiations are currently under way with Georgia and Moldova, which concerns pensions to those people who during the Soviet Union period moved from one region to another in this territory.

Entitled to social security in Estonia are persons entered in the population register and a qualification period regarding residence is not used (except for the national pension. In Estonia, State Pension[24] is provided for persons who, pursuant to the Social Tax Act, have paid the pension insurance part of the social tax or for whom the pension insurance part of the social tax must be paid, or persons for whom the right to receive a state pension arises on other bases, pursuant to the State Pension Insurance Act. The right to receive an Old-age Pension for persons who have attained 63 years of age is conditioned by the accomplishment of a qualifying contributory period (in Estonia) of at least 15 years. When a person has worked in different countries covered either by the EU regulations or a bilateral agreement, the principle of adding up all periods is applied. Further, the state pays monthly social tax-financed pensions based on the solidarity principle (**national pension[25]** for old age, incapacity for work or upon the loss of a provider) to permanent residents of Estonia or aliens residing in Estonia on the basis of temporary residence permits or temporary right of residence.

There is no accurate statistics on the share of emigrants/returnees covered by bilateral agreements in Estonia, but according to the Social Insurance Board, the very rough estimate is below 10%[26]. According to the Social Insurance Board, in October 2010, pensions were paid to 7,600 persons on the basis of EU social security regulation, to 650 persons on the basis of bilateral agreements with Ukraine and to 588 persons based on respective agreements with Russia[27]. The average monthly pension paid on the basis of bilateral agreements is smaller than the average monthly pension in Estonia (e.g. in January 2011 by 22%, 211.73 EUR and 272.43 EUR, respectively) (Statistics Estonia, 2011d) since only past employment/contribution periods in Estonia are taken into account when calculating pensions on the basis of these agreements (this may be supplemented by pension earned for employment in some other country). According to statistics of the German Pension Insurance Fund, the number of pensions to insured Estonians has increased almost twofold (from 55 to

[23] On the basis of the cooperation in pension insurance agreement concluded between the Republic of Estonia and Russian Federation, since 16 October 2011, the residents of the Republic of Estonia and Russian Federation who are citizens of Estonia or Russia or stateless persons who have earned a pension qualifying period in both Estonia and Russia, have the right to apply for a pension or recalculation of previous pension (the agreement extends also to Russian army pensioners living in Estonia).

[24] Types of State Pension are as follows: old-age pension (incl. early-retirement, deferred old-age and old-age pension under favourable conditions); pension for incapacity for work; survivor's pension and national pension.

[25] The National Pension (*rahvapension*) is one type of State Pension, which is tax-financed and provides a minimum pension for persons not entitled to a contribution-based Old-age Pension (*vanaduspension*). The National Pension is granted to persons who have attained 63 years of age, are not entitled to an old-age pension and who have been permanent residents of Estonia or aliens who have resided in Estonia on the basis of a temporary residence permit or temporary right of residence for at least five years immediately before making a pension claim.

[26] Reet Kabi, Social Insurance Board (see list of interviews in the Annex to this report).

[27] For comparison, the number of pensioners in Estonia in 2010 was 398,000.

105) during the period 2004-2009 (Table 3.3). Old-age pensions accounted for the biggest part of pensions (71.4% in 2009), and 78.1% of pension payments were domestic payments (made within Germany).

People sent from Estonia to work in another EU Member State for the same employer (posted workers) and their family members are insured in Estonia, i.e. posted workers are not subject to social insurance schemes in the temporary employment country pursuant to EU coordination rules. According to the Estonian Social Insurance Board, the number of posted workers increased 2.8 fold, or to 16,504 people over the period 2005-2010, and approximately half of the posted workers stayed there for 6-12 months, 94% of the posted workers were men and 85% were posted in Finland in 2010[28].

State **family benefits** are paid to permanent residents of Estonia (and aliens residing in Estonia who hold a temporary residence permit or on the basis of a temporary right of residence). Family members residing elsewhere within the EU receive family benefits pursuant to the EU regulations or bilateral agreements, but unlike pension insurance, the latter do not always cover family benefits. Due to the universal, residence-based family benefits[29], it is a problem for Estonia that parents do not inform the Population Register about their departure from the country and therefore benefit payments in these cases continue despite the fact that the recipients would not be entitled to it. Since according to law, somebody has to take care of the dependants when parents have left to work in another country, local government looks for a guardian who is entitled to receiving the family benefits. A typical situation in Estonia is as follows: a father who has gone to work in Finland pays taxes there and applies for so-called child benefit there (benefit can be applied for in Estonia or from the destination country), because the child benefit level in Finland is much higher than in Estonia[30]. According to the Estonian Social Insurance Board, 7,124 family parents working abroad in 2010 applied for a child benefit for their children who were left in Estonia (a total of 21 countries, application lodged in Finland accounted for 84% of all applications).

According to the Social Insurance Board, the main problems arising from the implementation of the EU regulations on coordination of social protection are caused by data exchange and administration. Exchange of data is not fast enough; e.g. translating of documents from different languages takes too much time, prolonging the grant of pensions and benefits (e.g. pensions are granted in Estonia within 10 days). Administration of all the system is complicated, since social security regulations are sophisticated, laws vary by countries, and there are differences in interpretations.[31]

Health insurance in Estonia is either linked to participation in the labour market (i.e. a precondition for receiving a benefit is contribution to its financing by active employed or self-employed persons) or for many target groups of the non-active population (for which the

[28] Reet Kabi, Social Insurance Board (See footnote 27).

[29] In Estonia, to partly cover the costs families incur for caring for, raising and educating their children there are ten types of family benefits according to the State Family Benefits Act (childbirth allowance; child allowance; child care allowance; single parent's child allowance; conscript's child allowance; child's school allowance, child allowance for a child under guardianship or foster care; start in independent life allowance; adoption allowance; and parent's allowance for families with seven or more children). The Parental Benefit Act foresees a parental benefit which is designed to contribute to the successful intertwining of work and family life and provides parents with their average salary from the preceding calendar year for the time that they temporarily take off work to care for their children. Any parent, adoptive parent, step-parent, guardian or foster parent who is raising a child and who is a permanent resident of Estonia or a foreigner living in Estonia on the basis of a temporary residence permit has the right to the family benefits and parental benefit.

[30] In Finland: between EUR 100.40 per month for the 1st child and EUR 182.73 for the 5th and each subsequent child. In Estonia: for the 1st and 2nd child, child allowance amounts to twice the basis amount of the Child Allowance Rate (2 x EUR 9.49 = EUR 18.98) per month, for the 3rd and each subsequent child, 6 times the Child Allowance Rate (6 x EUR 9.49 = EUR 56.94). Information provided by MISSOC, Comparative Tables, situation on the 01.07.2011. http://ec.europa.eu/employment_social/missoc/db/public/compareTables.do?lang=en (accessed on 09.11.11). For 2012 the Child Allowance Rate is EUR 9.59 (see information provided on the web site of the Estonian Social Insurance Board: http://www.ensib.ee/family-benefits).

[31] Reet Kabi, Social Insurance Board (see list of interviews in the Annex to this report).

state pays the social tax – registered unemployed, those on parental leave, pensioners, conscripts, etc.) on the basis of solidarity. Health insurance is also provided to all dependants (children until they get 19 years of age or older in case of studies) irrespective of their nationality or citizenship. As a consequence, family members left in Estonia by migrants abroad would usually benefit from health insurance either on the basis of an employment or as member of the non-active insured population in case of unemployment, receipt of a pension or dependency (children). Any kind of health service in other EU countries is provided under equal conditions with the local insured people; Estonia as insurer country pays to the other country for medical services used by these people. Since the pensioner status (concerns pensioners with a right to receive an Estonian pension) in Estonia is accompanied by access to health insurance, then, for example, immigrant pensioners, including return migrants (entitled to a pension in the country they come from) who have come to live in Estonia are interested in receiving the residence-based national pension because bilateral agreements often cover only pension but not health insurance (there are such cases)[32]. An agreement has been concluded with Russia that health insurance is provided for military pensioners living in Estonia. The respective agreement with Ukraine has been terminated and health insurance is now omitted from a new agreement[33].

Estonia has not concluded any bilateral social security agreements that would cover also **unemployment benefits**. Therefore, when a person has worked outside the EU and the European Economic Area, this employment period will not be considered in the application for unemployment insurance benefit. Within the EU, probably as an effect of the economic crisis, the number of cases concerning the coordination of unemployment benefit jumped up in 2009, and decreased slightly in 2010 (Table 3.4). In connection with the unemployment benefit coordination, a total of 2,041 inquiries to the Estonian Unemployment Insurance Fund were made in 2010 (Eesti Töötukassa, 2011). Among these, 1,509 people applied for the insurance period completed abroad to be taken into account for the granting of the unemployment insurance benefit in Estonia (aggregation of insurance periods); most of them were still people who had worked in Finland (793); 235 had worked in Norway, 189 in UK and 64 in Ireland. The Estonian Unemployment Insurance Fund also certified insurance periods completed in Estonia in 428 cases. In 2010, most of these cases concerned the situation of people who had worked in Estonia and who wanted to apply for unemployment benefits in Finland (271 cases). 69 persons went to find work abroad while receiving the Estonian unemployment benefit, including 23 to Finland, 13 to UK, 6 to Germany, 6 to Norway and 5 to France, fewer to other countries (the total amount of Estonian unemployment benefits exported to other countries in 2010 was calculated at 8,110 EUR[34]). Moreover, 35 people who had an unemployment benefit granted in a foreign country, came to seek a job in Estonia (14 from Ireland, fewer from other countries).

According to the Estonian Unemployment Insurance Fund, main problems arising from the implementation of the social security regulations are:

- Communication of forms and information is too slow; feedback on benefit payment should be given monthly, but due to differences in systems used in different countries, it is often not received (e.g. from Germany and France), information is received better from Finland and the UK;
- Information is received very slowly for adding up the insurance periods (especially from Norway where a person must himself/herself complete and send the documents, information is given only 19 weeks after the proceedings were launched; there are problems also with Ireland);
- When a person comes from another country and says that he/she is a benefit recipient but has no forms with him/her, it takes a lot of time to get information from the other

[32] Ibid.
[33] Linda Sassian, Estonian Health Insurance Fund (see list of interviews in the Annex to this report).
[34] Pille Liimal, Estonian Unemployment Insurance Fund (see list of interviews in the Annex to this report).

country (e.g. the biggest is the problem with Italy where it is impossible to find a contact because of the multitude of institutions);

- All cases in relation to France cause difficulties (regarding both import/export of benefits and insurance periods) because of the frequent absence of replies to e-mails and issuing of forms takes time (although there are few cases - total of 20, there are problems with all of them);
- In connection with the implementation of the new regulation, cases are reported from Spain where an officer of the respective institution has not seen the new forms and people could not register themselves as unemployed;
- Different interpretations about insurance and employment periods by institutions of other countries (a respective meeting is being currently prepared in Finland).

3.3. Poverty and Social Exclusion

Since the impact of emigration on the development of poverty and social exclusion has not been investigated in Estonia so far, it is not possible to identify explicitly whether certain households with characteristics which may be linked to migration are more vulnerable to poverty, neither to assess the direct impact of the emigration of family members on the risk of social exclusion of certain groups (e.g. older people). Unfortunately, there are neither studies nor data on a (direct) linkage between emigration and inequality, emigration and material deprivation, emigration and household compositions. Similarly, no data or studies on the role of remittances for the living standards of households are available[35].

Poverty, similarly with unemployment, emerged as a social problem in Estonia at the beginning of 1990s. Estonia's relative poverty rate has been one of the highest among EU countries and with a growing trend in the past decade. According to the latest data of the Statistics Estonia (2011a), the at-risk-of-poverty rate fell by 3.9 percentage points in 2009 (at-risk-of-poverty rate was 15.8% in 2009, 19.7% in 2008) and social transfers helped significantly to lower the at-risk-of-poverty rate (the at-risk-of-poverty rate before transfers was 40.8% in 2009, 37.5% in 2008)[36]. Personal incomes decreased in 2009 for the first time during the last decade and this caused a fall of the at-risk-of-poverty threshold (per year) by 289.33 EUR compared to the 2008 level. This in turn rescued a very large number of people in their retirement age from poverty since pensioners aged 65 and older were the only age group whose equalised disposable income increased in 2009, compared to 2008 (the average old-age pension increased by 8%, respectively). As the share of persons of pension age in the population is large and their average incomes rose over the at-risk-of-poverty threshold in 2009, more than 42,000 persons of pension age got out of the risk of poverty. As a result of a decreased at-risk-of-poverty threshold and a small growth of pensions, the overall at-risk-of-poverty rate decreased. This indicates that with a lower mean income level even a small rise in social transfers helps considerably reduce the at-risk-of-poverty rate, although it doesn't change the actual situation of these people.

According to the Estonian Social Surveys data for 2004-2008 (Peil, 2010, p. 107), material deprivation in Estonia diminished in all categories of typical consumption (having an annual holiday away from home (either in the country of residence or abroad) for the entire household; financial opportunity to have meat or fish every other day; financial ability to adequately heat home), both among people in relative poverty and those out of poverty. A

[35] Urve Kask, Statistics Estonia (see list of interviews in the Annex to this report); Eha Lannes, Ministry of Social Affairs (see list of interviews in the Annex to this report); Ülla Mäe, Ministry of Social Affairs (see list of interviews in the Annex to this report).

[36] Differences in social exclusion (Laeken) indicators for 2009 in the Statistics Estonia database from those provided in the Eurostat public use database (15.8% and 19.7%, respectively) is caused by the fact that the indicators in the Eurostat database have been published one year later than in the Statistics Estonia database, as Eurostat is using the survey year and Statistics Estonia the income year.

comparison between the components of material deprivation and the distribution of relative poverty reveals that low income overlaps to a great extent with the possibility to have a one-week holiday for entire family. In 2007, a total of 19.5% of the Estonia population lived in relative poverty, 76% of them were unable to afford a one-week holiday for the entire family. But the financial ability to adequately heat home and consume meat products virtually does not overlap with income poverty: an absolute majority of relatively poor people can afford animal products and heated home, which indicates that although poverty is relatively wide-spread in Estonia, it still does not refer to such a deep poverty that deprives many people from heated housing and proper food. According to recent Eurostat data (Eurostat, 2011g), the share of severely materially deprived persons increased to 9.0% in 2010 (4.9% in 2008) in Estonia and the share of people at risk of poverty or social exclusion decreased slightly (to 21.7% in 2010 from 21.8% in 2008) (Eurostat, 2011e).

The main reasons for poverty in Estonia are high rates of unemployment and low income[37]. We recall that the main reason for emigration has been the hope to earn higher incomes. It may be assumed on the basis of the low level of poverty threshold and the high relative poverty rate that poor people have little financial possibilities to emigrate; another obstacle may be their self-depreciation and low ability to succeed. Therefore it may be assumed that emigration does not significantly reduce poverty in Estonia. However, emigration has a strong impact on poverty as a multi-dimensional phenomenon, influencing the accessibility and quality of services. An example might be health care where emigration of medical personnel is a big problem, which has caused shortage of doctors and nurses and hence increased regional differences in accessibility and quality of health care[38]. Some cases of this have also been discussed in the media recently (Eesti Päevaleht, 2011).

4. LABOUR MARKET AND SOCIAL DEVELOPMENT TRENDS IN NET MIGRATION LOSS / GAIN REGIONS

Estonia is divided in 15 counties which are the administrative subdivisions of the country and that have been grouped to form 5 regions for statistical classification purposes (NUTS 3 level, see Figure 3). The regions vary widely in their population size and composition as measured by age, level of education and ethnicity. Each county is further divided into municipalities, which is also the smallest administrative subdivision of Estonia. There are two types of municipalities: urban municipalities and rural municipalities. The present administrative units were established during the administrative reforms of 1990 (Eesti territooriumi, 1995).

Since 1991, internal migration in Estonia has been characterised by urbanisation, i.e. concentration of population from rural areas and small towns to Tallinn and regional centres, and since 2000, increasing suburbanisation. The Estonian Human Development Report (2010) pointed out that the general tendency characterising Estonia is its unbalanced regional development, expressed in large regional differences across local government units and counties, as well as between the capital city region and the rest of Estonia, between the growth centres, Tallinn and Tartu, and other regional centres, between urban cores, their hinterlands and local government units outside urban areas, between urban and rural settlements.

[37] According to the latest data of the Statistics Estonia, average monthly gross wage in Estonia was 814 EUR in the fourth quarter of 2010. The relative poverty threshold (60% of the median equalised yearly disposable income of household members) was 3,432 EUR in 2009 (decline in personal incomes involved that the relative poverty threshold fell by 289 EUR in comparison to 2008).

[38] A research conducted already in 2004 pointed to the devastating effects of the emigration of medical personnel on the accessibility of health care services (Võrk et al., 2004).

4.1. Identification of net migration loss / gain regions

In Estonia two main area types of out-migration can be identified: first, areas outside major cities that have large cohorts of young people who leave for studies. This is the case of many rural areas that went through a rural renaissance in the 1980s (especially Western areas of Estonia). Second, areas of high unemployment suffer from out-migration as well. For example, one of the highest rates of unemployment over the two last decades could be found in Ida-Viru County (Northeastern region) dominated by industrial employment and housing many mono-functional towns suffers from out-migration.

The demarcation line between net migration loss/gain regions is not running between urban and rural regions. Rural areas as a group are performing very well since suburbanisation of both people and jobs have affected positively rural areas around the cities and towns. At the most general level, the main demarcation line runs between the western and eastern parts of the country (Figure 3). The most important destination of migration is the capital city Tallinn with the most dynamic labour market. Therefore, Northern Estonia is the only net gain migration region on Estonia. *Northeastern Estonia* (Ida-Viru County) is the main out-migration and depopulation area and it differs clearly from the other Estonian regions in many respects. In this region the number of inhabitants decreased by 54,265 persons (or 24.5%) over the period 1990-2011 (Table 4.1).

4.2. Labour market development in net migration loss / gain regions

The main net loss region *Northeastern Estonia* (Ida-Viru County) is the main industrial region of the country where the Russian-speaking Soviet-era immigrant population living mainly in urban areas is dominant; 48% of the employed people work in the secondary sector, and the share of ethnic minorities is 80%. The backbone of industry is formed by the oil shale production and power engineering complex. In addition, textile, oil shale chemistry, woodworking, building materials and metalworking industries are well represented in the region. The service sector is underdeveloped as is typical to the industrial regions in the formerly centrally planned countries in Europe. The lowest employment, lowest wages and two-three-fold higher unemployment and long-term unemployment characterise Northeastern Estonia as compared to other regions (Table 4.2a, 4.2b, Figure 4).

4.3. Poverty and social exclusion in net migration loss / gain regions

To characterise the regional differences in poverty it is possible to use the relative poverty rate[39] at the county level. According to the latest data of the Statistics Estonia, in 2009, the at-risk-of-poverty rate decreased in all counties excluding Lääne county (Central Estonia)[40] Nevertheless, the at-risk-of-poverty rate in Ida-Virumaa or Ida-Viru county remained one of the highest besides Valgamaa or Valga county (24.6% and 24.7%, respectively) and was 1.6 times higher than the Estonian average in 2009 (Table 4.3).

An important growth in applications for a very low subsistence benefit (63.9 EUR per family member monthly until 2011) in the years of the financial and economic crisis points to a rapid increase in the number of people who have earned very small income in recent years. The number of satisfied applications for the subsistence benefit (per 1,000 inhabitants) since the beginning of the survey period in 2001 has been highest in Ida-Viru County, ranging from 505 to 82 in 2001-2009. Since the number of applications in Ida-viru County was even so high, then the number of satisfied applications for the subsistence benefit (per 1,000 inhabitants) increased in Estonia in the period of the crisis on average faster than in Ida-Viru County (50% and 15%, respectively). Comparable data of the Statistics Estonia since the year 2003 show that in the period 2003-2009, the biggest part (approximately 1/3) of the

[39] There are no data on material deprivation by regions or counties in Estonia.
[40] Reasons for this are presented in Section 3.3.

population of the Northeastern Estonia region (Ida-Viru County), in comparison to other regions, belonged to the first or lowest quintile, and the smallest part into the fifth or highest quintile (varying from 4% to 8%).

A comparison of health care, educational and social services[41] demonstrated that e.g. the number of physicians, hospital beds and care homes[42] per 10,000 inhabitants in Ida-Viru county is lower than on average in Estonia; only the number of nurses per 10,000 inhabitants is higher in Ida-Viru County (Table 4.4). The number of children per pre-school educational institution is on average lower than in Ida-Viru County. According to the Estonian Social Survey data, accessibility of health care in the Ida-Viru County has improved in all kinds of health care (family physician, specialised doctor, dentist) compared with the situation in 2004 (Table 4.5). However, compared to Estonian average, there were much more persons in Ida-Viru county who could not get help or consultation of a specialised doctor and dentist (1.8 times and 2.1 times, respectively), which can be justified by the smaller number of doctors than average.

If the present tendencies continue, out-migration or commuting would be major options for inhabitants of poorer municipalities to improve their life quality. Consequently, the strategy chosen would have a significant impact on the peripheral regions. If specialists opt to leave the region, the accessibility and quality of health care, education and child care, cultural and sport services, and housing services, etc. will deteriorate. Especially the smaller municipalities in the periphery have difficulties even with organizing primary health care, since specialists move from small hospitals to larger ones (SA, 2007). However, if communing would be the main strategy and when second home ownership also increases in peripheral areas, the consequences will be less severe.

5. IMPACT OF MIGRATION ON VULNERABLE GROUPS

5.1. Women

There are no specific studies and statistics in Estonia on the (e)migration impact on women left behind, and on impact of emigration on women who migrate, incl. when they return[43]. Although Estonia suffered the most among the Baltic countries, because of its small size, from the negative balance of migration during the past couple of decades, there has almost not been any public discussion of emigration in Estonia, because the relevant statistics were missing (Ainsaar, 2011). According to the recently published Estonian Human Development Report (2011), it may be pointed out that the impact of emigration on vulnerable groups in Estonia has some specific features even among Baltic States. In comparison with Latvia and Lithuania, Estonian families have not suffered so much from break-up because of emigration. Due to Estonia's geographical proximity to Finland (from Tallinn to Helsinki about 85 km), ethno-linguistic affinities and perceived cultural proximity to Finland, Finland is one of the main destination countries. Commuting to neighbouring Finland the migrants can more-or-less normally communicate with their family members in Estonia (spouses, children, elderly) and regularly visit them. The study of emigration intentions (Veidemann, 2010) showed that women more than men regard being away from their family as an obstacle to going to work abroad and twice as many women compared to men (22% and 44%, respectively) would go

[41] Local governments provide various social services, the target groups being orphans and children without parental care, people with special mental needs, elderly and disabled people.

[42] Care home for the 24-hour care for elderly people – to assess provision of this service we must take into account that it is a need based service. According to the Ministry of Social Affairs, nursing homes are in all counties and are 85% in the ownership of local governments. The number of beds in nursing homes is fixed nationally, there may be waiting lists sometimes in some regions. Taking care of elderly people in nursing homes is preceded by provision of home care and housing service.

[43] Urve Kask, Statistics Estonia (see list of interviews in the Annex to this report); Eha Lannes, Ministry of Social Affairs (see list of interviews in the Annex to this report); Ülle Marksoo, Ministry of Social Affairs (see list of interviews in the Annex to this report); Liina Malk, Ministry of Social Affairs (see list of interviews in the Annex to this report); Ülla Mäe, Ministry of Social Affairs, Adviser (see list of interviews in the Annex to this report).

abroad with their spouse (mate) and/or children. Actual emigration also is characterised by the fact that women more than men emigrate together with their children and family, and therefore their emigration has a more permanent nature (they stay longer and returns are fewer (Neeme, 2011).

5.2. Children

The impact of emigration on children left behind by migrants has not been researched so far in Estonia[44]. Neither are any statistics available providing information about the number of children concerned by migration of their parents. Some examples of the impact of parents' employment abroad on children can be found in the media. There are opinions that employment abroad devastates families in the same way as war, it brings about broken children and parents (Rõõm, 2011). Although employment in Finland enables parent(s) to come home every weekend, but a child cannot grow up safely in this way. A consequence is that children develop attention and conduct disorders on the basis of whose behaviour teachers can tell the weekday (on Friday children are restless and are looking at the watch eagerly waiting for their parents; on Monday they are sad and inactive because the weekend with their parents is over). Often children are raised at home by their grandparents or older sisters/brothers, which leads to financial problems, discontinuing studies, etc. (Vahter, 2011). A question has even arisen to give children to an orphanage for the period parents are working abroad (Ise, 2011). The biggest blow to the children is when parents getting divorced because of working abroad (Niitra and Maripuu, 2011).

5.3. Elderly

There are no studies and statistics in Estonia on the (e)migration impact on elderly people left behind[45] and the problems of the elderly due to other family members going to work abroad have not arisen in the public or media discourse, either to date. This may be due to various reasons, but one could be that elderly people receive fixed income at least at the level of the national pension. Since pensions even increased during the economic crises that started in 2008, the relative position of retired people has improved in society in comparison to wage earners who have suffered substantial wage cuts over the past couple of years.

15% of people aged at least 65 years lived in relative poverty in 2009 (Põder, 2011). While in earlier years the poverty rate of older people was the highest among age groups (e.g., in 2008, one third of people aged at least 65 years lived in poverty), then in 2009, the elderly were one of the least in poverty living groups (as mentioned in section 3.3, due to the rise in average old-age pension by 8% in 2009 compared to 2008, the age group of at least 65-year old people was the only one where incomes increased in 2009). Compared to 2008, poverty decreased the most among single at least 65-year old people, their relative poverty rate in 2009 was 2.5 fold lower than a year before. Since the bulk of at least 65-year old people are women, the number of the poor was more than twice fewer also among single women in 2009. However, although the age difference has decreased, much more at risk of poverty still are older women and their relative poverty rate in 2009 was more than twice higher than that of men. In 2009, social transfers reduced poverty most among older people and rescued 71% of at least 65-year old people from poverty. Without state assistance 86% of elderly people had lived in poverty. Compared to 2008, the impact of benefits on poverty decrease

[44] Urve Kask, Statistics Estonia (see list of interviews in the Annex to this report); Eha Lannes, Ministry of Social Affairs (see list of interviews in the Annex to this report); Ülle Marksoo, Ministry of Social Affairs, (see list of interviews in the Annex to this report); Liina Malk, Ministry of Social Affairs (see list of interviews in the Annex to this report); Ülla Mäe, Ministry of Social Affairs (see list of interviews in the Annex to this report).

[45] Urve Kask, Statistics Estonia (see list of interviews in the Annex to this report); Eha Lannes, Ministry of Social Affairs (see list of interviews in the Annex to this report); Ülle Marksoo, Ministry of Social Affairs (see list of interviews in the Annex to this report); Liina Malk, Ministry of Social Affairs (see list of interviews in the Annex to this report); Ülla Mäe, Ministry of Social Affairs (see list of interviews in the Annex to this report).

among pension-age people has increased, since in 2008, half of at least 65-year old people escaped from poverty due to the benefits.

5.4. Post-conflict Refugees and IDPs

This topic is not relevant for Estonia.

5.5. Roma[46]

The Roma community in Estonia is very small; the official number of Roma in Estonia is 584 (Roma and Travellers Division of the Council of Europe, 2011) with an average estimate of 1,250 and the share of Roma in the total population is 0.1%. Roma in Estonia are not travellers; Roma population are frequently concentrated in relatively small communities in settlements or towns all over Estonia with the exception of 2 counties (Hiiu and Saare counties) out of 15.

The poverty and social exclusion situation of Roma and migration impact have not been investigated separately therefore there are no statistics on the basis of which a characterisation of the poverty and social exclusion situation of Roma in relation to the population in general would be possible. Based on some few research results (Tali et al., 2007) it can be said that unemployment, which is quite widespread among Roma, influences the life of the whole community. Since income is often earned with odd jobs, state support is very important for many Roma families because it is one of few permanent sources of income. Only 18 children were studying at Estonian general education schools in 2011 among those who had declared Romany as being their mother or home tongue (out of a total of 90 minors) and the share of drop outs is high. From these 18 children, 8 were studying at school with special needs[47] and 10 at so-called ordinary schools. Roma mostly have a family doctor based on state health insurance and they have no major problems with health insurance accessibility. Many Roma families are living in moderate conditions in Estonia today.

In general there are few complaints registered by the official bodies mandated to deal with discrimination cases in Estonia. Some facts of discrimination of Roma have been mentioned in the reports of the European Commission against Racism and Intolerance (ERCI) and the European Network against Racism (ENAR), mainly concerning stereotypes, the unawareness of the majority of the population in Estonia about the culture, history and life of Roma, the exclusion of Roma in the labour market and a high share of Roma children in special schools for disabled children (ECRI, 2009; Kovalenko, 2007, 2008, 2009).

The main gaps in relation to Roma in Estonia can be considered as missing systematic inclusion of Roma in society and relevant national policies at the state level; further, the low level of education and the lack of vocational education which do not enable the Roma to successfully compete in the labour market, the inadequate fulfilment of compulsory school attendance by Roma children. Measures are also missing in pre-school education, which would ensure that healthy Roma children do not go to schools for children with special needs and there is no consistently working system to base training of the teachers teaching Roma children on. Media shows mostly negative cases, thus amplifying the Roma related prejudices and stereotypes.

[46] This section is based on the independent social inclusion expert's report (Viies, M. 2011. Promoting Social Inclusion of Roma: Estonia. www.peer-review-social-inclusion.eu (accessed on 02.11.2011). Social impact of emigration on Roma left behind is not studied in Estonia. According to explanations of some teachers (Kohila Secondary School, Valga Jaanikese School), when Roma parents are away, other community members are taking care of children.

[47] Although very high in percentage of the total number of children, this cannot be seen in the negative light only, but in some cases due to the individual approach it can be definitely seen as an opportunity of developing certain talents.

5.6. Other ethnic and religious vulnerable communities

There are no studies and statistics on the social impacts of emigration on other ethnic and religious vulnerable communities in Estonia[48]. One reason for this might be the fact that social stratification has decreased in Estonia over the last 10 years. Like repeatedly underlined above, very few social impact of emigration related problems have arisen also in the public and media discourse, especially those concerning other ethnic and religious communities.

6. POLICY RESPONSES

6.1. Encouragement of circular migration

The Estonian government has stated their support to temporary and circular migration in Estonia's European Union policy programme 2007-2011 (Estonian Government, 2007)[49]: this states that it is important to encourage legal migration, work in cooperation with third countries (reporting on legal migration possibilities, technical support), further develop, and where possible, apply the concept of circular migration. Estonia has also made several amendments to the law, which mostly facilitate repeated migration of citizens of third countries to Estonia and the return of the Diaspora.

The recall of the Diaspora has been encouraged, inviting Estonians living abroad back home. The State hopes to increase the amount of highly qualified employees (tax payers) in Estonia who would contribute to national economic growth in areas with a development potential (European Migration Network, 2010). For example, in October 2010, the Estonian Chamber of Commerce and Industry launched the project 'Bring Talents Home' (*Talendid koju*), which is financed from the European Social Fund through the State Chancellery (Estonian Chamber, 2010). The website www.talendidkoju.ee mediates attractive vacancies for Estonians who study or work abroad. This web portal enables employers to upload job offers free of charge and Estonians residing abroad can candidate for these jobs. The portal also includes a forum, which should grow into an active communication environment, as well as a blog and a Facebook site where one can post news on the project and other relevant matters. A survey conducted by the Estonian Chamber of Commerce and Industry among domestic employers and young people residing abroad demonstrated that 88% of the respondents[50] are willing to return home if they find a good job offer; at the same time, employers are interested in this as well as have a need for young people with foreign experience.

The Estonian Parliament is concerned about the extent and composition of emigration, and has asked the Government about the impact of emigration on the Estonian economy, in particular the impact of emigration of health professionals (Parliament of Estonia, 2010). For example, there is a debate in Estonian society on whether Estonia could charge the tuition costs of the health professionals leaving Estonia. However, no action has been taken so far and research based knowledge on social impacts of emigration is missing.

[48] Urve Kask, Statistics Estonia (see list of interviews in the Annex to this report); Eha Lannes, Ministry of Social Affairs (see list of interviews in the Annex to this report); Ülle Marksoo, Ministry of Social Affairs (see list of interviews in the Annex to this report); Liina Malk, Ministry of Social Affairs (see list of interviews in the Annex to this report); Ülla Mäe, Ministry of Social Affairs (see list of interviews in the Annex to this report).

[49] Estonia's European Union policy 2007−2011 is a strategic framework instrument stipulating the principles which are the basis for the Government's European Union policy, a set of principles which determines Estonia's position and vision in issues falling into the competence of the European Union which the Government considers to be of importance for Estonia and the basis for Estonia's position in more particular issues in different fields. This document is a result of co-operation between different ministers, ministries and non-governmental organisations. Before being approved, the document was open for public discussion for social partners, public organisations and non-profit organisations that made their proposals and comments (Estonian Government, 2007).

[50] In March-April 2010, 347 Estonians who had lived abroad for a long time were interviewed (Pikaajaliselt, 2010).

6.2. Encouragement of return migration and support of integration of returnees

In the population policy framework (Government Office, 2009), the Estonian migration policy has been designed with the focus on immigration; and the migration policy principles do also mention that Estonia favours return of people of Estonian origin. The State is promoting preservation of national identity, including Estonian language and presentation of Estonian culture among the compatriots living outside Estonia; return to Estonia of people with Estonian citizenship and of Estonian origin is encouraged via active information policies. Implementation and coordination of migration and integration policies is organised by the Ministry of Culture. Activities involving compatriots are defined in greater detail in 'The Compatriot Programme 2009-2013' and in its operational programme, the implementation of what is organised and monitored by the Compatriots Programme Council at the Ministry of Education and Research comprising representatives of relevant ministries, area specialists and Estonian members abroad. Other migration policy applications are worked out in co-operation with the Minister in Interior, Ministry of Social Affairs and other ministries and public departments.

In Estonia, one of the tasks of the Integration and Migration Foundation Our People (MISA)[51] is to support migration processes. MISA consults the people who are returning to Estonia or leaving the country in migration issues and offers them financial support if necessary; it also offers support for remigration[52] and emigration.

Section 36 of the Constitution of the Republic of Estonia provides the right of every ethnic Estonian and Estonian citizen to settle in Estonia. MISA supports return to Estonia of ethnic Estonians and Estonian citizens who have stayed away from Estonia for a long time or were born in a foreign country by paying return support to those who need help. The return support (the maximum rate of the return support is 2,000 EUR per adult) can be applied for by an ethnic Estonian holding Estonian citizenship or holds an Estonian residence permit who:

- has emigrated from Estonia at least 10 years prior or has been born in a foreign country;
- has returned to Estonia permanently within the last six months and has registered his/her place of residence in the Population Register of the Republic of Estonia;
- has preserved a connection with Estonian culture, respects the Estonian state and its constitutional order;
- due to his/her economic and social situation, is in need of financial support in order to return to Estonia.

According to the MISA, in 2009, 42 Estonians and Estonian citizens returning from abroad received support to do so (in 2008, 242 returnees were supported in coming back to Estonia).

[51] MISA was founded in 1998 under the name of the 'Non-Estonians Integration Foundation'. The activities of the Foundation are funded from the state budget and foreign sources, incl. EU programmes that are allocated through the budgets of ministries), on 1 January 2010 the Integration Foundation merged with the Estonian Migration Foundation, which was founded in 1992.

[52] The remigration support is meant for those non-Estonians and non-citizens who after a long stay in Estonia have decided to surrender their residence permit and leave Estonia and require material help for that. The objective of the remigration support is to cover the expenses related to the voluntary resettlement of aliens residing in Estonia to their country of origin or to a third country. Remigration support can be applied for by an alien who has lived in Estonia permanently for at least the last 10 years; who holds a valid travel document or other document allowing their return, and an immigration permit from the country of destination (including for any minor remigrating with them); who undertakes a written obligation to leave the Republic of Estonia. 48 foreigners received support to leave Estonia in 2009, 22 more than in 2008. The majority of applicants supported in 2009 relocated to Russia (31), while 6 relocated to Azerbaijan. Of those who received such support, 13 were pensioners; 24 were of working age; and 11 were children. The average sum of such support per person in 2009 was 416 EUR (304 EUR in 2008, 497 EUR in 2007). The total amount allocated was 15,800 EUR (compared to 21,100 EUR in 2008 and 56,200 EUR in 2007). 1,800 EUR was allocated on humanitarian grounds to 10 people deported from Estonia in order for them to be able to return to their home country. Similar support was also provided to 3 asylum-seekers and people who had illegally entered the country to leave Estonia via funding from the Estonian Ministry of the Interior and the European Return Fund.

Like in 2008, the majority of those returning to the country in 2009 were younger people: 31 out of 42 were of working age, 7 were children and 4 were pensioners. 26 returned to Estonia from Russia, the countries ranked second and third from which people returned were the United States (5) and Italy (3). The MISA allocated a total of 44,400 EUR in support of people returning to Estonia in 2009. The average sum received per applicant in 2009 was 1,058 EUR (504 EUR in 2008 and 890 in 2007) (MISA, 2011a). In 2000-2008, 879 Estonians and ethnic Estonians were supported in their return by the MISA (Beusse, 2009). All together the support corresponds to a sum of 8,540,988 Estonian kroons (545,869 EUR). In 1997-2000, additional financial support was given to the Seto repatriation programme (return of Estonians from former Estonian territory now belonging to the Russian Federation.

The measure 'Increasing skilled labour supply' under the priority 'Long and high-quality career' of the human resource development operational programme in the 'National Strategy for the Use of Structural Funds 2007-2013' is the most important among the programmes funded by the ESF. Its objective is to increase employment through active labour market measures, improving accessibility and quality of labour market services (prevention of unemployment and inactivity, employing unemployed and inactive people, better usage of the immigrant and emigrant potential of labour). In order to use the immigrant and emigrant potential more effectively the awareness about labour market measures is being increased among the target groups. Among other things, attention is being focused on activities that help to integrate non-Estonians and immigrants to the labour market and society (language tuition, information about rights and duties, etc.). Of significant importance is also the increasing of the general awareness of immigration and emigration and strengthening of the relevant research potential (Riiklik, 2011).

Two out of 14 support activities under the measure 'Increasing skilled labour supply' address the impact of migration (Riigi Teataja, 2010):

- Development and implementation of measures supporting the entrance to the labour market and employment of non-working people who have returned (or immigrated) to Estonia;
- Development and implementation of measures supporting the entrance to the labour market and employment of people who do not speak Estonian language.

Interest in the two above support activities in the open application rounds has been small and not one project has received grants under the first of these two measures. At the same time, non-Estonians are the target group for 40 ESF projects offering active labour market measures under 'Increasing skilled labour supply'. Many of these projects are targeted at several labour market risk groups simultaneously and in many cases the main obstacle to their employment is not their language proficiency or lack of knowing Estonian language. Additionally, language tuition and active labour market measures to non-Estonians are provided also under the ESF programme 'Increasing skilled labour supply 2007-2013,'[53] which is implemented by the Unemployment Insurance Fund.

Within the framework of the European Social Fund Measure 1.3 'Equal opportunities on labour market', MISA carried out during 2007-2008 a project 'New Home' (MISA, 2011b). The aim of this was to integrate returnees (and new immigrants) into the Estonian labour market through Estonian language courses, adaptation trainings and work counselling. Adaptation courses were conducted for 50 people (knowledge on civil society, government structures, civil rights and duties, labour law, environment protection and cultural traditions; skills of writing a CV, search for a job in the Internet and send CV to employment mediation portals; etiquette for job interviews, etc.); Estonian language crash courses for 41 people (in Tallinn 3 groups, in Narva 1 and in Tartu 1); all who want it will have an opportunity to use the job advice service; etc. The government, in cooperation with the business sector and universities, has motivated the creation of jobs within technology development programmes,

[53] Kristi Suur, Ministry of Social Affairs (see list of interviews in the Annex to this report).

which has brought many Estonian students who have studied abroad as well as doctoral students back to Estonia. Research on the results of these programmes remains to be done.

Occupational recognition in Estonia is coordinated by the Ministry of Education and Research. Recognition of general system professions in Estonia is regulated by the Recognition of Foreign Professional Qualifications Act and the recognition of sectoral professions by sectoral laws[54]. Information on professions regulated in Estonia, responsible institutions, procedure of application etc. is provided by the Estonian ENIC/NARIC Centre (Estonian ENIC/NARIC Centre, 2011). Upon request of a competent body, the Estonian ENIC/NARIC Centre also judges the conformity of a document certifying education obtained abroad to Estonian diplomas. A person applying for a professional recognition appeals directly to a competent body, which shall, pursuant to the procedure provided by law, compare the professional qualifications of an applicant to the professional qualifications required for working in a regulated profession in Estonia and shall decide whether the applicant meets the requirements set for the given profession in Estonia. E.g. in 2010, 717 (in 2006, 574) documents certifying education were presented to the Estonian ENIC/NARIC Centre in total from 77 foreign countries (most from Russia, former Soviet Union, Finland, Pakistan, USA and UK) for evaluation and attestation of conformity to Estonian qualifications (Estonian ENIC/NARIC Centre, 2010).

6.3. Reintegration of IDPs and refugees (including forced returnees)

This topic is not relevant for Estonia.

6.4. Development of net migration loss/gain regions (incl. assessment of SF use)

The Estonian Regional Development Strategy 2005-2015 (Eesti regionaalarengu, 2005) has set objectives and measures for regional development of Estonia in order to ensure sustainable development of all regions based on the region's own development potential and specific features, and qualitative development of the competitiveness of the capital city region and other urban areas. To achieve a comprehensive and balanced regional development, one objective is to slow down the concentration of population and economic activity into the capital city region. This objective is realistic since the very small generations born in the 1990s are entering a high mobility age; this has clearly an effect of reducing the overall out-migration rates from peripheral areas. The Estonian regional policy at the decision-making and responsibility level is highly state and project focused, with important funding coming from EU. The success of getting the EU project funding is largely dependent on the ability to design good projects and set up quality applications for funding. However, the county level administration is weak in Estonia, which leaves especially small municipalities in a difficult situation and without sufficient knowledge and capacities for project based fund-raising.

An objective of the programme 'Increasing supply of skilled labour 2007-2013' already mentioned before is to reduce regional differences by promoting domestic labour mobility (Estonian Unemployment Insurance Fund, 2008). An objective of the programme 'Labour market development 2009-2013' (under responsibility of the Ministry of Social Affairs), which is carried out within the measure 'Increasing skilled labour supply 2007-2013' under the priority 'Long and high-quality career' of 'Human resource development operational programme' is to increase labour mobility. First a study was conducted to map labour mobility, including factors that limit domestic mobility, the presence of and additional need for measures that support mobility was evaluated, international experience of supporting labour

[54] Health Services Organisation Act, Medicinal Products Act, Veterinary Activities Organisation Act, Building Act, and Planning Act.

mobility, including supply of supporting measures and their efficiency was assessed (Ministry of Social Affairs, 2009).

6.5. Support to vulnerable groups related to migration (incl. assessment of SF use)

In the framework of different policy and governance arrangements taken on the basis of the Equal Treatment Act, the integration of ethnic minorities, including Roma, takes place (Integration and Migration Foundation Our People manages different programmes (e.g., the Estonian Integration Strategy 2008-2013), which are concerned with ethnic minorities). An inter-ministerial working group has been established to advance the involvement of Roma people, which is coordinated by the Ministry of Culture in 2011. In the framework of the EU national Roma integration strategies, Estonia presented to the European Commission the National set of policy measures for Roma integration in Estonia and the contact point was set up in 2011 (European Commission, 2012).

Estonia's National Reform Programme 'Estonia 2020' (National Reform Programme, 2011) does not pay attention to the minorities including Roma; and it has not set an objective of tackling the poverty and social exclusion experienced by Roma. The key challenges for Estonia are to ensure that all Roma children obtain at least basic education, to improve economic coping of working-age Roma population by increasing employment of Roma, health promotion of the Roma population by increasing health care accessibility, to improve housing and environmental conditions of Roma in cooperation between local governments and Roma communities and with the help of individual approaches to ensure coverage of Roma people with minimum income schemes.

Within the frame of the Open Method of Coordination (OMC)[55], Estonian politicians started to pay attention also to poverty issues, when EU common objectives were launched. In 2010, the Parliament has discussed the problem several times. However, the impacts of emigration on poverty and social exclusion have not been discussed up to now in policies.

6.6. Best practice examples of policy responses

Among the measures taken in Estonia to address the challenges of (e)migration, the programme "Bring Talents Home" (http://www.talendidkoju.ee/) described under Section 6.1 should be highlighted. It certainly is an important initiative that helps to bring together employers and Estonians living abroad, and to keep contact with migrants living abroad. This programme has been highly cited and followed in media, i.e. it has a very strong social impact, but its demographic impact is irrelevant because of the small number of persons involved. The aim of the programme is to bring back 25 talented people to Estonia in 2011-2012, and the programme succeeded to bring back 9 people in 2011, which means a risk that the target will not be achieved. It should also be acknowledged that it is not straightforward whether the social impact of such programmes could be judged to be positive, only. Such special treatment of emigrants or special emigrant groups ('talents') has a potential to raise concerns among non-migrants or 'non-talented' emigrants and should thus be used with a certain degree of caution. At the same time, it must still be underlined that focusing of attention within this programme to young people who have made career abroad gives a push and motivation to them to return home.

Recently, the Estonian government has also launched a Diaspora website (http://www.eesti.ee/rahvuskaaslased/index.php?lang=en). With this website the government wishes to spread interesting information to and about Estonians living abroad. Besides

[55] Joint Inclusion Memorandum: Estonia. 2003; Estonia's National Action Plan for Social Inclusion 2004-2006. 2004; National Report on Strategies for Social Protection and Social Inclusion 2006-2008 under the Open Method of Coordination of the European Union. 2006; National Report on Strategies for Social Protection and Social Inclusion 2008-2010 under the Open Method of Coordination of the European Union. 2008.

practical information, the site contains a forum for debates, places for job advertisements or items connected with Estonia as well as links to useful information about Estonian events all over the world. The site is cared for and moderated by the Estonian World Council.

7. KEY CHALLENGES AND POLICY SUGGESTIONS

7.1. Key challenges of the social impact of emigration and internal migration

Emigration from Estonia has increased in recent years. The key factors behind it are as follows. First, joining the EU in 2004 has positively affected emigration from Estonia. Second, a structural wage gap with old EU Member States attracts Estonian labour, with the main destination being the neighbouring country Finland. Third, the temporary phenomenon of significantly increased unemployment in 2008-2010 has further contributed to the growing emigration flows as emigration data to Finland revealed. Fourth, there is also an important demographic dimension behind elevated emigration. Estonia had especially high fertility rates in the 1980s when fertility was well above the level of population replacement. The big generations born in the 1980s are now in the age of entering the labour market, but face difficulties in finding a job and are attracted by better labour market opportunities in the old EU Member States. Since this cohort is also in the peak migratory age, the demographic structure of the population further contributes to high emigration flows.

In short, there are both long-term and structural, and temporary factors behind the current high emigration rates from Estonia. Estonian Parliament is therefore concerned about the extent and composition of the current emigration. Although small in absolute numbers, the most acute problems relate to the emigration of medical personnel, both doctors and nurses. The emigration of medical personnel has also several underlying causes.

First, there is a significant wage gap between Estonia and the destination countries[56]. Second, rapid aging that takes place across Europe as the large cohorts born in the 1950s and 1960s are entering the retirement age has brought along increased demand for medical services. Consequently, there is a severe shortage of medical personnel in most European countries. For example, when Germany and Austria opened fully their labour markets on 01 May 2011, both countries indicated that they face significant shortages of medical personnel (Marcus, 2011; Herman, 2011). Third, the main destination countries actively attract the immigration of health professionals to overcome medical personnel shortages. However, these reasons are partially related to the emigration process itself since leaving of a significant part of the medical personnel implies that the working conditions of those left behind are deteriorating rapidly, bringing along a need to work more intensely than before. Fourth, emigration of medical personnel is thus a great challenge for the functioning of the medical system, especially in those regions with higher levels of emigration.

7.2. Policies to be taken by different actors (national, regional, local governments, diaspora, EU, host countries' institutions)

The first important issue that needs thorough work relates to the further improvement and harmonization of migration statistics in the EU in order to better understand the phenomenon that scores very high in social debate, i.e. what is the extent, nature and composition of European migration. This work, obviously, has to be undertaken both at EU and national levels.

[56] The research in 17 European countries has added to existing evidence on the reasons why individual health professionals have moved in the first decade of the 21st century Europe. A common finding is the role of income. Pecuniary motivations have varying prominence across Europe and over time but were identified in all 17 countries and found to be key motivations in Estonia, Poland, Romania, Serbia and Slovakia (Wismar, et al., 2011)

Emigration from Estonia has been high both at times of economic boom (e.g. 2001-2007) and economic bust (2008+). So the prime driver of emigration relates to wealth differences between Estonia and receiving countries, rather than with wage levels *per se*. This is what a study on Estonia young medical personnel working abroad clearly showed. Likewise, the working conditions are less stressful in destination countries. Thus any policies that contribute to increased welfare and easing working conditions should reduce emigration pressure.

Another challenge is how to match the principle of free labour mobility with investments made for schooling the labour. For example, it is not possible to restrict the emigration of medical personnel from Estonia on the one hand, but if more nurses leave annually than graduates from the Estonian education system, Estonia is facing high schooling costs with no (immediate) returns from it. Further, since there is a shortage of health professionals in Europe, EU Member States are competing with each other in order to secure their labour market functioning. Therefore, it seems that solutions for contemporary labour migration challenges in Europe should be found at pan European level.

Pan-European policies with regard to medical sector and personnel could and probably should be prioritized over other sectors of the economy, due to the prime nature of the health care sector and jobs compared to other sectors and jobs where skills are increasingly in demand (such as IT). This is so since (1) a functioning health care sector is one of key pillars for a functioning of the society and (2) medical services have to be provided where people live. This is quite different from IT and many other high skilled jobs that are in demand since they are less fundamental for the functioning of society, or could be also served on the long-distance bases. This difference justifies a harmonized, or at least a concerted policy for medical sector and jobs at the European level.

What are the policy options at European level given the two main reasons of labour migration: wage differences in EU Member States and the demand for certain labour predominantly in ‘old’ Members States? It is difficult to make radical changes with regard of wage differences. It is not an option to reduce wages in high wage countries. Likewise, it is not possible to elevate wage levels of certain jobs in low wage countries since this increases social stratification and discontent among other workers/social groups. Thus, the main policy area left relates to managing the labour shortages. One way of doing it could be schooling. If countries that are schooling nurses for other countries and by doing so do not get immediate returns, this problem could be solved by redistributing schooling costs at a pan-European level. For example, based on emigration rates of previous periods, the EU could support schooling and training of health professionals in future periods so that East European countries could expand medical teaching and research. That could also contribute to welfare growth in the region, thus reducing emigration pressures.

What are the other alternatives? Firstly, health professionals could be asked to pay for schooling and training themselves. However, since not all people who are educated for the medical sector plan to emigrate, this solution might prove inadequate. Further, this could worsen access to medical education for young people from less well-off families if not counter-balanced with appropriate financial schemes. Secondly, bilateral agreements could be established between countries of emigration and destination that could include, among other things, agreements on schooling, payment and length of stay of health professionals. Thirdly, those health professionals who move to work abroad might be asked to pay for their education and training. Such payment could take place when necessary documents are withdrawn from the Estonian Health Board. At present, both doctors and nurses are already asked to pay for documents when they want to leave for work abroad, but the amounts paid by far do not compensate tuition costs. Thus, the payment could be elevated to a much higher level, up to the level that compensates schooling costs. Such compensation payments could be paid either directly by emigrants or by accepting institutions, or could be shared between them. However, the problem is that student mobility also takes place in Europe, i.e. the schooling fees are not fully paid by the origin country.

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ANNEX

Table 2.1. External migration in Estonia 2001-2009

	Number of migrants			Migrants per 1000 inhabitants		
	Immigration	Emigration	Net external migration	Immigration	Emigration	Net external migration
2001	241	2,175	-1,934	0,2	1,6	-1,4
2002	575	2,038	-1,463	0,4	1,5	-1,1
2003	967	3,073	-2,106	0,7	2,3	-1,6
2004	1,097	2,927	-1,830	0,8	2,2	-1,4
2005	1,436	4,610	-3,174	1,1	3,4	-2,4
2006	2,234	5,527	-3,293	1,7	4,1	-2,5
2007	3,741	4,384	-643	2,8	3,3	-0,5
2008	3, 671	4,406	-735	2,7	3,3	-0,5
2009	3,884	4,658	-774	2,9	3,5	-0,6

Source: Statistics Estonia 2011d.

Table 2.2. Estonia-Finland migration 1991-2009

	Number of migrants			Migrants per 1,000 inhabitants		
	Immigration	Emigration	Net external migration	Immigration	Emigration	Net external migration
1991	38	1,073	-1,035	0,0	0,7	-0,7
1992	130	2,637	-2,507	0,1	1,7	-1,6
1993	226	2,648	-2,422	0,2	1,8	-1,6
1994	297	1,739	-1,442	0,2	1,2	-1,0
1995	363	1,263	-900	0,3	0,9	-0,6
1996	367	875	-508	0,3	0,6	-0,4
1997	256	800	-544	0,2	0,6	-0,4
1998	282	886	-604	0,2	0,6	-0,4
1999	264	784	-520	0,2	0,6	-0,4
2000	503	846	-343	0,4	0,6	-0,3
2001	268	1,283	-1,015	0,2	0,9	-0,7
2002	361	1,378	-1,017	0,3	1,0	-0,7
2003	311	1,292	-981	0,2	1,0	-0,7
2004	854	1,854	-1,000	0,6	1,4	-0,7
2005	545	2,063	-1,518	0,4	1,5	-1,1
2006	660	2,734	-2,074	0,5	2,0	-1,5
2007	836	3,145	-2,309	0,6	2,3	-1,7
2008	806	3,315	-2,509	0,6	2,5	-1,9
2009	845	3,525	-2,680	0,6	2,6	-2,0

Source: Taskutieto 2011.

Table 2.3. Dynamics of total, urban and rural population in Estonia 1990-2010

	Total	Urban	Rural	Urban, %
1990	1,571,648	1,123,346	448,302	71.5
1995	1,491,583	1,044,216	447,367	70.0
2000	1,372,071	948,936	423,135	69.2
2001	1,366,959	945,681	421,278	69.2
2002	1,361,242	942,207	419,035	69.2
2003	1,356,045	938,722	417,323	69.2
2004	1,351,069	935,680	415,389	69.3
2005	1,347,510	933,650	413,860	69.3
2006	1,344,684	932,320	412,364	69.3
2007	1,342,409	931,389	411,020	69.4
2008	1,340,935	930,936	409,999	69.4
2009	1,340,415	930,796	409,619	69.4
2010	1,340,127	930,753	409,374	69.5

Source: Statistics Estonia 2011d

Table 2.4. Internal migration rate per 1,000 inhabitants, 2001-2009

	Population	Internal migration	Migration rate
2001	1,364,101	31,628	23
2002	1,358,644	37,605	28
2003	1,353,557	42,949	32
2004	1,349,290	39,383	29
2005	1,346,097	38,252	28
2006	1,343,547	37,365	28
2007	1,341,672	37,822	28
2008	1,340,675	31,563	24
2009	1,340,271	37,284	28
Annual average	1,348,650	37,095	28

Source: Statistics Estonia 2011d

Table 2.5. Internal migration flows in the settlement system, 1989-2000 and 2000-2008

To:	Capital city urban region	Regional town urban region	County seat urban region	Rest of the country
From:				
1989-2000				
Capital city urban region	X	-4,906	-4,437	890
Regional town urban region	4,906	X	-1,066	2,477
County seat urban region	4,437	1,066	X	2,557
Rest of the country	-890	-2,477	-2,557	X
Net migration	8,453	-6,317	-8,060	5,924
2000–2008				
Capital city urban region	0	-9,413	-7,719	-6,826
Regional town urban region	9,413	0	-2,228	-2,150
County seat urban region	7,719	2,228	0	-2,693
Rest of the country	6,826	2,150	2,693	0
Net migration	23,958	-5,035	-7,254	-11,669

Note: urban regions include core cities and hinterland. Hinterlands are defined as municipalities that send 30% of their workforce to core cities.
Source: Statistics Estonia

Table 2.6. Net internal migration in Estonia, 1989-2000 and 2000-2009

	1989-2000	2000-2007
Tallinn	-4,228	369
Hinterland of Tallinn	16,159	23,589
Regional centres	-5,052	-10,659
Hinterland of regional centres	4,327	5,624
County seats	-8,004	-6,223
Hinterland of county seats	2,003	-1,031
Rest of the country	-5,202	-11,669

Note: hinterlands are defined as municipalities that send 30% of their workforce to core cities.
Source: Statistics Estonia

Table 2.7. Characteristics of emigrants as compared to non-migrants (%)

Variables	Population census 2000	Population register: emigrants
Education		
Primary	26.8	24.6
Secondary	55.3	49.5
Higher	15.4	5.9
Unknown	0.0	20.0
Gender		
Male	44.4	44.3
Female	55.6	55.7
Age		
20-29	18.6	34.0
30-59	53.1	60.3
60+	28.3	5.7
Ethnicity		
Estonian	66.3	67.3
Other	33.0	26.0
Unknown	0.7	6.7
Origin		
Centre city	61.0	57.8
Hinterland	14.0	16.6
Periphery	25.0	25.6
Unemployment rate in origin municipality		
Low	66.4	68.6
High	33.6	31.4

Source: Anniste, 2009

Table 2.8. Mutual recognition of diploma certificates issued to practising nurses in Estonia in 2004-2009

Nurses	2004	2005	2006	2007	2008	2009
Practising and registered	8420	8530	8556	8603	8297	8281
Number of issued certificates	118	89	67	100	97	134
Share of certificates of practicing nurses issued, %	1.4	1.0	0.8	1.2	1.2	1.6

Source: Saar, P./ Habicht, J., (2011): *Migration and attrition: Estonia's healt sector and cross-border mobility to its northern neighbour,* in: Wismar, M./ Maier, C. B./ Glinos, I. A., Dussault, G./ Figueras, J., (Eds.), Health professional mobility and health systems: Evidence from 17 European countries, European Observatory on Health Systems and Policies, World Health Organization, in: http://www.euro.who.int/en/home/projects/observatory/news/news/2012/10/new-book-on-professional-mobility (accessed on 22.11.2011).

Table 2.9. Mutual recognition of diploma certificates issued to practising registered medical doctors in Estonia in 2004-2009

	2004	2005	2006	2007	2008	2009
Practising and registered	4335	4306	4319	4400	4503	4414
Number of issued certificates	283	79	87	75	79	106
Share of certificates of practicing MDs issued, %	6.5	1.8	2.0	1.7	1.8	2.4

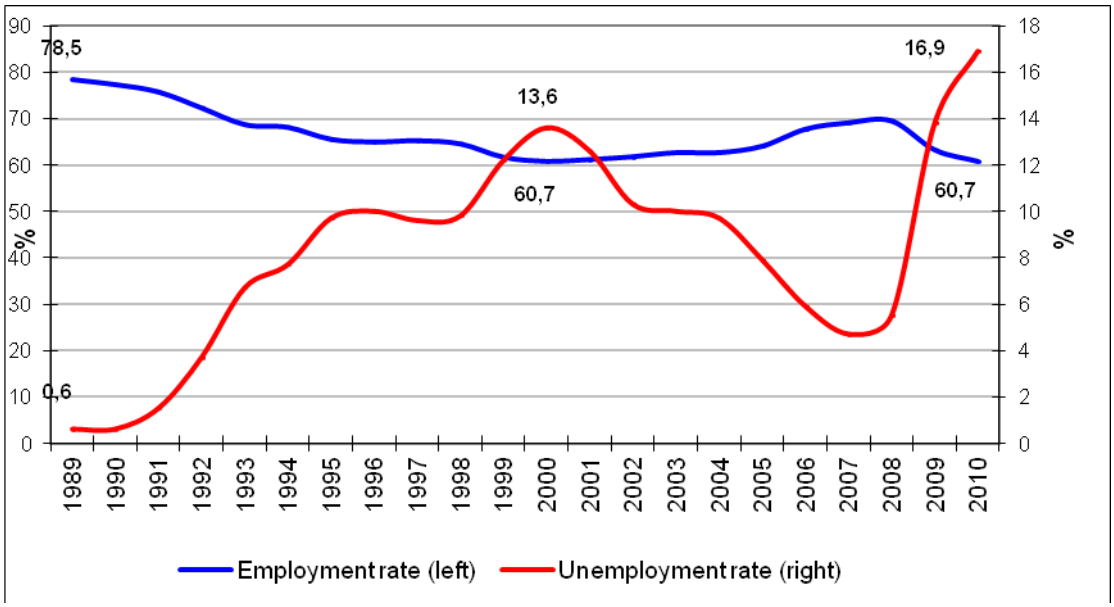
Source: Saar, P./ Habicht, J., (2011): *Migration and attrition: Estonia's healt sector and cross-border mobility to its northern neighbour,* in: Wismar, M./ Maier, C. B./ Glinos, I. A., Dussault, G./ Figueras, J., (Eds.), Health professional mobility and health systems: Evidence from 17 European countries, European Observatory on Health Systems and Policies, World Health Organization, in: http://www.euro.who.int/en/home/projects/observatory/news/news/2012/10/new-book-on-professional-mobility (accessed on 22.11.2011).

Table 2.10. Characteristics of potential return migrants (%)

		Intends to return	Does not intend to return	Total
Intends to return to Estonia	Yes			24
	No			76
				100
Level of education	Primary	6	7	7
	Secondary	70	63	64
	Third level	24	30	29
		100	100	100
Type of education	General	42	47	46
	Vocational	58	53	54
		100	100	100
Country of education	Estonia	73	58	62
	Finland	27	42	38
		100	100	100
Over-education*	No	75	83	81
	Yes	25	17	19
		100	100	100
Gender	Male	46	45	46
	Female	54	55	54
Age at migration	1–9	1	7	6
	10–19	7	18	16
	20–29	32	33	33
	30–39	23	24	24
	40–49	25	13	16
	50+	12	5	7
		100	100	100
Duration of residence in Finland	0–4	35	24	27
	5–9	33	25	27
	10–14	14	19	18
	15+	18	31	28
		100	100	100
Partner origin	Finland	12	22	20
	Estonia	52	44	46
	Single	36	34	35
		100	100	100
Labour market status	Works	88	73	77
	Does not work	12	27	23
		100	100	100
Migration motive	Better income	19	8	11
	Other work	31	21	23
	Study	6	4	5
	Other	44	67	61
		100	100	100
N		237	763	1000

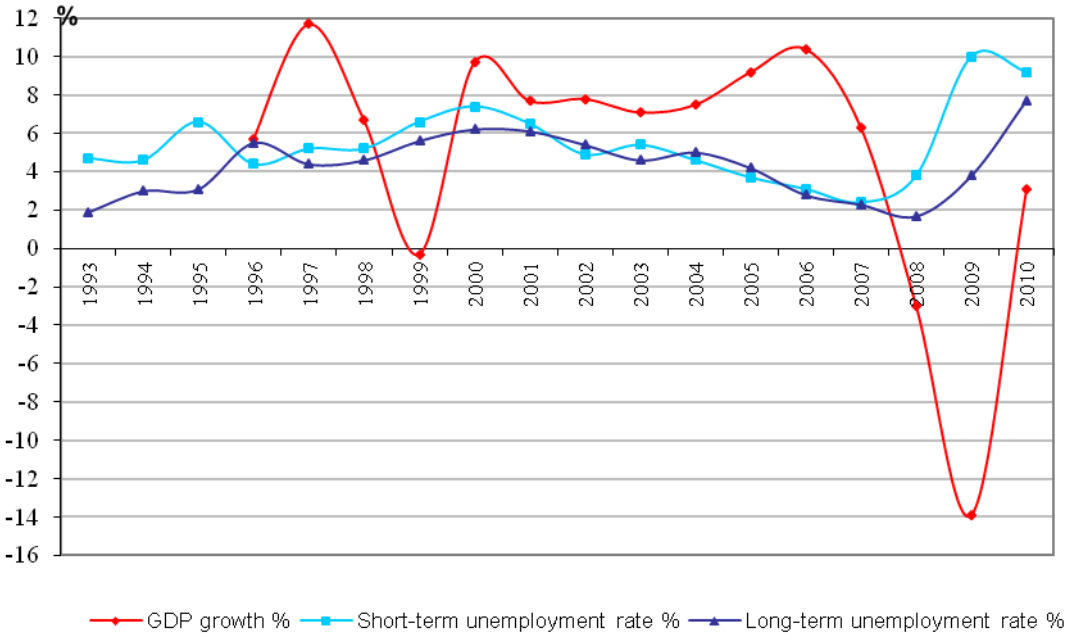
* Among working population. *Source:* Sample survey among Estonian migrants in Finland 2009.

Figure 1. Employment and unemployment rates (%), 1989–2010.



Source: Marksoo, (2011).

Figure 2. Dynamics of short and long-term unemployment rates (%), 1993–2010.



Source: Marksoo, (2011).

Table 3.1. Changes in the main indicators of the labour market and in the employment status of the population (aged 15-74) in Estonia, in 2004-2010

	2004	2005	2006	2007	2008	2009	2010	2011, Q2
Growth of GDP, %*	6.3	8.9	10.1	7.5	-3.7	-14.3	2.3	8.4**
Working-age population (aged 15-74), thousands	1047.8	1048.6	1049.1	1046.4	1042.8	1038.8	1034.8	1029.8
Employed persons, thousands	595.5	607.4	646.3	655.3	656.5	595.8	570.9	602.6
Increase of employment, %	0.2	2.0	6.4	1.4	0.2	-9.2	-4.2	1.9**
Unemployed persons, thousands	63.6	52.2	40.5	32.0	38.4	95.1	115.9	92.1
Inactive persons, thousands	388.7	389.0	362.3	359.0	347.9	348.0	348.0	335.1
Activity rate (aged 15–64), %	69.5	69.6	72.1	72.5	73.6	73.6	73.4	74.2
Employment rate (aged 15–64), %	62.6	64.0	67.7	69.1	69.5	63.2	60.7	64.1
Unemployment rate (aged 15–74), %	9.7	7.9	5.9	4.7	5.5	13.8	16.9	13.3

Source: ELFS, (2011): *Labour status of population aged 15 and older*, Statistics Estonia, in: http://pub.stat.ee/px-web.2001/I_Databas/Social_life/09Labour_market/08General_data_of_labour_market/02Annual_statistics/02Annual_statistics.asp (accessed on 17.09.11).
Note: * Chain-linked volume growth.
** Compared to same period of 2010.

Table 3.2. Workers' remittances outflows from and inflows to Estonia in 2007-2009, in million EUR

2007			2008			2009		
Total	Intra-EU	Extra-EU	Total	Intra-EU	Extra-EU	Total	Intra-EU	Extra-EU
Outflows of workers' remittances from Estonia								
1	1	0	1	1	0	2	2	0
Inflows of workers' remittances to Estonia								
21	20	1	41	39	2	41	39	2
Net workers' remittances (inflows minus outflows)								
20	19	1	40	38	2	39	37	2

Source: Comini, D./ Faes-Cannito, F., (2010): *Remittances from the EU down for the first time in 2009, flows to non-EU countries more resilient*, Statistics in Focus, 40, Eurostat.

Table 3.3. Distribution of the number of pensions according to type of pension, to domestic payment or payment abroad, to contract* or non-contract* pensions and to the nationality of the insured person (Estonia), as of 31.12 of the reference year

Esto-nia	Pension payments according to Social Code VI									Among the cases of columns 1 and 9 are:					
	Total	Invalidity pensions		Old-age pensions		Survivors' pensions				Total		Among them: in the country of the		Non-cont-ract pen-sions	Cont-ract pen-sions
		Men	Wo-men	Men	Wo-men	To-tal	Wi-dow's pen-sion	Wi-do-wer's pen-sion	Orph-ans' pen-sions	Non-cont-ract pen-sions	Cont-ract pen-sions	Non-cont-ract pen-sions	Cont-ract pen-sions		
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
2009	105	4	3	39	36	23	16	4	3	2	21	2	11	36	46
2008	90	4	2	38	28	18	14	3	1	3	20	3	12	40	27
2007	81	4	1	34	27	15	12	3		3	19	3	11	35	24
2006	73	3	1	34	22	13	11	2		2	18	2	10	33	20
2005	63	2	1	29	19	12	10	2		3	15	3	7	33	12
2004	55	3	2	24	13	13	11	2		4	14	4	4	33	4

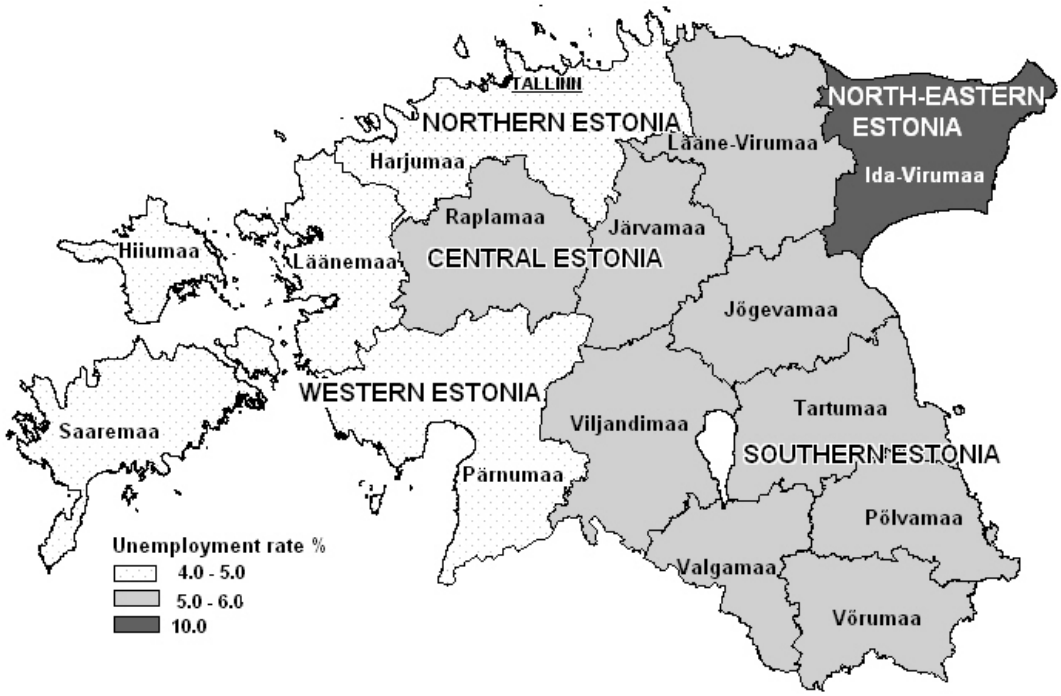
Source: Compiled from the Statistics of the German Pension Insurance Fund (DRV-Bund), Table 903.00 G RV.
Note: Contract pensions - based on supranational or bilateral social insurance agreement with another country. Non-contract pensions - are not contract pensions. Correspond to pensions paid to non-EU countries and without any bilateral agreement.

Table 3.4. Number of EU coordination cases of unemployment insurance in Estonia in 2004-2010

	2004 (8 months)	2005	2006	2007	2008	2009	2010
Total number of unemployment insurance coordination cases	49	210	277	430	682	2120	2041
incl. certification of the qualifying periods completed in Estonia for application of benefits of a foreign country	19	98	126	200	214	517	428
insurance period completed in a foreign country in Estonian unemployment insurance calculation	23	99	129	219	447	1484	1509
Persons who applied for exporting Estonian unemployment benefit to another country	3	5	7	4	8	75	69
Persons who receive unemployment benefit from a foreign country but seek employment in Estonia	4	8	15	7	14	44	35

Source: Pille Liimal, Estonian Unemployment Insurance Fund (see list of interviews in the Annex to this report); Eesti Töötukassa (Estonian Unemployment Insurance Fund), (2011): *Eesti Töötukassa majandusaasta aruanne* (Annual Report of the Estonian Unemployment Insurance Fund), in: http://www.tootukassa.ee/public/Tootukassa_aruanne_2010.pdf (accessed on 07.11.2011).

Figure 3. Regional unemployment rates in Estonia, 2008.



Note: Estonian statistical regions (NUTS 3 level) are following:

- Northern Estonia: corresponds to one county (Harjumaa with the capital city of Tallinn)
- Northeastern Estonia: comprises one county (Idu Virumaa)
- Central Estonia: comprises 3 counties (Raplamaa, Järvamaa, Lääne-Virumaa)
- Western Estonia: encompasses 4 counties (Hiiumaa, Läänemaa, Saaremaa, Pärnumaa)
- Southern Estonia: composed of 6 counties (Jögevamaa, Vilandimaa, Tartumaa, Valgamaa, Põlvamaa, Võrumaa)

Source: Estonian Labour Force Survey (ELFS) , Statistics Estonia

Table 4.1. Dynamics of population in Ida-Viru County in 1990-2011, as of January 1

	Total population	Decrease of population
1990	221,807	..
1991	221,708	99
1992	219,757	1,951
1993	211,179	8,578
1994	204,239	6,940
1995	197,899	6,340
1996	192,778	5,121
1997	188,578	4,200
1998	185,347	3,231
1999	182,437	2,910
2000	180,143	2,294
2001	178,896	1,247
2002	177,471	1,425
2003	176,181	1,290
2004	174,809	1,372
2005	173,777	1,032
2006	172,775	1,002
2007	171,748	1,027
2008	170,719	1,029
2009	169,688	1,031
2010	168,656	1,032
2011	167,542	1,114

Source: Statistics Estonia, (2011e): *Population by county*, in: http://pub.stat.ee (Statistics database, Population, Population indicators and composition) (accessed on 11.09.11).

Table 4.2a. Labour force participation rate, employment rate, unemployment rate and share of employed by sectors of economy in Estonia, Tallinn and Ida-Viru county in 2000, 2005 and 2010

	2000			2005			2010		
	Esto-nia	Tallinn	Ida-Viru county	Esto-nia	Tallinn	Ida-Viru county	Esto-nia	Tallinn	Ida-Viru county
Labour force participation rate, %	63.3	68.8	61.9	62.9	70.1	60.7	66.4	73.4	62.2
Employment rate, %	54.7	60.4	48.8	57.9	64.4	50.9	55.2	61.1	46.2
Unemployment rate, %	13.6	12.2	21.1	7.9	8.2	16.2	16.9	16.8	25.8
Share of employed in primary sector	7.1	..	3.1	5.2	..	2.3	4.2	..	..
Share of employed in secondary sector	33.3	28.3	49.9	33.8	28.6	43.0	30.5	25.0	48.0
Share of employed in tertiary sector	59.6	71.1	47.0	61.1	71.1	54.7	65.3	74.4	50.6

Source: Statistics Estonia, (2011b): *Labour status of population aged 15-74 by county*, in: http://pub.stat.ee (Statistical database, Social life, Labour market, General data of labour market, Annual statistics (accessed on 06.04.2011).

Table 4.2b. Main characteristics of NUTS-3 regions in 2008.

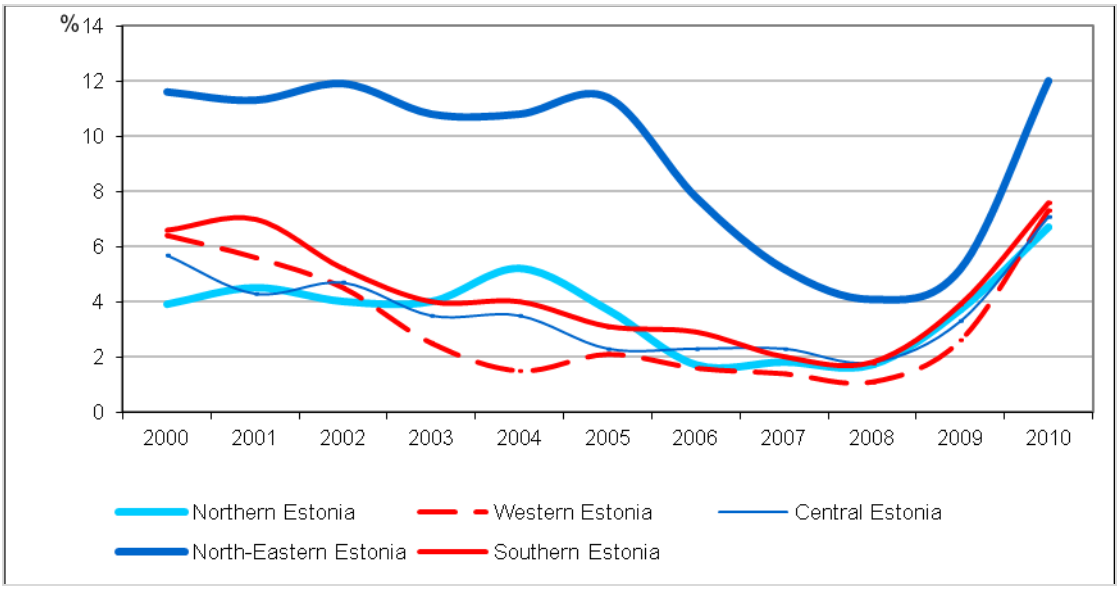
	Total	Northern Estonia	Western Estonia	Central Estonia	North-eastern Estonia	Southern Estonia
Population						
Total (thousands)	1,340,9	523,3	161,1	140,3	170,7	345,6
Men %	46.0	46.0	46.6	46.7	44.6	46.4
Female %	54.0	54.0	53.4	53.3	55.4	53.6
Net migration, 2000-2010	20,185	29,189	-7,871	-10,336	-12,225	-18,942
Age group %						
0–14	14.8	14.6	14.8	15.7	13.2	15.7
15–64	68.0	69.2	67.1	67.5	68.4	66.6
65+	17.2	16.3	18.1	16.8	18.4	17.7
Ethnicity %						
Estonians	68.7	59.6	90.6	89.5	19.7	87.9
Ethnic minorities	31.3	40.4	9.4	10.5	80.3	12.1
Place of residence %						
Urban	69.4	84.1	54.1	41.7	88.7	56.0
Rural	30.6	15.9	45.9	58.3	11.3	44.0
Education of labour force (ISCED level, %)						
I	11.0	8.3	13.8	18.6	6.9	13.5
II	55.2	50.6	61.1	57.2	64.1	55.5
III	33.8	41.1	25.1	24.2	29.0	31.0
Employment status						
Employed (thousands)	656,5	285,5	77,3	65,8	73,1	154,9
Unemployed (thousands)	38,4	13,2	3,5	4,0	8,1	9,4
Inactive (thousands)	347,9	113,3	43,8	38,1	53,5	99,3

Labour market indicators						
Activity rate %	73.6	79.3	71.4	70.9	68.2	69.7
Employment rate %	69.5	75.7	68.2	66.7	61.4	65.6
Unemployment rate %	5.5	4.4	4.5	5.7	10.0	5.7
Long-term unemployment rate %	1.7	1.2	1.1	1.8	4.1	1.8
Share in total employment %	100.0	43.5	11.8	10.0	11.1	23.6
Change in employment 1989/2000, %	-31.7	-27.2	-29.4	-34.4	-44.4	-31.1
Change in employment 2000/2008, %	14.7	15.0	16.0	20.3	5.3	15.9
Employment by sector of economy, %						
Primary	3.9	0.9	7.2	8.5	2.1	6.1
Secondary	35.4	31.3	35.7	40.7	49.6	34.0
Tertiary	60.7	67.8	57.1	50.8	48.3	59.9
Average wage* (EUR/ month)	818	916	681	679	655	730
Contribution of region to GDP, % (2006)	100.0	61.1	8.3	6.5	7.2	17.1
Share of people who did not get help from health care (in %) Family physicians	2.1	2.3	1.6	1.8	2.8	1.9
Specialized doctors	4.7	5.4	4.4	4.2	8.4	2.2
Subsistence benefits per capita	15.3	10.5	16.9	17.4	30.4	14.9

** preliminary, quarterly average*

Sources: ELFS, Statistics Estonia

Figure 4. Long-term unemployment rates by regions, 2001-2010



Source: Marksoo, (2011).

Table 4.3. At-risk-of-poverty rate, subsistence benefits and number of applications satisfied to guarantee subsistence level per 1,000 inhabitants Estonia, Tallinn and Ida-Viru county* in 2007-2009

	2007			2008			2009		
	Esto-nia	Tal-linn	Ida-Viru County	Esto-nia	Tal-linn	Ida-Viru County	Esto-nia	Tal-linn	Ida-Viru County
At-risk-of-poverty rate, %	19.5	11.0	31.6	19.7	12.0	30.8	15.8	9.5	24.6
Benefits per inhabitant,** EUR	6.52	1.73	12.97	5.75	1.28	12.85	9.08	3.58	16.36
Number of applications satisfied to guarantee subsistence level per 1,000 inhabitants	54	13	114	44	13	82	81	32	131

Source: Statistics Estonia, (2011f): *Subsistence benefits per inhabitant by region/administrative unit*, in: http://pub.stat.ee (Statistical database, Social life, Social protection, Social assistance, Subsistence benefits (accessed 07.04.2011).
Notes: *According to the Statistical Classification of Regional Units of Estonia the Northeastern Estonia region consists of Ida-Viru county.
**Subsistence benefits to guarantee subsistence level and supplementary subsistence benefits per inhabitant.

Table 4.4. Health care, educational and social services in Ida-Viru County and in Estonia, in 2010

	Number of physicians per 10,000 inhabitants	Number of nurses per 10,000 inhabitants	Number of hospital beds per 10,000 inhabitants	Number of care homes per 10,000 inhabitants	Number of children per pre-school educational institution
Estonia	34	66	55	0.98	101
Ida-Viru County	27	70	51	0.89	111

Source: Authors' calculations based on: Statistics Estonia, (2011d): *Piirkondlik portree Eestist* (Regional portrait of Estonia), in: http://www.stat.ee/ppe-44740 (accessed on 12.09.11).

Table 4.5. Accessibility of health care of persons aged 16 and older in Ida-Viru County and in Estonia, in 2004-2010

	Family physician		Specialised doctor		Dentist	
	Did not get help or consultation	Did not have a problem	Did not get help or consultation	Did not have a problem	Did not get help or consultation	Did not have a problem
2004						
Estonia	6.6	93.2	8.2	91.6	15.5	84.3
Ida-Viru* County	7.4	92.5	11.2	88.7	26.8	73.0
2005						
Estonia	5.2	94.8	6.9	93.1	15.2	84.8
Ida-Viru County	7.8	92.2	9.4	90.6	30.0	70.0
2006						
Estonia	5.3	94.7	7.7	92.3	13.3	86.7
Ida-Viru County	7.9	92.1	10.9	89.1	18.7	81.3
2007						

Estonia	5.7	94.3	9.5	90.5	13.6	86.4
Ida-Viru County	6.7	93.3	9.8	90.2	18.8	81.2
2008						
Estonia	3.5	96.5	8.2	91.8	8.9	91.1
Ida-Viru County	5.2	94.8	12.0	88.0	16.0	84.0
2009						
Estonia	2.0	98.0	4.2	95.8	5.2	94.8
Ida-Viru County	3.1	96.9	7.0	93.0	11.3	88.7
2010						
Estonia	2.1	97.9	4.7	95.3	6,5	93,5
Ida-Viru County	2.8	97.2	8.4	91.6	13.9	86.1

Source: Statistics Estonia, (2011a): *Accessibility of health care of persons aged 16 and older by year, place of residence, kind of health care and access to health care*, in: http://pub.stat.ee (Statistical database, Social life, Access to health care (accessed 13.09.2011).
*Note: Northeastern Estonia consists of Ida-Viru County.

Table. Personal interviews

Name	**Organisation**	**Function/Area of expertise**	**Type of consultation and form of documentation**	**Date and duration of consultation**
Urve Kask	Statistics Estonia	Head of Population and Social Statistics Department	Short telephone interview	23.03.2011, 15 minutes
Ülle Marksoo	Ministry of Social Affairs	Adviser, Labour Policy Information and Analysis Department	Longer personal interview	21.03.2011, 40 minutes
Eha Lannes	Ministry of Social Affairs	Adviser, Social Welfare Department	Longer personal interview	23.03.2011, 35 minutes
Liina Malk	Ministry of Social Affairs	Analyst, Labour Policy Information and Analysis Department	Short telephone interview	24.03.2011, 20 minutes
Reet Kabi	Social Insurance Board	Head of International Relations Department	Longer personal interview	24.03.2011, 90 minutes
Pille Liimal	Estonian Unemployment Insurance Fund	Board member	Longer personal interview	25.03.2011, 30 minutes
Linda Sassian	Estonian Health Insurance Fund	Chief Specialist, International Relations Department	Short telephone interview	04.04.2011, 10 minutes
Kristi Suur	Ministry of Social Affairs	Adviser on ESF Co-ordination, Labour Market Department	Short telephone interview	06.04.11, 15 minutes
Ülla Mäe	Ministry of Social Affairs	Adviser, Social Policy and Information Analysis department	Longer personal interview	14.09.2011, 30 minutes