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

Executive Summary

Estonia

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Emigration

Estonia's total population decreased from 1,565,600 inhabitants at the time of the 1989 census to 1,370,100 in the 2000 census, a decline of 195,500 individuals or 12 percentage points. This was in part caused by natural decrease (accounting for 40,000 people), but the largest factor was negative net migration (155,000 people), largely due to the return migration of Russians to Russia. The country's population subsequently continued to decline between 2000 and 2010, but at a significantly slower pace. According to Statistics Estonia, the country's estimated population at the beginning of 2010 was 1,323,323, or 46,777 fewer people than at the time of the 2000 census. Most of this decade-long decline can be attributed to natural decrease (33,387 individuals), with net emigration accounting for just 13,390 individuals. However, this figure reflects only registered migrations, and thus underestimates actual migration flows.

Estonia became a country of net emigration after regaining its independence in 1991. The total size of the Estonian diaspora (which includes the children of individuals involved in earlier waves of out-migration, such as emigrants to Russia during the 19th century, or refugees fleeing to the West in 1944) is estimated to be between 125,000 and 135,000. The diaspora's largest individual populations reside in Finland, Russia, Sweden, the United States, Canada and Australia. The character of out-migration to the East (mainly Russia) and the West (mainly other European Union member states) has differed in significant ways. While migration to the East has been predominately driven by the return migration of ethnic minorities to their home country (ethnic minorities, mainly Russians, still comprise about one-third of the Estonian population), migration to West is true emigration. However, even this latter category is generally temporary, typically taking the form of short-term education or employment abroad, and often involves return migration to Estonia. About 12% of Estonian citizens have worked abroad.

Emigration has to some extent helped balance the labour market at times of economic boom and bust, with emigration increasing as domestic employment opportunities have contracted. Family-related motives were more important in the emigration patterns of the 1990s, while work-related motives have gained more prominence in the 2000s. There is no clear evidence of widespread brain drain from Estonia, but there are some areas - the health professions in particular - where problems related to emigration and brain drain are acute. While the absolute numbers involved in emigration are not strikingly high, the impact is substantial in relative terms. For example, the annual number of nurses leaving the country is equal to the number of nurses graduating from the Estonian educational system. The problems with doctors are as serious; between 2004 and 2005, for example, 7.6% of the country's doctors applied for certification to work abroad. This has left Estonia with a persistent comparative shortage of medical personnel; as of 2005, the EU-15 countries had 9 doctors per 100,000 inhabitants, while Estonia had just 5.5. The most important motive for this population's emigration is the significant wage gap between Estonia and destination countries, though doctors' salaries are comparatively high within the Estonian context. However, other reasons such as less stressful work environments abroad are also cited in decisions to emigrate.

The impact of migration on traditionally vulnerable groups in Estonia has not been well studied. Because a significant share of employment-related migration is to neighbouring Finland, absent parents and spouses are often able to return home frequently, lessening the impact of divided families on women and children. Relative poverty among the elderly has diminished significantly in recent years, largely thanks to transfer payments. The Roma population is small, but is not well-integrated into broader society, and has high unemployment rates.

Urbanisation

Estonia was relatively urbanized by the end of the Soviet period, with 71.5% of the population living in urban areas in 1990. The urban population share dropped to 69.2% in 2000, driven by three separate trends: urban areas were more strongly affected by minority populations' return migration from Estonia to their homelands in the 1990s; cities were affected more than rural areas by natural population decreases; and the country showed a

net internal migration flow (15,000) towards rural areas. The urban population share has increased somewhat since 2000, but cities still lost 2.3% of their inhabitants (20,300 individuals) to rural areas in the 2000s as a result of internal migration. However, migration between urban and rural areas lumps together two underlying processes of domestic migration. First, a very straightforward concentration of population can be observed as a result of internal migration since 1990, with every level of the settlement system (county seat, regional town, capital city) gaining migrants from lower levels, while losing population to higher levels. Overall, only the capital city's urban region shows net population gains due to migration, while all other levels of the settlement system show migration-related losses. But the most important feature related to internal migration is that of suburbanisation, or the dispersal of urban populations to the immediate (previously) rural hinterland surrounding core cities. This suburbanisation is responsible for the net population gain in rural areas associated with internal migration. Since jobs have largely remained in core cities, the incidence of commuting from these outlying areas to core cities has increased dramatically over the last two decades.

Policy responses to emigration and urbanisation

The Estonian parliament has asked the government to study the economic impact of migration. For its part, Estonia's government has stated that it supports temporary and circular migration, and active efforts have been made both within the public and private sectors to support circular migration and to attract members of the diaspora back to Estonia. Emigrants or foreign-born ethnic Estonians can receive financial support from the state (up to €2,000 per adult) if necessary to enable their return, while the Estonian Chamber of Commerce and Industry, supported by state and EU funds, has created a web-based jobs portal enabling domestic employers to reach out to potential returnees around the world.

Active labour market programs have been designed to increase employment levels and help returnees and new immigrants integrate. Other programs are aimed at decreasing regional differences by promoting domestic labour mobility, while a 10-year EU-funded program has sought to develop each individual region's specific economic potentials, a goal that could help retain potential migrants. Small municipalities have often lacked the capacities to take advantage of this project-based funding, however.

The most damaging effects of emigration in Estonia are associated with the loss of skilled personnel, particularly within the health care sector. To some extent, this is difficult to manage on a domestic level, as increasing remuneration within this sector would lead to an undesirable increase in social stratification, and the higher wages available in other EU countries cannot be decreased. However, EU-level policy could help redistribute schooling costs so as to reduce the burden on Estonia, with migration destination countries subsidizing the cost of training medical staff in Estonia and other countries that export physicians. On the purely domestic level, Estonian health professionals could be asked to pay for their own schooling and training, although this would harm those who do not emigrate. Alternately, health professionals who do choose to emigrate could be asked to repay the costs of their training.

More generally, any policies that contribute to increasing welfare and easing working conditions will reduce emigration pressure. Better data is also needed, with a harmonisation of migration statistics within the EU desirable so as to better understand the extent, nature and composition of European migration in general, and of Estonian migration in particular.