

## Migration Potential of Working-age Population in Estonia in 2010

Brit Veidemann

Cross-border population movements for employment purposes have fascinated scientists and policy researchers, but precise data about the population movements are not available. Although people in Estonia should register their new address in the population register and notify thus the state of changes in their place of residence, statistics do not reflect the actual extent and structure of migration. Therefore the Ministry of Social Affairs ordered a survey about the migration intentions and actual migration of residents of Estonia and has, based on the results, drawn up an analysis. The survey was carried out in spring 2010 by OÜ Eesti Uuringukeskus in cooperation with AS Norstat Eesti among 1,511 people aged 15–64. The survey was financed by the European Social Fund.

The analysis of the migration data should give ideas to both policy makers as well as to the public. For the purposes of this analysis potential migrants mean people who plan to work abroad and have also made preparations to that end. The analysis provides replies to questions on how large the quantity of potential migrants is, how definite their wish is, how long they want to stay abroad, which features characterise potential emigrants, what the reasons for the emigration wish and the main barriers to migration are and which changes have taken place in these indicators compared to earlier surveys.

The survey results reveal that compared to the earlier years the number of people who intend to work abroad has increased. While, according to the 2006 survey, the estimated migration potential of the working-age population in Estonia was 3.9% of the working-age population (about 36,000 people), by 2010, the number has increased to 8.5% (about 77,000 people).

## Introduction

The demographic trends in Estonia resemble the general trends in Europe. Population decreases mainly on the account of working-age people (aged 15–64) and the percentage of the elderly in the age structure of population will increase significantly in the decades to come. According to the Eurostat forecasts the percentage of working-age population in the European Union will decrease from 67.3% of the total population in 2008 to 61.9% in 2030. In 20 years from now, according to the Eurostat forecasts there will be 110,000 working-age people less in Estonia. This means that in 2030 there will be 12% less employees on the labour market, however the forecast model expects zero migration. Thus, the labour loss may be even higher if potential migration is also taken into account. Labour shortage related to decrease in active population, i.e. labour force, is not yet so acute, but due to the cyclical nature of the economy the problem will obviously become again rather topical sooner or later.

Migration aspects in Estonia have been discussed in several research works (Kallaste, Philips 2004, Järv 2007, Randveer, Rõõm 2009), but the main hindrance to the studies is that the migration data are not reliable. Due to the lack of trustworthy migration statistics there is no clear overview of migration flows (migration, return migration) or migration structure (who migrate, for which reason, where and for how long) in Estonia. Due to the different methodology and quality of data sources, the estimates on migration and working abroad vary significantly.

The migration statistics of Statistics Estonia are based on people's voluntary registration of the place of residence in the Population Register and the information has been supplemented by the data of Estonian citizens

who have registered their place of residence in Finland. The data most often used for characterising the socio-economic structure of migrants include Labour Force Surveys that underestimate the quantity of migrants and record only temporary stay-away.<sup>1</sup> Furthermore, the number of people included in the sample is small, which does not allow making a more detailed analysis based on two and more characteristics. In addition, in different years surveys have been ordered by different authorities in Estonia (e.g. the Bank of Estonia, the Ministry of Social Affairs, the Labour Market Board).

The working-age population of Estonia decreases and in order to obtain a better overview of the changes on the labour market it is important to have information about migration. To achieve the aim, migration intention surveys have already been conducted on the order of the Ministry of Social Affairs four times. This survey report has used the data of the migration intention surveys conducted in 2000, 2003, 2006 and 2010. When analysing the comparative data, it must be borne in mind that earlier surveys (2000, 2003) are not comparable on a one-to-one basis, as the questionnaire has meanwhile been changed. Still, we are able to point out the most important trends and assess the direction of the changes.

When interpreting the results of the migration intention surveys, it must be considered that they tend to overestimate the actual quantity of people going abroad. Migration literature contains several examples according to which migration intentions function as a strong indicator of actual migration behaviour (Fourage, Ester 2009, Drinkwater 2003). The results of the survey ordered by the Ministry of Social Affairs confirm that

---

<sup>1</sup> The total population of the Estonian Labour Force Survey is formed by working-age people living in Estonia permanently (over one year) and those who live in Estonia but intend to stay abroad less than a year are deemed to be staying away on a temporary basis. Thus, migration can be analysed based on an earlier experience in working abroad and on current employment in a foreign country. The Labour Force Survey considers an Estonian resident as employed regardless of whether his/her place of work is on or outside the territory of Estonia.

migration intentions reflect the actual migration very well, taking also into account the factors that encourage and hinder the realisation of migration decisions. As the survey is not conducted for the first time, similar methodology and questionnaire allow assessing the difference between the actual and statement-based migration. In 2006, 26% of working-age population expressed a wish to work abroad within the following five years and one-half of them, i.e. 13%, had already made preparations for migration. The 2010 survey reveals that within the last five years 12% of the respondents, i.e. approximately 112,000 people, have worked abroad (with 95% of probability the number of people who have worked abroad is in between 92,400 and 132,800). The results correspond to the results of the Eurobarometer Survey (European Commission, 2010) carried out at the end of 2009, according to which 15% of Estonian

residents have worked abroad. The Human Asset Report (2010, 11) reveals that 15% of women (aged 26–35) have an earlier experience in living abroad.

The following policy analysis has been divided into five parts. At first, an overview is provided of recent changes on the labour market. The second chapter analyses the firmness of migration intentions, the desired length of stay abroad and the changes that have taken place over the time. The third chapter covers the socio-economic background of potential migrants, i.e. which target groups are most willing to work abroad. The fourth chapter provides an overview of the employment background of the potential migrants and examines the most preferred migration destinations. The fifth chapter covers the main incentives for and barriers to migration.

Within the last five years 12% of the respondents, i.e. approximately 112,000 people, have worked abroad.

## 1. Overview of development of labour market

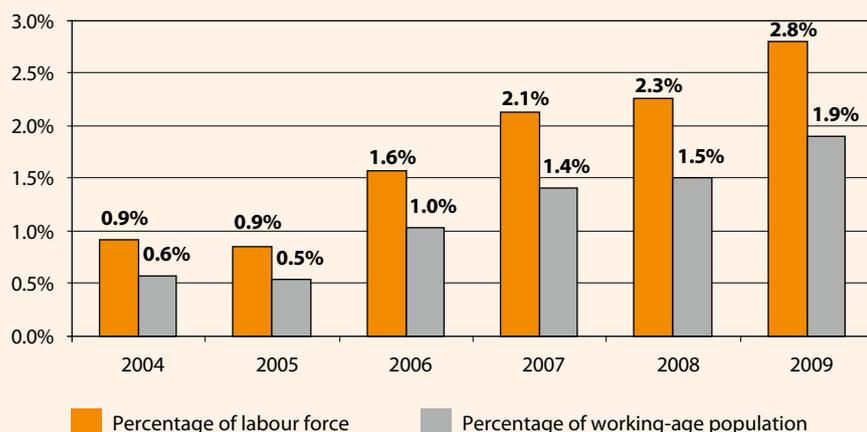
The Estonian Labour Force Survey indicates that since Estonia's accession to the European Union the percentage of people working abroad among the working-age population has been on a constant increase. While in 2008 the percentage of residents aged 15–74 working abroad full-time was 1.5% and accounted for 2.3% of the labour force (approximately 15,500 people), in 2009 the percentage of people working abroad among the labour force has increased to 2.8% (see Figure 1). Thus, in 2009 the number of people working abroad totalled 19,000–20,000. It must be borne in mind that the Labour Force Survey underestimates the extent of migration as the data do not record staying away from the home country and working abroad for a longer period. This is due to the fact that it is not possible to include people staying away from Estonia in the survey. However, Labour Force Surveys still give an idea of changes in the migration flows.

The assessment obtained according to the Labour Force Survey is quite similar<sup>2</sup> to the results of the survey ordered by the Ministry of Social Affairs. Namely it appears that during the survey (in March–April of 2010) 3% of the working-age population aged 15–64, i.e. approximately 28,000 people, worked abroad. We can state with 95% of probability that the number of people who worked abroad was in between 18,000 and 39,000.

The economic recession in Estonia has first of all affected the employment of men. While in 2008 the rate of unemployment of men aged 15–64 was 5.9%, in 2009 it rose to 17.4% and in Q1 of 2010 even as high as to 25.9%. At the same time the rate of unemployment of women increased from 5.4% to 15%. In 2009, the unemployment rate fell the most in the field of construction and processing industry (textile and clothing industry, food industry, timber industry). Due to the decline on

<sup>2</sup> As the total population of Labour Force Surveys is formed by people aged 15–74 and as it is known that the elderly are not a mobile target group, but they form a large part of the population, the assessment about the quantity of migrants obtained as a result of Labour Force Surveys is somewhat different and has been affected by the age group of the total population.

**Figure 1. Percentage of working-age people working abroad among the labour force and working-age population of Estonia, 2004–2009**



Source: Estonian Labour Force Survey 2004–2009, author's calculations

the construction market the number of employees in the construction sector, where the employment in 2006 and 2007 increased by approximately 30% a year, continued to fall. Thus, people whose skills did not comply with the new requirements of the labour market incurred difficulties in finding a new job and therefore went abroad to find job there. The Human Development Report (2009, 21) estimates that the recession in the Estonian economy will most probably last long, due to which in the nearest future undertakings will not be able to create as many new jobs as required to alleviate unemployment. If in-service training is not connected with measures adopted to create new jobs, there will be a large risk to lose valuable human resources due to discouragement and emigration.

The analysis of changes in the working life of people in Estonia in 2008 and 2009 reveals that a large part of those (81%) who had worked abroad within a certain period in the year preceding the survey has also been employed in 2009 (see Table 1). At the same time their rate of employment has decreased and the percentage of unemployed among them has risen sharply. Compared to 2008, the percentage of people who have worked abroad, but have become unemployed, has risen twice (from 7.2% to 15%), while the percentage of the unemployed in the group

that has not worked abroad earlier has increased to 9%. One of the reasons why the rate of unemployment of those who have worked abroad is high can be found in their employment structure. During the economic boom labour migrants entered such economic sectors of European countries where the demand for labour force increased. So this survey also reveals that one-half of the residents of Estonia who worked abroad were employed namely in the construction sector and processing industry.

The global financial crisis that started in 2008 has grown into a job crisis that expresses itself in the rapid increase in unemployment and affects immigrants considerably more than local labour force. As migrants are typically younger, less educated and with minor experience, work in sectors of cyclic character (construction, accommodation and catering, industry) and on the basis of temporary contracts, they are the first ones to be made redundant during an economic recession (Human Development Report 2009, 41).

Thus, those who have emigrated from Estonia incur difficulties both in finding a job as well as when returning to the labour market in Estonia after their stay abroad. Those who have gone to work abroad earlier are more affected by the economic recession than the

**60% of those who have worked abroad within the last five years have come back to Estonia due to the loss of job or completion of work; one-half of those have become unemployed.**

**Table 1. Division of people with earlier experience in working abroad by labour market statuses (%), 2008–2009**

Labour market status	Did not work abroad at all during the previous year		Worked abroad during the previous year	
	2008	2009	2008	2009
Employed	62.5	56.7	89.4	80.8
Unemployed	3.6	9.0	7.2	15.1
Inactive	33.9	34.3	3.4	4.1
TOTAL	100.0	100.0	100.0	100.0

Source: Estonian Labour Force Survey 2008, 2009, author's calculations

local labour force in Estonia. The results of this survey confirm that 60% of those who have worked abroad earlier (within the last five years) have come back to Estonia namely due to the loss of job or completion of work. One-half of those, in turn, have commenced work in Estonia and one-half have become unemployed.

Before we start the analysis of migration intentions of people in Estonia in 2010, it must be pointed out that compared to the results of earlier surveys the wishes of working abroad have changed significantly. It must be borne in mind that the economic situation in 2010 is considerably different from that in 2006 when the previous survey was conducted. In 2006 the migration was significantly affected by the opening of the Finnish labour market to Estonian labour force. The year 2006 in

Estonia was affected by the rapid development of the economy and a sharp increase in salary level: working abroad was seen as an opportunity for acquiring new knowledge and skills and it was considered a natural part of the career. Opposite to the boom year, the beginning of 2010 is characterised by the continuous decrease in salaries and a high level of unemployment, when the prospects of finding the desired job on the Estonian labour market in compliance with the expectations has reduced – this is the reason why residents of Estonia wish more and more to work abroad. People engaged in labour mediation also admit that the number of people asking for advice about working abroad from the labour mediation system EURES of the Unemployment Insurance Fund is on a constant increase (Raus 2010).

## 2. Migration intentions of Estonia's working-age population

While in 2006 the economic growth and opening of labour markets changed the attitudes of people of Estonia to working abroad more positive, then the results of 2010 confirm that working abroad is rather seen as the last resort, which must also be taken into account when interpreting the results. Based on the feedback from interviewers it appears

that the overall timing of the survey was not the best as the reply background was negative. Economic difficulties have increased people's dissatisfaction and uncertainty about the future, which in turn has reduced the respondents' interest in participating in the survey; the migration intention was revealed much more often than in 2006.

## 2.1. Satisfaction with current work and migration intentions

Insecurity about the stability of the workplace increases the wish to work abroad.

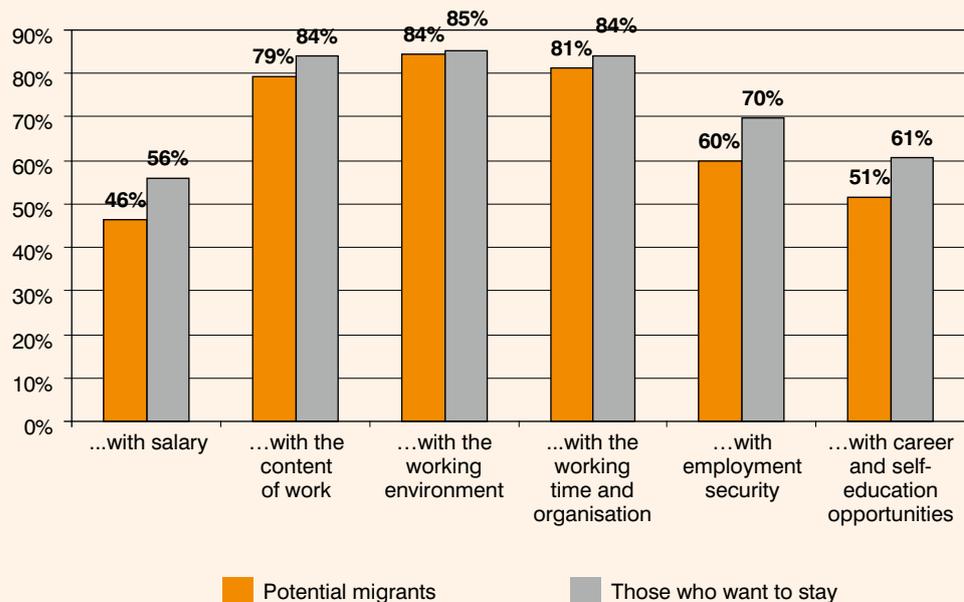
Compared to 2006, in 2010 there have no big changes taken place in the general satisfaction with the current work among working-age population as a whole. However, a significant decline in satisfaction can be seen among potential migrants namely in case of employment security. In 2010, every fourth employed person considered it likely to lose their current job within 12 months while among people with migration intention every third person considered it likely. At the same time only 12% of employed persons consider leaving their current workplace within 12 months at their own request likely while in case of people with migration intention each third person intends to leave work at their own request.

When comparing potential migrants and those who do not intend to work abroad, the largest difference appears namely in the satisfaction with the employment security, wages and career opportunities (see Figure 2). The share of people who are very or quite

satisfied with their salary and career opportunities among people with migration intention is considerably smaller (by 10%) than among people without the migration intention. Unlike salary, the reasons for migration do not reflect the fear to lose one's professional skills. The number of people performing work corresponding to their profession is equal in case of potential migrants and those intending to stay in Estonia, thus the fear to lose one's professional skills is not of decisive importance. Potential migrants include 2% more of employees holding positions requiring both lower as well as higher qualification, due to which it cannot be alleged that the situation of those who want to work abroad at the workplace is worse than that of people who intend to stay in Estonia.

According to the most general assessments of the respondents, in 2010 the share of people who considered going abroad for employment purposes was 38%<sup>3</sup>, in 2006, however, 26% of working-age population. However, the result remains below the results of 2003 and 2000: in 2003, the share of potential or rather potential migrants was 42% of work-

Figure 2. Percentage of potential migrants and people who intend to stay in Estonia who are satisfied or quite satisfied with different aspects of their workplace, 2010



Source: Eesti Uuringukeskus, author's calculations

<sup>3</sup> The same result was also achieved as a result of the Eurobarometer Survey.

ing-age population and in 2000 the same number was 51%.<sup>4</sup> In 2010, 50% of working-age population does not intend to go abroad for employment purposes, while in 2006, 2003 and 2000 the same indicator was 59%, 47% and 40%, respectively.

If migrants are deemed to be people who have expressed their firm wish to work abroad and who have also made preparations to that end, in 2006 those people accounted for 3.9% of working-age population (approximately 36,000 people), but in 2010 the percentage was already twice as high: 8.5%. Thus, the number of potential migrants could be up to 77,000 people.

## 2.2. Firmness and awareness of working abroad

People intending to work abroad consider themselves to be less aware of employment opportunities abroad than potential migrants in previous years. People who think that they are very well or quite well informed account for less than one-half (47%) of people with migration intention, while earlier their share was 60%. Although the media has recorded a lot of cases where people who go to work abroad encounter difficult working conditions and employers who turn out to be cheaters, the problems are not so topical for migrants. The biggest need is for information about salary and job vacancies (24%) and about the general operations procedure (23%). Interest in the employer's background and working conditions is secondary.

The use of information channels in order to look for a job is very limited in the case of potential migrants. The most widespread is the collection of information from acquaintances and friends (68%) and very few people address labour mediation companies (15%) or the Estonian Unemployment Insurance Fund / EURES (4%). When obtaining information about employment opportunities in other countries, women are more eager to

Although intentions to work abroad may be considered as a strong indicator of actual migration, actual migration is affected by the combined effect of the working opportunities, financial resources, language skills, family relations and other factors. Thus, it is not important to analyse the most general assessments of respondents, but instead to study the background of migration preferences in more detail: how firm the migration intention is, what kind of preparations have been made, how high the employment opportunities abroad are assessed, how much potential migrants are informed, etc.

look for job-wanted ads through the Internet, while men prefer information received from acquaintances and offers from employers in Estonia.

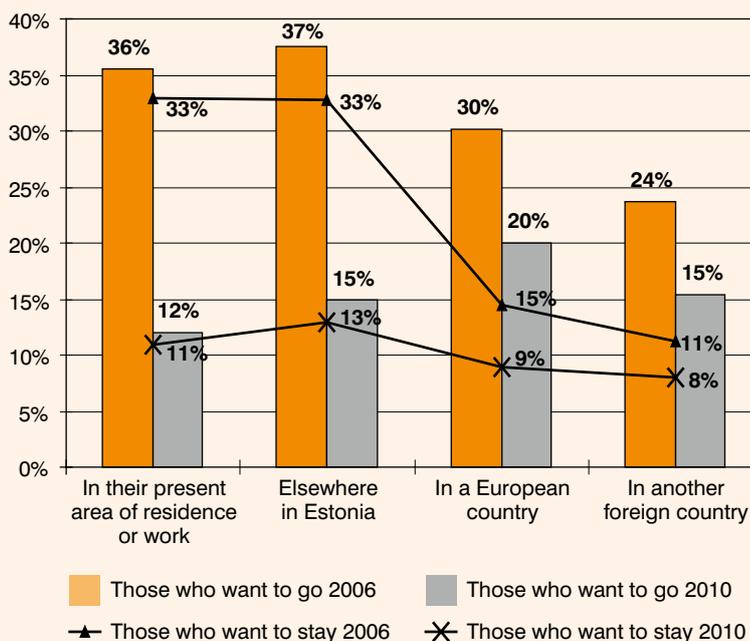
Migration intentions have become somewhat more definite than compared to the previous survey: more than one-half (56%) of the potential migrants have made preparations for working abroad, while in 2006 they accounted for less than one-half (49%). To be more detailed, specific preparations (e.g. applying for job, language studies, enquiries for accommodation possibilities, etc.) have been made by one-third and information has been collected, but no specific preparations have been made by 35%. Thus, potential migrants who have made specific preparations and have a definite wish to work abroad in the future account for 4.7% of working-age population, i.e. approximately 42,700 people. Although they are all ready to work abroad, they have become less certain about finding a job.

On average, the working-age population in Estonia assesses the opportunities to find a job lower than before. In 2006 both potential migrants as well as those intending to stay in Estonia were more self-confident about the opportunities for finding a new job. If earlier

**About 43,000 people have made specific preparations and have a definite wish to work abroad in the future.**

<sup>4</sup> The surveys of 2003 and 2000 are not comparable on a one-to-one basis with the results of the surveys conducted in 2006 and 2010 as the questionnaire has meanwhile been changed.

Figure 3. **Could you manage to certainly find a (new) job in compliance with your qualifications? 2006 and 2010**



Source: Eesti Uuringukeskus, author's calculations

more than one-third of those who intended to work abroad believed in finding a job in Estonia as well as in Europe, this year only 12–20% of the people dare to state that for sure (see Figure 3). As the economic recession did not touch only Estonia, but also other countries, it is also more difficult to find job elsewhere.

The survey reveals that people who intend to work abroad are still more optimistic about the opportunities of finding a suitable job

both in the home country as well as abroad. Those who are less convinced of the opportunity of finding a job in compliance with their qualifications in a foreign country include non-Estonians and more self-confident are men and young people (aged 15–24) who have also expressed their migration intention more powerfully (see subchapters 3.1, 3.2, 3.3). At the same time people have become more tolerant and expectations of employment abroad are not as high as in 2006.

### 2.3. Expectations of employment abroad

Insecurity and worse prospects of finding a job have reduced the expectations of potential migrants towards employment abroad. If the 2006 survey reveals that almost every fifth (19%) agreed to work at a job that requires slightly lower qualification, then in 2010 every third (29%) agrees to that. According to the previous survey 15% of the potential migrants agreed to do any work abroad, this

year they account for 6 percentage points more. The expectations are more modest in the case of women, young people (aged 15–24), people of lower educational level and of national minority, people belonging to households with the lowest income and people from Tallinn.

In the case of question what the desired job abroad is, clear preference is given for occupations at lower levels of the ISCO occupational groups<sup>5</sup>. The most preferred jobs

<sup>5</sup> ISCO occupational groups: 0 – armed forces occupations, 1 – chief executives, senior officials and legislators, 2 – professionals, 3 – technicians and associate professionals, 4 – clerical support workers, 5 – service and sales workers, 6 – skilled agricultural and fishery workers, 7 – craft and related trades workers, 8 – plant and machine operators and assemblers, 9 – elementary occupations.

abroad include that of a construction worker, elementary worker, cleaner and room attendant, customer service assistant, chauffer and bus driver. 38% of the respondents have mentioned working as a builder, which is an expected result taking into account the recession in the building sector and the high level of unemployment in Estonia. In addition to the building sector the sectors sticking out include mostly those offering temporary and/or seasonal jobs, like accommodation, catering and agriculture. There is also a clear difference between occupational preferences of men and women. Those who wish to work in the area of construction include mostly men aged 35–44 and people from rural areas. However, women would rather work as cleaners, room attendants and customer service assistants in accommodation and catering establishments or as care-workers, nurses and social workers in social welfare and health care institutions.

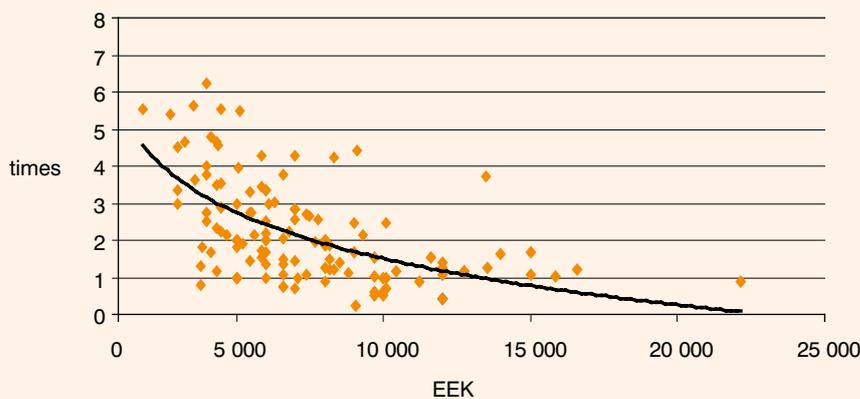
The most important reason for working abroad as mentioned by the potential migrants is the wish to receive higher salary (a more detailed discussion of migration factors has been provided in Chapter 5). If during the economic boom the employees' expectations for salary increased, then by now the staff reductions and cost-cutting have also reduced the salary expectations of potential migrants. 61% (in 2006) and 54% (in 2010) of the potential migrants think that their sal-

ary should be at least equal to that of the local residents doing the same work. Most of the people wish to receive for work performed abroad the salary that remains in between 10,000 and 30,000 kroons, each fourth potential migrant would like to earn minimum net salary in between 15,000 and 20,000 kroons. The lower the latest salary is/was, the higher the salary increment to be earned abroad should be. As Figure 4 shows, the salary increment to be earned abroad should be on average three times as high for a person who used to earn in his/her latest employment approximately 5,000 kroons. Those who used to receive salary of 10,000 kroons would like to earn, on average, salary increment that is one and a half times higher, i.e. on average 25,000 kroons, assuming provisionally that the price level and subsistence expenses would be the same as in Estonia.

The survey reveals that the share of potential migrants and their wish to receive higher salary is similar according to the income levels. It has been found that differences in income levels explain only partially changes in migration patterns, therefore it will be studied hereinafter (in Chapter 4) what the main incentives for and barriers to working abroad are. But before that an analysis of the time perspective of working abroad and the socio-demographic profile of potential migrants will be made.

The most preferred jobs abroad include that of a construction worker, elementary worker, cleaner and room attendant, customer service assistant, chauffer and bus driver.

**Figure 4. Salary in the latest employment (in kroons) and assessment how many times higher the net salary should be compared to that received in the latest employment in order for the person to work abroad, 2010**



Source: Eesti Uuringukeskus, author's calculations

## 2.4. Preferred duration of stay abroad

People's intentions to work abroad have become more definite and their temporal time horizon has extended.

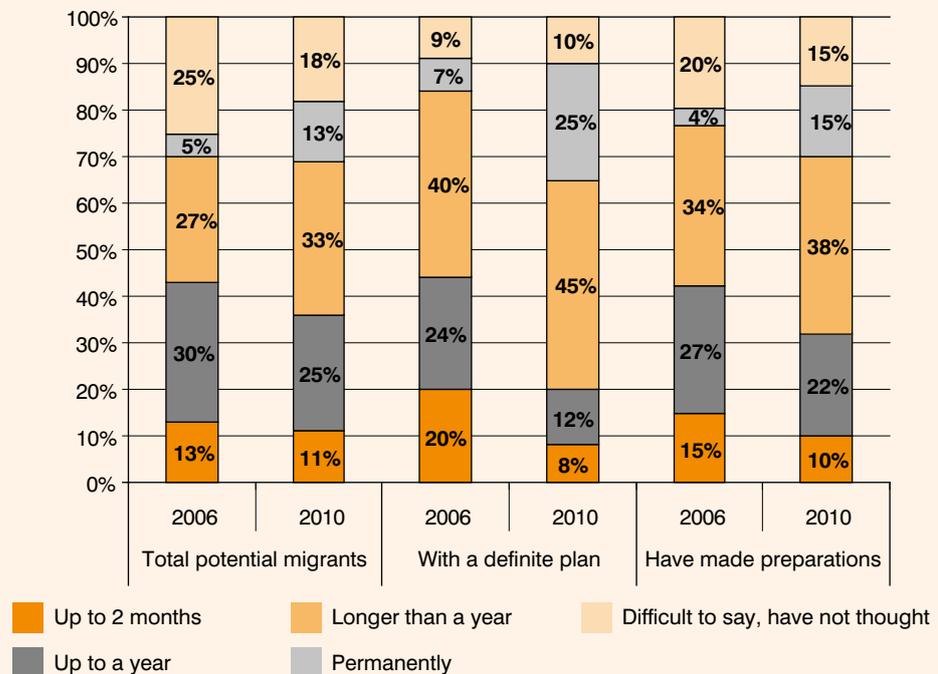
Often the matter of question is the time horizon of migration: whether people would like to work abroad on a temporary, e.g. seasonal work, or permanent basis. According to the population researcher Luule Sakkeus the nature of migration has changed: people go abroad, obtain experience and come back later. As she says this is quite a usual behavioural pattern of modern population.<sup>6</sup> According to official statistics, remigration has increased within the last years; thus, four of each ten immigrants is of Estonian citizenship (Statistics Estonia).

The results of this migration survey also confirm that people are more likely to go abroad on a temporary basis. Still, the number of people leaving Estonia permanently may be underestimated as people staying abroad on a temporary basis are more available for interviewers in Estonia, due to which more

information is known about their migration experience. The Estonian Human Asset Report (2010, 9) also notes that the group of temporary migrants makes a misleadingly strong impression about the extent of migration.

If earlier (in 2006) a major part of potential migrants saw themselves working abroad on a temporary basis, now the share of people intending to work abroad for up to two years has decreased from 43% to 36%. Returning to Estonia is becoming less likely: 13% of potential migrants find that they will stay abroad forever, the same indicator before has been 5% (see Figure 5). The number of people wanting to permanently migrate has increased and also exceeds the results of 2000, when 15% of those wanting to work abroad would have migrated permanently. Potential migrants have also prepared their plan to work abroad in more detail. When in an earlier survey one-fourth of all the potential migrants found that they have not thought of

Figure 5. For how long do you plan to stay abroad? 2006 and 2010



Source: Eesti Uuringukeskus, author's calculations

<sup>6</sup> *Rahvastikuteadlane: jutt suurest väljarändest on müüt* [Population researcher: stories about large migration are a myth] [<http://www.postimees.ee/?id=262265>].

or cannot say for how long they wish to stay away from Estonia, now their share has decreased to 18%.

Potential migrants who are interested in working abroad for a longer period (longer than a year, but not permanently) are primarily those of Estonian nationality, the highest income level and from rural areas. In the case of potential migrants each fifth non-Estonian and each tenth Estonian wants to leave permanently.

Hereinafter the term of short-term migrants is applied to the people intending to go abroad for less than a year and the term long-term migrants is applied to those intending to stay abroad for more than a year. But before we analyse in more detail who are behind the preferences we will study what the main socio-demographic factors characterising potential migrants are.

### 3. Socio-demographic profile of people wanting to work abroad

The following is a description of the migration intentions and firmness thereof as well as migration preferences and how these have changed in time.

Registered migration statistics reveal that there are more women and full working-age people among the migrants, but the results of the migration intention survey conducted by the Ministry of Social Affairs do not confirm that. According to Statistics Estonia, a bit more than one-half of the migrants are women (53%) and in terms of age the largest share is held by people aged 30–49 (40%). Men account for 60% of people with migration intentions while in the case of people who worked abroad earlier the percentage

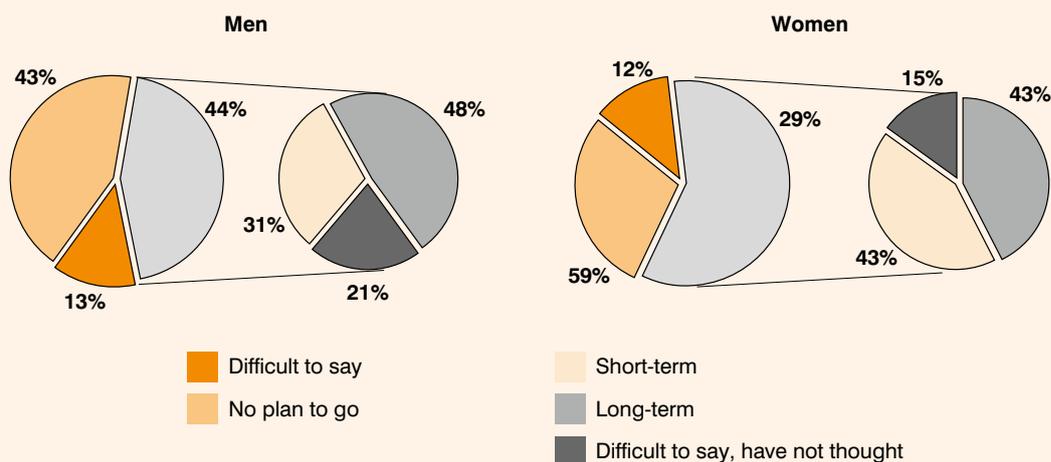
is even higher (77%). Although the largest group of potential migrants are aged 15–24 (36%), in reality the division of people who have worked abroad during the last five years into age groups is quite equal, e.g. 28% are aged 25–34. The results of registered migration statistics may be affected by the fact that women are more conscientious in registering their residence. In the case of women the reasons for migration are also more related to family than to work commitments and the duration of their migration is shorter. As the survey reveals, earlier the men who worked abroad travelled more often between their home and abroad than women, due to which they did not deem it necessary to register their residence change.

#### 3.1. Gender

The results of the migration potential survey provide an excellent opportunity for taking a glance at differences in the migration behaviour of men and women. Within the last five years 6% of female and 21% of male respondents have lived or worked abroad. The reason for a long-term residence abroad was in the case of men exclusively employment, which was stated by 80% of men. However,

in the case of women besides employment (42%) family-related reasons (37%) are also of much importance. People with a definite wish to work abroad in the future also include almost three times more men (17.5%) than women (6.5%) and the men's intentions are also more definite (they have made more preparations than women). 44% of men intend to work abroad and men are also ready to work in a foreign country during a longer period than women (see Figure 6).

Figure 6. People wanting to work abroad by gender and the length of stay, 2010



Source: Eesti Uuringukeskus, author's calculations

Migration intentions and actual migration reveal that in one-half of the cases men worked rather (would rather work) in the construction sector. Women have worked as customer service assistants, waitresses and cleaners in accommodation and catering establishments – they have mentioned these jobs and, based on experience, also elementary work in agriculture as possible occupations. Based on migration intentions, two-thirds of women would prefer work in the field of accommodation and catering and one-third of women in the field of social and health care.

Although three-fourths of men have earlier worked abroad officially, still only each fourth man is convinced that he received as high salary as local residents for the same work. In one-half of the cases men received somewhat lower salary than local residents doing the same work. Majority of men have performed work corresponding to their profession and approximately 70% of them were of the opinion that the work abroad corresponded to their qualification. In the case of women, the situation is quite the contrary. It is interesting to note that these are namely women who consider finding job corresponding to their qualification and professional development less important than men. Based on the migration intentions, women agree more than men to receive job requiring a lower qualification and they also agree to lower salary.

Thus, it appears that 70% of women who worked abroad held a job that did not correspond to their profession and only 30% were of the opinion that the job abroad corresponded to their qualification. When replying to the question about the possibilities of finding a job abroad today that corresponds to the qualifications, men are much more self-confident than women.

While in the case of men the most preferred destinations for future employment are the Nordic countries, particularly Finland, then women are in their choices much more diverse, so they mention the US, Germany and Great Britain more often than men. While men consider high salary level and experience from the same country the most important factors, women think that connections with acquaintances and close relatives living in the destination country as well as pleasant nature are of major importance. Thanks to the proximity of the destination country during their stay abroad men visited their close relatives in Estonia significantly more often than women, which may also result from the fact that in the case of women the nature of the work was considerably more temporary than in the case of men. Before migrating abroad the majority of men (70%) were employed in Estonia, while in the case of women almost each third one studied before in Estonia.

## 3.2. Age

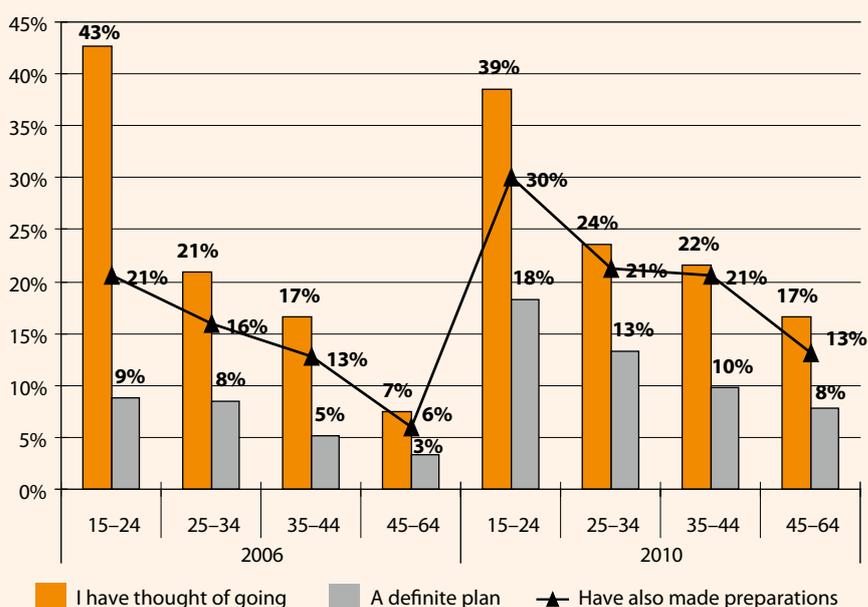
Migration abroad takes more often place during the period of life characterised by the beginning of independent life and new challenges. Migration intentions diminish when people start devoting more time to home and work (see Figure 7). Rapid increase in the unemployment of young people this year is a problem of critical importance as young people are the most mobile age group. Compared to the results of 2006 it appears that the share of young people with a definite wish to go abroad has doubled (the increase has been from 9% to 18%).

The differences arising from the age are probably related to the lifestyle of people. As young people are more mobile and have less family commitments, the share of young (aged 15–24) potential migrants in the population of the same age is one and a half times higher than the general share of migration among the working-age population, but compared to older age groups the young people's plans to go abroad are significantly less detailed. Specific preparations for going abroad have been made by a bit less than one-half of young people with migration intention. Young people differ from other age groups also by the fact that more than one-half of them (55%)

would prefer to go abroad together with their friends while almost the same share (52%) of people aged 25–34 would like to go together with their spouse or children.

People of full working age (aged 25 and more) have a clear idea of working abroad: the majority of them would like to receive a job that requires the same qualification that their last job (e.g. as builders) required. In contrast, young people would prefer to work similarly in the field of construction as well as in the field of accommodation and catering. If one-half of the potential migrants of more mature full working age prefer the Nordic countries, the countries very popular among young people include besides Finland (which is preferred by one-third) also Australia and the US. Young people wish to stay abroad for a longer period than the average. Higher salary is less important for young people than for the rest. Instead, they substantiate their migration wish by the desire to broaden the mind and by the need for professional development. As one-fifth of young potential migrants have no work experience, it is logical that their salary expectations are more modest. In addition to young people who clearly stand up among the rest by the migration intentions, there are also differences between nationalities.

Figure 7. People wanting to go abroad by age groups, with a definite plan or intention to work abroad in the future, 2006 and 2010



Source: Eesti Uuringukeskus, author's calculations

### 3.3. Nationality

The situation of non-Estonians on the Estonian labour market is more unfavourable than in the case of Estonians and this also reflects in their migration intentions. Non-Estonians are more sceptical and they have less belief in the opportunity of finding a job that corresponds to their qualification in Estonia as well as elsewhere. There are also twice as many people among non-Estonians who would agree to do any work abroad, regardless of the qualification. The time horizon of migration in the case of people of national minorities is longer than in the case of Estonians. At the same time, their preparation and informedness about the opportunities for finding work abroad are poorer.

Low salaries and high unemployment in Estonia are for understandable reasons higher motives for non-Estonians for working abroad than for Estonians, particularly if to take into account the fact that in Q1 of 2010 the unemployment rate (27.9%) of non-Estonians was twice higher than the unemploy-

ment rate of Estonians (15.7%) (Estonian Labour Force Survey). Unfortunately disappointment in life in Estonia and the wish to just leave are the reasons that non-Estonian potential migrants mention more often than Estonians.

Preferences with regard to work abroad are similar in the case of different nationalities, but destination countries are not. Among non-Estonians the Nordic countries are a less popular destination than among Estonians and migration to Russia and Germany is preferred by a considerably larger part of people of national minorities – this is confirmed both by the migration intentions as well as the actual migration. In the case of non-Estonians a more important factor in preferring destination countries is the existence of acquaintances and place of residence and work in the destination country than in the case of Estonians. As poor language skills hinder non-Estonians' finding a job in Estonia, this is also mentioned as one of the most important barriers to working abroad.

### 3.4. Educational level

Professional experience and skills in formal education are a prerequisite for success in career planning and remaining competitive throughout working life. The connection between migration and human assets is observed from the following two points of view: the educational and skill level of people with migration intention compared to other working-age people and the share of migration according to the relevant levels.

When analysing migration behaviour, a lot of attention is paid to the educational and skill level, as it is closely connected with the so-called brain drain topic. The reasons why more capable people could be more mobile are the following: they adjust faster in the

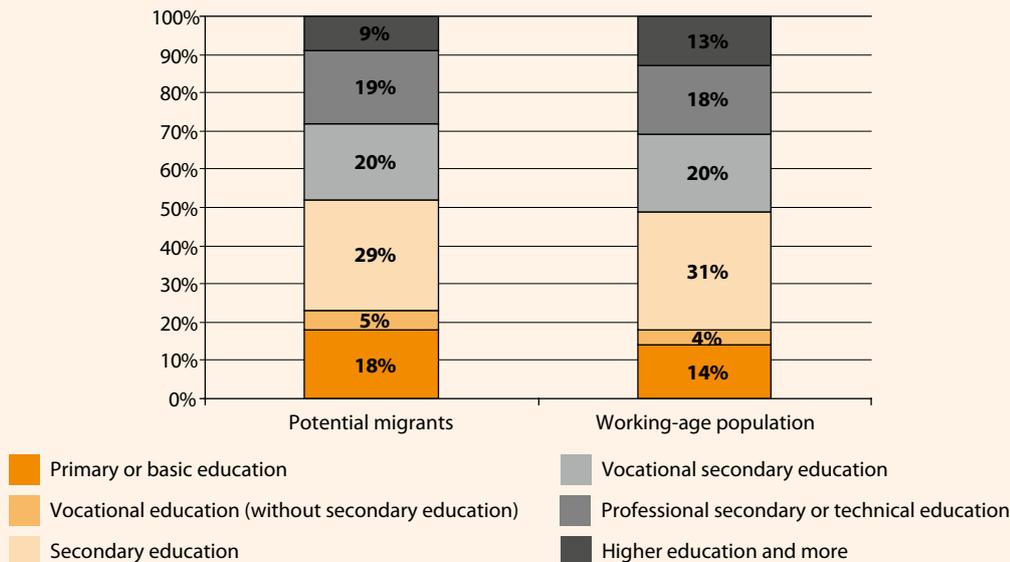
destination country (obtain language skills and accept traditions and customs faster), they earn migration expenses back faster and their skills are better transferable (van Dalen et al 2008, 5). Empirical literature has not proved the fact that people of higher qualification and educational level are more mobile than the rest. Data problems are often also of decisive importance.

The data received on the basis of the Eurobarometer confirm that the educational profile of people with migration intentions in the European Union on average is similar to that of local population. Compared to local labour force, the percentage of migrants is higher in the case of both the first as well as the third level of education.<sup>7</sup> Migrants hold more primary level jobs (in construction,

---

<sup>7</sup> ISCED levels of education: level one – primary education, basic education, vocational education for young people without basic education; level two – secondary education, vocational education based on secondary education; level three – professional secondary education based on secondary education, academic education, professional higher education, doctor.

Figure 8. People wanting to go abroad and working-age population by educational levels, 2010



Source: Eesti Uuringukeskus, author's calculations

mining, sales work), while local labour force hold more white-collar jobs<sup>8</sup> (World Bank 2010, 42–44). The results of this survey were similar, except in the case of tertiary education. The comparison of the educational levels of both potential migrants as well as persons with migration experience reveals that the percentage of people of higher educational and skill level among the migrants is not disproportionately larger than among the working-age population of Estonia.

The educational structure of working-age population reveals that almost 45% of the people questioned in 2010 have not undergone any vocational or professional training (have obtained basic education or comprehensive secondary education as the highest level of education). The share of such people among potential migrants is even higher. Compared to working-age population (13%), the share of people with higher education among potential migrants (9%) is somewhat smaller (see Figure 8). Compared to the previous survey, the share of people with higher

education among potential migrants has also decreased (in 2006: 12% respectively). The share of higher educational level has reduced among people with both long-term as well as short-term migration intention.

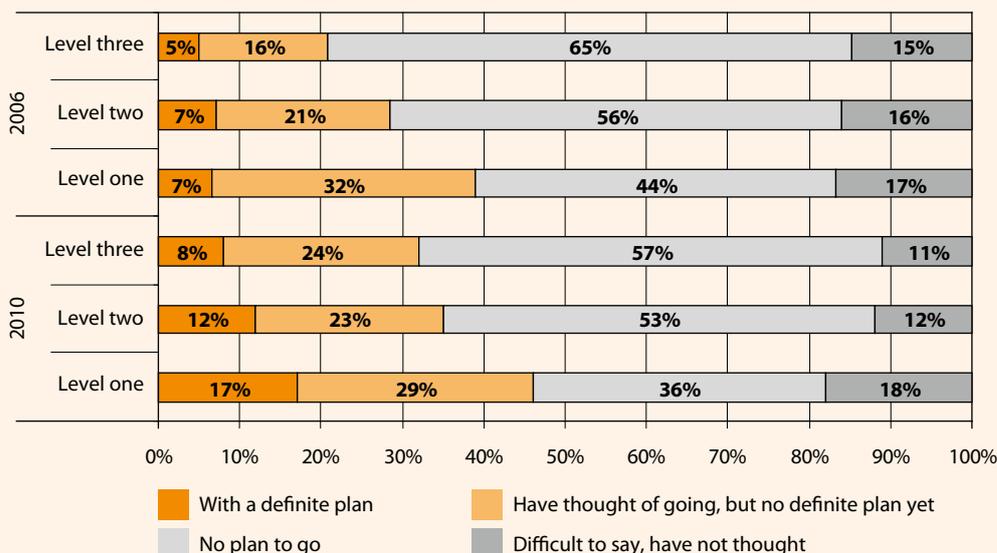
Figure 9 presents migration intentions by educational levels. Compared to 2006, the migration potential has increased with regard to all educational levels. People with higher education are less interested in working abroad (57% have no plan to go) than people with average (53%) and lowest level of education (36%). The reason might be that more educated people usually adjust faster to changes on the labour market, i.e. that they are least affected by changes on the labour market.<sup>9</sup> The most vulnerable group includes people of the lowest level of education, which is also reflected in the educational profile of the unemployed. In 2009, the long-term unemployment rate of persons of the first educational level was more than five times higher than that of persons of the third level, 9.2% and 1.7% respectively. Figure 9 indicates that

The percentage of people of higher education among the potential migrants is lower than that among the working-age population.

<sup>8</sup> The so-called white-collar workers include chief executives, senior officials and legislators, technicians and associate professionals and clerical support workers. The so-called blue-collar workers include service and sales workers, skilled agricultural and fishery workers, craft and related trades workers, plant and machine operators and assemblers, elementary occupations and armed forces occupations.

<sup>9</sup> Two-thirds of employees of the third educational level are convinced that the work that they perform and their qualification are in agreement with each other, while in the case of lower educational levels the same indicator is by 10 percentage points lower. The indicators showing the satisfaction with work are also higher in case of them. However, people of the third educational level are more sceptical and do not consider finding a job that corresponds to their qualification in an EU Member State or another foreign country very likely.

Figure 9. Do you intend to work abroad in the future? 2006 and 2010



Source: Eesti Uuringukeskus, author's calculations

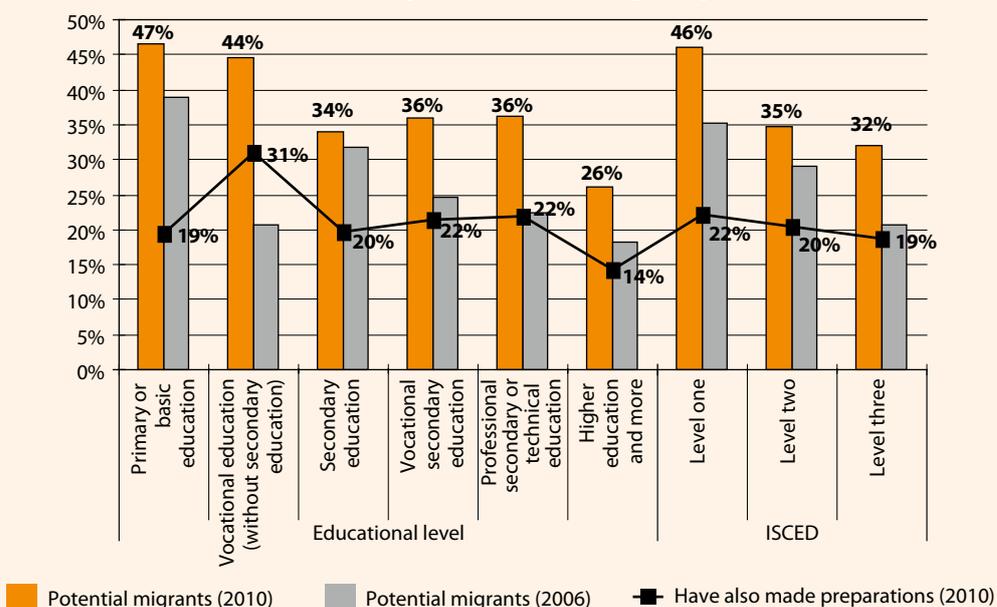
Note. Level one – primary education, basic education, vocational education without secondary education; level two – secondary education, vocational secondary education based on secondary education; level three – professional secondary education based on secondary education, technical education, higher education and more.

compared to 2006 the definite migration wish has increased the most among people with basic or vocational education (without secondary education).

When considering also preparations made for working abroad, it appears that migration intentions do not differ significantly by educational groups (see Figure 10). Although

people of the lowest educational level are ready to express their migration wish, specific preparations have been made by a considerably smaller part of working-age population of this educational level. The migration wish has been expressed most firmly by people with the highest education whose decision is carefully thought out and based on preparations.

Figure 10. People wanting to go abroad with a definite plan or intention to work abroad in the future by educational groups, 2006 and 2010



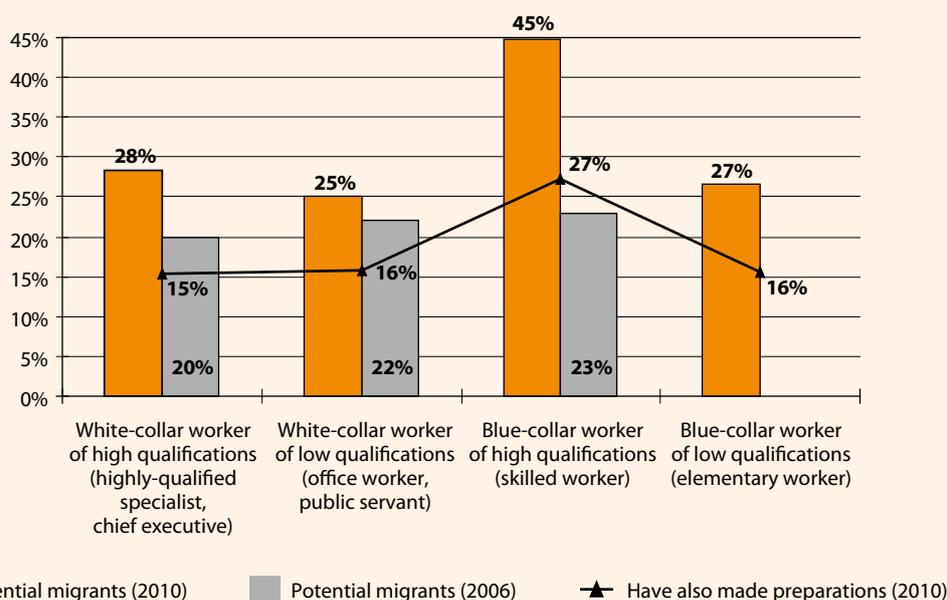
Source: Eesti Uuringukeskus, author's calculations

### 3.5. Skill level

According to the analyses made by the Institute for Management Development (IMD) the competitiveness of Estonia within the next ten years will depend mostly on the possibilities of finding business managers, engineers and skilled workers. It can be stated based on the migration intentions that the problem may be aggravated by migration as most of the migrants are skilled workers.<sup>10</sup>

Next we will look at the skill groups and the percentage of potential migrants and people who have made preparations for working abroad by skill groups (see Figure 11). When earlier the division of potential migrants between the skill levels was equal, in 2010 their share has risen sharply among skilled workers: among them at least 1.7 times more people have made preparations for going abroad than in any other reference group.

Figure 11. People wanting to go abroad with a definite plan or intention to work abroad in the future by skill groups, 2006 and 2010



Source: Eesti Uuringukeskus, author's calculations

Note. In 2006 the sample of the elementary workers' group was too small to bring out the results separately.

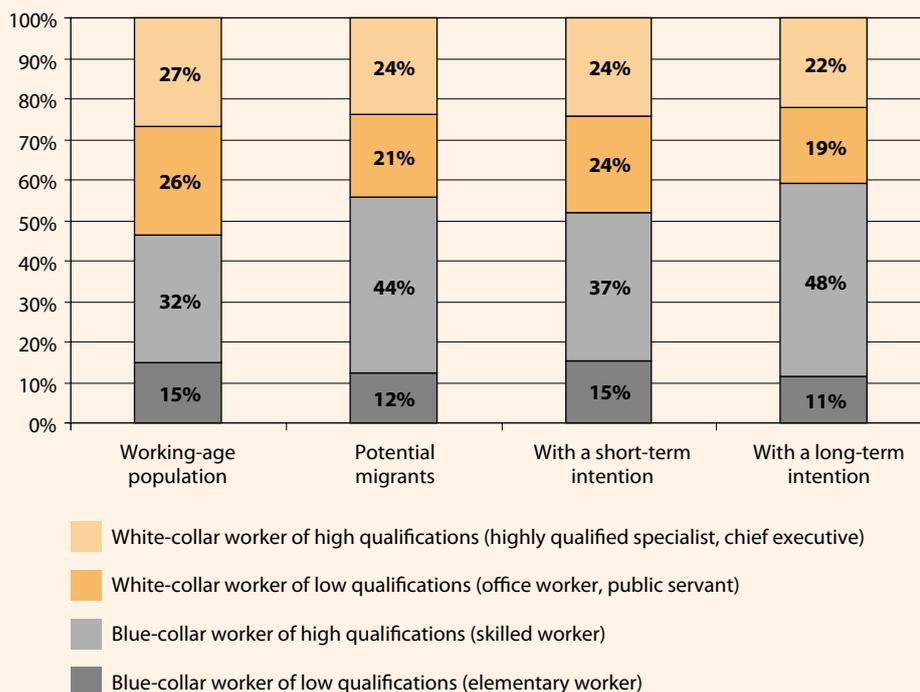
An important problem worth mentioning is the brain waste. A lot of surveys confirm that despite a relatively high skill level in the home country short-term migrants originating from new Member States competed for jobs not corresponding to their skills in destination countries (Doyle et al 2006; Drinkwater et al 2006). The results of this survey also confirm the existence of the problem. The occupational background of potential migrants among employed persons reveals that less than one-fourth of people with migration intention are representatives of higher posi-

tions (ISCO groups 1 to 3) (see Figure 12). At the same time about one-tenth of them would like to work at higher positions (doctors, business managers, computer specialists, lawyers, teachers, etc.). It also appears based on the experience of working abroad that the most desired positions or positions held were those of blue-collar jobs in construction, agriculture and catering or accommodation establishments that require fewer skills.

When asked to specify the qualification level of work that you would agree to do, white-

<sup>10</sup> World Competitiveness Yearbook 2009.

Figure 12. People wanting to go abroad and working-age population by skill levels, 2010



Source: Eesti Uuringukeskus, author's calculations

People with an intention to work abroad on a short-term basis are of higher position than migrants with long-term intentions.

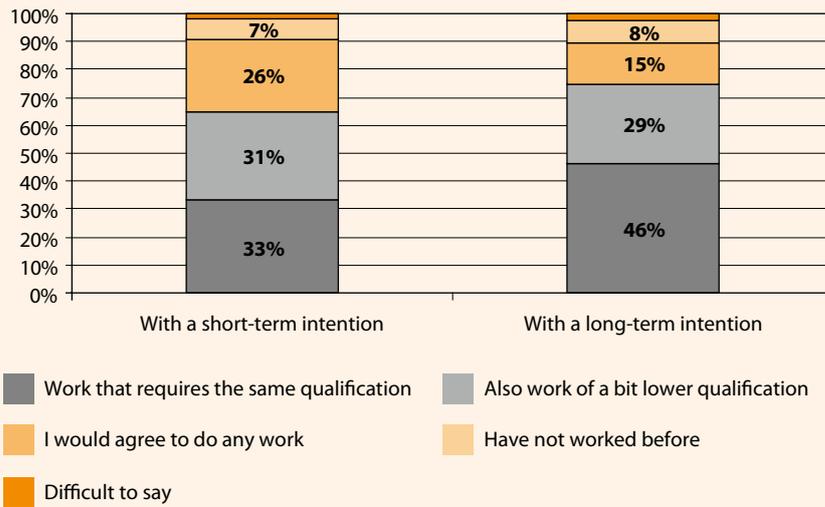
collar potential migrants are more flexible than blue-collar workers and their expectations for salary are quite similar. Blue-collar workers are usually a bit better informed and they have also made more specific preparations for working abroad. The nature of work depends on the duration of working abroad. So earlier work experience reveals that people with an intention to work abroad on a short-term basis are of higher position than migrants with long-term intentions. If approximately one-half (48%) of the potential short-term migrants have earlier held white-collar jobs, potential long-term migrants include the same share of skilled workers and 41% of white-collar workers.

The analysis of migration intentions reveals that those staying abroad for a shorter period consider professional development opportunities less important, which also explains their greater willingness to work at a posi-

tion requiring lower qualification (see Figure 13). Namely, each fourth person of those staying abroad for a shorter period agrees to do any work, while the expectations of people with more long-term intentions are quite different. Majority of the migrants with more long-term intentions (46%) agree to do work corresponding to the same level of qualification that they do in their home country; in the case of short-term migrants their share is only one-third.

The ideas of potential long-term migrants are more definite, they have made more preparations and are better informed than short-term migrants. They could be characterised as being more dissatisfied with their current salary and as for the reasons for migration they differ from potential short-term migrants by their disappointment in life in Estonia and by their intention to just leave.

Figure 13. **What is the qualification level of the work that you would agree to do in another country? 2010**



Source: Eesti Uuringukeskus, author's calculations

## 4. Professional background of people wanting to work abroad

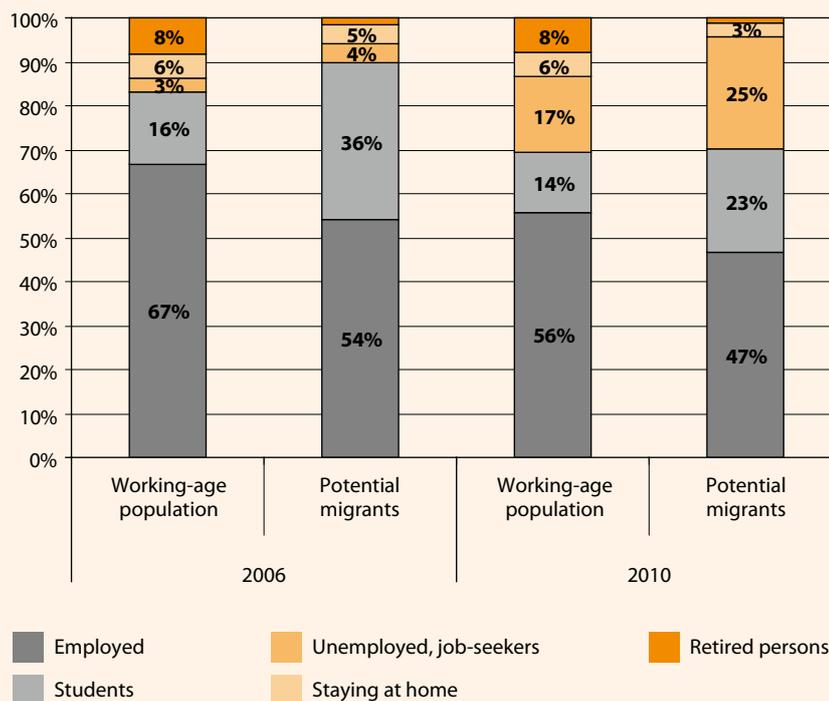
### 4.1. People wanting to work abroad by labour market status

The proportion of students and unemployed persons among potential migrants is higher than among the working-age population on average. In 2010, one-half of the potential migrants are employed persons, but compared to 2006 the proportion of unemployed persons has risen significantly (see Figure 14). The growth in the share of unemployed persons from 4% to 25% can be explained by an increase in their share also among the working-age population (from 3% to 17%). If it is difficult to find a job on the domestic labour market, it is likely that people will start looking for it abroad. The growth in the share of unemployed persons also reveals itself in the reasons for migration: compared to an earlier survey the wish to find a job has become much more important (the reasons for migration are discussed in more detail in Chapter 5).

Both in 2006 as well as in 2010 the highest share of people wanting to go abroad was among students: 56% to 58% of them were ready to work abroad. When in 2006 one-third of unemployed persons expressed their wish to work abroad, in 2010 the same indicator has increased to 50%. Taking also into account the required preparations, it appears that each third unemployed person and each fourth student would like to work abroad and has also made preparations for that. Employed persons (17%) form the least informed group and they have also made preparations the least, therefore it seems that their motivation to work abroad is the lowest. Although the plan of unemployed persons to work abroad is rather definite, a lot of them waive it due to financial difficulties, particularly after they have become aware of the subsistence expenses related to working abroad (Erala 2010).

In terms of counties, potential migrants have been distributed similarly to the working-

Figure 14. Division of people wanting to work abroad by labour market status, 2006 and 2010



Source: Eesti Uuringukeskus, author's calculations

age population: 38% of them are from Harju County, a bit more than one-tenth lives in Ida-Viru County and the same proportion comes from Tartu County. The division by

counties is also confirmed by the official registered migration statistics.

#### 4.2. People wanting to work abroad by sector

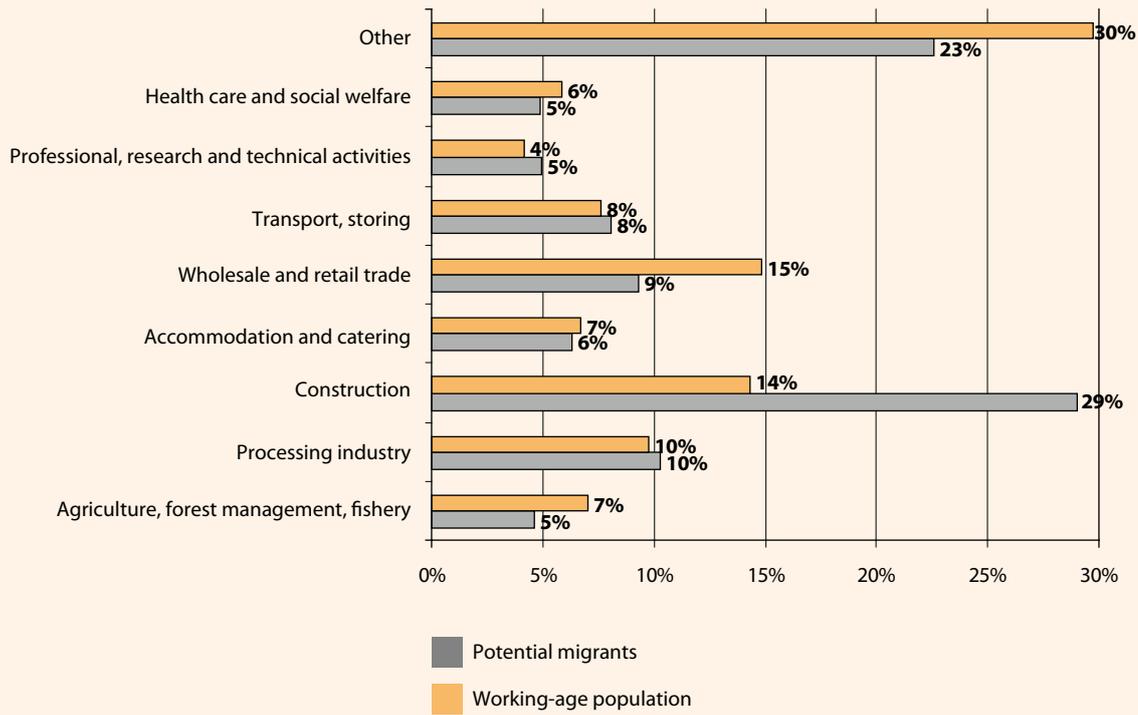
Migration frequency is the highest among people who work or have worked in the construction sector.

It is possible to talk about the migration pressure on certain economic sector if disproportionately many migrants have assembled in one sector. While in 2006 the division of people with migration intention between sectors was more even, in 2010 about one-third of them come from the construction sector. Figure 15 shows that migration frequency is the highest among people who work or have worked in the construction sector. Their share among potential migrants has increased from 17% (in 2006) to 29% (in 2010). In 2006, the share of potential migrants in terms of sec-

tors was the largest in the field of industry (20%) and in the construction sector (17%). Although the media has talked a lot about the medical staff's leaving for abroad, this survey reveals that compared to the total working-age population the people who are relatively less interested in working abroad come namely from the health care and social welfare sector.

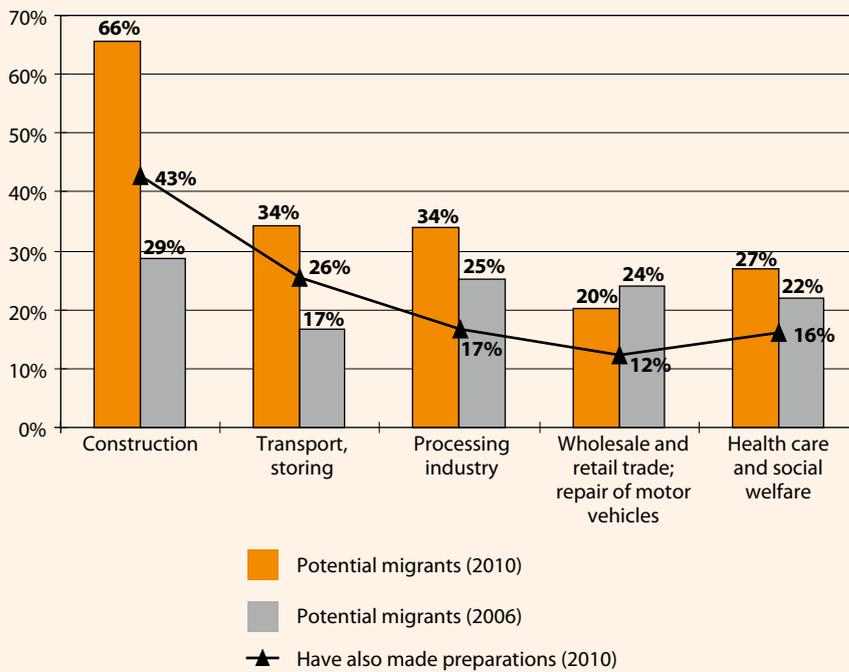
From which sector do people with migration intention come and what is the proportion of migration by sectors? As it can be seen, following the construction sector people with migration intention come mostly from transport and storing area.

**Figure 15. People wanting to go abroad and working-age population by sector, 2010**



Source: Eesti Uuringukeskus, author's calculations

**Figure 16. People who want to go abroad and have made preparations by sector, 2006 and 2010**



Source: Eesti Uuringukeskus, author's calculations

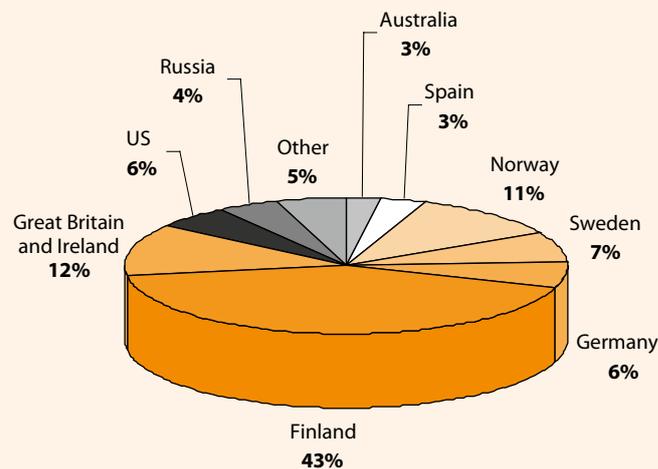
### 4.3. Preferred destinations for labour migration

Prior to analysing the reasons for going abroad, we identify the destination countries that the residents of Estonia prefer to go to work to. Finland is still the most popular country among migrants from Estonia as well as among those who have worked abroad earlier. Its importance as a destination country for labour migration has not changed compared to 2006; however, the role of Great Britain that used to be the second most preferred destination has reduced significantly (the share has fallen from 19% to 9%). When in 2004 labour markets opened for people from new Member States, Great

Britain became an important destination among potential migrants, but by 2010 Great Britain has lost its importance. The second and third places among the preferences of potential migrants are held by Norway and Sweden.

The Nordic countries are preferred because they are geographically closer and have a higher salary level and people have knowledge of these languages. These are the reasons most often mentioned in this order in the case of Finland, Sweden and Norway. By contrast, Great Britain is preferred mainly because of the language and culture, which are not as important migration incentives as the proximity to home and salary level.

Figure 17. **Most preferred destination countries for people wanting to work abroad, 2010**



Source: Eesti Uuringukeskus, author's calculations

Taking into account the threefold difference in the income level of destination countries, higher salary level will also continue to affect migration in the years to come.

## 5. Factors affecting the intentions to work abroad

### 5.1. Contributing factors

Migration from Estonia is sensitive to economic and labour market factors, particularly to relative salary level and employment opportunities. Within the last ten years the Estonian economy has grown fast and come well closer to the EU average income level. According to Eurostat, before the crisis (2008) the Estonian GDP level formed 67% of the average of EU-27. Although differences in

the average income levels of Estonia and migration destination countries have reduced, they are still three- to fivefold (Eurostat), due to which the income difference still remains an important factor affecting migration. The statements of both people with migration intentions as well as people who have worked abroad earlier reveal that the main reasons for working abroad are low salaries and high unemployment in Estonia. Up to three-fourths of the respondents mention the wish to earn

higher salary and the high level of unemployment as the reasons for migration (74% and 67% of the respondents, respectively). World discovery, self-development, wish to broaden the mind, new experience – this is pointed

out by approximately 10% of people with migration experience and intention.

If the wish to broaden the mind and gain experience is characteristic particularly to

**Table 2. Importance of the reasons for working abroad, share of people who mentioned the reason (%), 2010**

	People who have worked abroad earlier	People with migration intention
Low salaries, high unemployment, wish to find job and earn higher salary	67	74
Self-development and new experience	9	12
Disappointment in life in Estonia	0	4
Debts, solvency problems in Estonia	2	2
Studies, language practice	3	1
Better quality of life	3	4
Personal/family reasons and connections	3	2
Job offer from abroad or assignment	9	–
Other	4	1
<b>TOTAL</b>	<b>100</b>	<b>100</b>

Source: Eesti Uuringukeskus, author's calculations

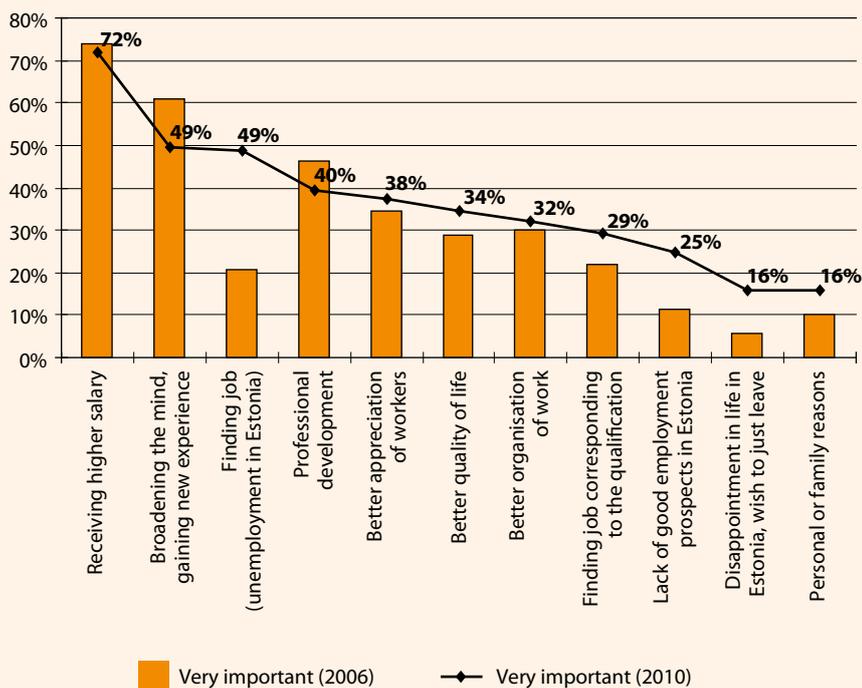
young people, higher salary is the aim in the case of full working-age people (aged 35–44). At the same time in comparison with an earlier survey there is a change in assessments reflecting trends on the Estonian labour market. The wish to find job and also job corresponding to qualifications has become considerably more important than earlier. Namely, a half of people with migration intention consider the wish to find job very important, while in 2006 this was important only for each fifth person (see Figure 18); finding job corresponding to qualifications is more important than average for people aged 25–34 and for people from Tallinn.

In the light of changes on the labour market (the unemployment of young people has increased more than five times within the last two years) the wish to find any job has become more important, but in comparison

with the average the share of young people (aged 15–24) who consider the problem very important is 5% smaller. The wish to find job is spurred by the lack of money and as it appears the reason is more important in the case of people of lower income level. The reasons are well justified, taking into account the fact that people wish to work abroad mainly as construction workers, elementary workers, cleaners and room attendants, i.e. mainly at positions belonging to the job groups of elementary and skilled workers. Registered unemployment is also the highest among the representatives of those occupations, while the number of vacancies is the smallest in Estonia. According to the Unemployment Insurance Fund, 30% of registered unemployed persons are craft and related trades workers and each fifth one is an elementary worker. People admit more than before disappointment in life in Estonia, which is character-

**In 2010, a half of people with migration intention consider the wish to find job very important, while in 2006 this was important only for each fifth person.**

Figure 18. Importance of the reasons for working abroad for potential migrants, 2006 and 2010



Source: Eesti Uuringukeskus, author's calculations

istic of people of lower income levels and of non-Estonians.

The wish for professional development has become less important in the light of other factors, but in the case of young people this has still remained one of the most important reasons that has been mentioned more than in the case of older people.

Disappointment in life in Estonia and the lack of prospects are in close connection with

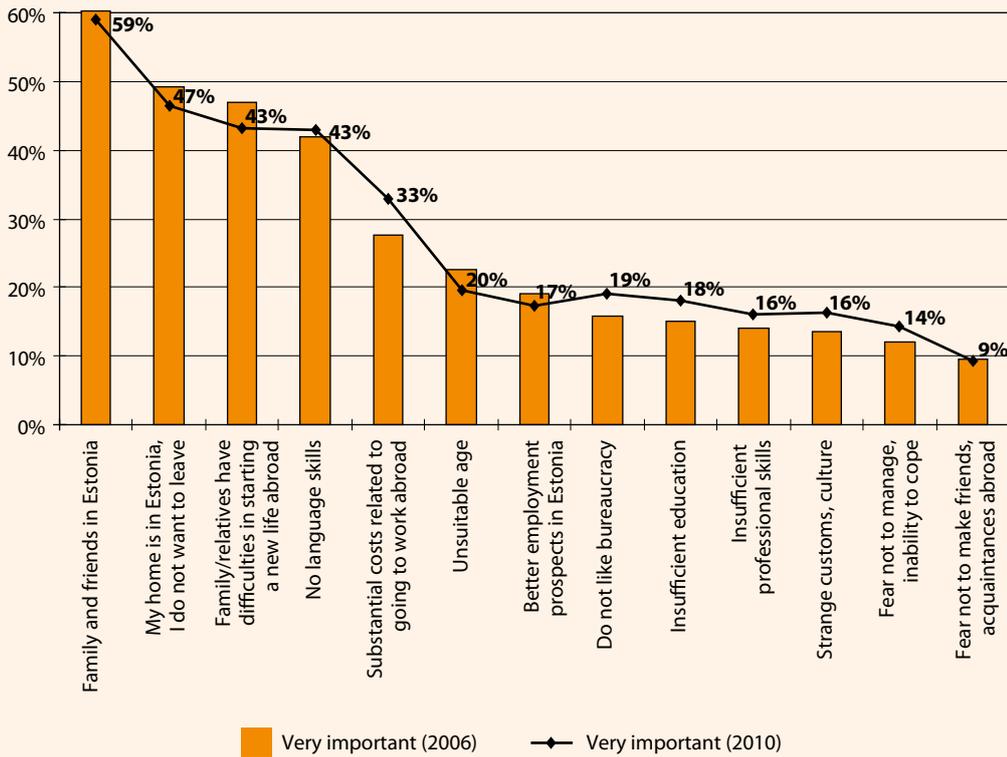
the economic recession and thus both of the reasons have become more important than before. How has the recent economic crisis affected migration? In 2009 each tenth from among all the interviewees had experienced that somebody from their household worked abroad. Such households more often consisted of three to four members (in 67% of the cases) and with high probability it was one person who left (in 89% of the cases).

## 5.2. Hindering factors

A decision to go to work or live abroad is never without any restrictions. The wish to leave in the nearest future may rather be considered as a dream as potential migrants often just lack the financial resources to realise their wish. Thus, it appears that compared to the previous survey the importance of money as the factor hindering migration has increased the most (see Figure 19).

However, migration decisions are not made based only on purely economic factors. The social framework plays even more crucial role here. Thus the results of the 2010 survey also reveal that the reasons that hinder working abroad have remained similar to those of the 2006 survey. The main barriers to migration are still seen as losing contact with a family and friends and poor language skills. Women consider leaving family and relatives

Figure 19. Importance of barriers to labour migration, 2010



Source: Eesti Uuringukeskus, author's calculations

behind in Estonia to be a more important barrier than men do.

Family-related reasons are more often specified as a barrier to working abroad by women. If on average 41% of potential migrants would go to work abroad alone, the share in the case of women is only one-third. Although women are more modest in their migration intentions than men, twice as many women (22% and 44%, respectively) find that if they should go abroad, they would go with their spouse and/or children. Those who would leave with their children are people of higher educational level, women and aged 25–35; it is only natural that there are more migrants with families among people with long-term migration intentions.

In terms of the socio-economic context, the restrictions may be of different importance.

Substantial costs related to working abroad are considered to be a significant barrier by women, non-Estonians and people of lower income level. For non-Estonians, poor language skills constitute an essential barrier. Young people (aged 15–24) differ from other age groups by mentioning particularly the lack of working skills and experience as the main barrier. Better employment prospects in Estonia are deemed to be more important by people of higher educational level and of higher income level. People of low educational level, low income level and young people consider the same reason less important. People of low educational level, non-Estonians and young people are also those who point out that their home is in Estonia and they do not want to leave.

## Summary

Rapid deterioration of the economic environment in Estonia reflects itself in the results of the survey both in the case of assessments given to the living and working environment as well as in the migration intentions. In 2010 there are 77,000 people in Estonia with a definite wish to work abroad who have also made preparations for that. 43,000 people of these have also made specific preparations (e.g. applied for a job, studied languages). Although the economic crisis that brought along a decrease in salaries and a lack of jobs has led to growing dissatisfaction and increased sharply the interest in working abroad, migration need not turn out to be actually as high after the situation on the labour market improves. On the other hand, serious disturbances on labour markets have also been experienced in destination countries and due to the deteriorated situation EU Member States have adopted measures to protect local labour force that has incurred difficulties (long-term unemployed persons, employees of low qualification). The aforementioned reasons were pointed out by Germany when in autumn 2008 it decided to extend restrictions on free movement of employees from new Member States.

A decline in population due to migration has an adverse impact on the Estonian economy and society on a long-term perspective as migration intensifies problems related to the population ageing process. Previous surveys confirm that migrants are mostly young people and adult employed persons, i.e. from the point of view of the state this results in a decrease in the number of potential taxpayers and employees. The question is how migration will affect areas of life in Estonia.

In order to assess what kind of impact migration has on different areas of life it is important to know who the people who wish to work abroad are, for how long they will stay away from the Estonian labour market and what would motivate them to return.

As it appears, salary reduction and unemployment encourage migration from Estonia. The latter concerns especially young people,

men, residents of lower qualification and from rural areas, who are more eager than other groups to work abroad. At the same time people who want to work abroad are less prepared than in previous years, due to which the actual migration behaviour may turn out to be less similar to their statements than before.

The longer people stay abroad for employment purposes, the less likely they will come back to Estonia. The results of this survey confirm that 15% of those who have made specific preparations for working abroad wish to leave Estonia permanently. However, major part still wants to work abroad on a temporary basis, either for a shorter or longer period.

It is only logical to presume that in the sectors where the labour demand exceeds its supply, the upward pressure on salaries is stronger. The analysis of the areas of activity reveals that the migration potential is very high in the construction sector, where currently we can talk about the oversupply. At the same time the division of migrants according to other occupations and sectors is similar to the average distribution of working-age population and the upward pressure on salaries caused by migration does not seem to be strong. However, a problem for employers could be the migration of skilled workers for employment purposes. The analysis reveals that blue-collar skilled workers are better prepared and informed and they are ready to work abroad for a longer period than white-collar workers.

In connection with the free movement of labour there is no clear overview of residents of Estonia working abroad. Similarly, it is not known for certain what the skill level and education of migrants is, due to which the migration impacts have been assessed based on the speculations. Thus, partial migration of labour force need not have an adverse impact on the economic welfare as long as the migrants are particularly of lower qualification and/or unemployed persons who have an opportunity to earn income abroad until there are no such opportunities in Estonia. The survey reveals that each fourth potential

migrant is unemployed and 23% of potential migrants are students.

One means for reducing structural unemployment is the free movement of labour. The survey reveals that during their work abroad 43% of the respondents visited their home in Estonia at least once a month and 24% did not come to Estonia at all. Thus, the so-called cross-border migrants who took up jobs abroad temporarily caused a large activity of migrants on the Estonian labour market. In 2008, when the economic growth turned negative and unemployment increased fast, people who otherwise would have been unemployed found job abroad. According to the Estonian Labour Force Survey, in 2009 the number of people working abroad totalled 19,000 of which about one thousand were unemployed in 2008. The probability that they would have found employment on the Estonian labour market is not very high. The results of this survey also reveal that 10% of people with an experience of working abroad were unemployed before working abroad. Thus, it can be said that the increased mobility of workers and opening of labour markets have helped to mitigate shocks in the Estonian economy. However, the concern for long-term migration of young people and skilled workers still exists.

On one hand, it is positive that people obtain new knowledge and experience abroad as the increase in new knowledge makes a positive contribution to the economic development of the country of origin. In this case it is important that people would come back to Estonia, find job here and/or stay in close touch with the home country. The survey revealed that like before young people are still the age group of the largest migration potential. The intention of young people to work abroad is connected more to the wish to broaden the mind and to professional development than in the case of others and their preferred duration of stay abroad is also shorter. We should regard the young people's wish of professional development abroad as something positive because broadened mind and more efficient work should also be of interest for local employers. Unfortunately, no surveys have been

conducted about whether employees who have been abroad and obtained knowledge and skills there are more valuable than those who have not been away from Estonia. Empirical literature has confirmed the examples as if those who have worked abroad would not contribute with their knowledge and skills to increasing the competitiveness of their home country. In Poland, where migration has been studied a lot, short-term labour migration has not had a positive impact on the migrants' further career on the domestic labour market as the assignments performed abroad did not enhance their qualification (Jaźwińska 2001, 2004). Similar trend can also be seen based on the results of this survey that show that people of higher skill level would be ready to work abroad at lower positions than in Estonia.

Can we talk about the so-called brain drain in the case of migration? This survey does not reveal as if people who go to work abroad do not wish to return. It appears that 36% of potential migrants of higher educational level would go to work abroad for a shorter period than one year and 15% want to leave permanently. As the economic conditions are bad, enhancing qualification is the best way to prepare for new economic boom. So the migrants can hold their qualification level and retain the possibility of finding a well-paid job. Replies to the question "What is the qualification level of the work that you would agree to do in another country?" reveal that the wishes of people of the third educational level are more demanding. 44% of them would prefer work requiring at least the same qualification as the work they did in their latest employment, while only one-fourth of potential migrants of the first educational level gave such a reply.

Free cross-border movement of labour has become an inseparable part of the globalising world, due to which it is important for countries to direct migration flows through intentional decisions and measures. Although the difference in salary levels has remained the main reason for working abroad, it is not within the power of countries to increase the salary level. The following is a list of suggestions that are worth considering while developing migration policy.

## Policy recommendations

- **Informing of rights and obligations.** It is important that employees knew their rights and obligations already before going to work to a foreign state. It is the duty of the state to organise informing activities. The results of the survey confirm that people with migration intentions are currently less informed than before and use limited channels for collecting information (information is mainly received from acquaintances). Only very few people have contacted the consultants of the Unemployment Insurance Fund / EURES.
- According to the forecasts of the Ministry of Finance the unemployment level will also remain high in the nearest years. Balance on the labour market was lost in the boom years and the recession following it affected young people, men and those doing less simple work in the construction sector the most. As those people cannot find any employment on the labour market in Estonia anymore and intend to work abroad, it is important that the state focus more on **alleviating structural unemployment**. Attention must be paid to retraining and in-service training in order for young people who have interrupted their studies to enter vocational schools or higher educational establishments to obtain a profession and not to choose the line of least resistance by going abroad to do less simple work. The development of professional skills of people according to the needs of the labour market is important from the point of view of labour shortage and the inflational increase in salaries resulting therefrom.
- Generally, people whose level of skills and education corresponds to the needs of the labour market can find employment faster, while the others face the danger of remaining unemployed for a long period. From the point of view of increasing the competitiveness of Estonian economy it is important that the training of labour force correspond to the needs of the present-day labour market. **The development of in-service training and retraining** plays an essential role in improving the skills of labour force. As it appeared, the share of people who have obtained professional education at the level of vocational and higher education among migrants is considerably lower than that of people with basic or comprehensive education. New jobs related to coming out of the economic recession and changes in the economic structure require from unemployed persons (a lot of whom are potential migrants) higher educational level and different skills.
- Today, free cross-border movement of labour has become an inseparable part of everyday life and going to work or study abroad is often interpreted as human resources hopelessly lost for a state. However, migration may also contribute to economic growth as migrants direct some of their salary earned abroad in local consumption, which, in turn, stimulates domestic demand. It is also possible that as a result of applying in Estonia the knowledge and skills obtained abroad new jobs with higher added value will be created. Whether and how the state **policy encourages people working abroad to return to Estonia** and use that obtained abroad in the home country are issues that require more attention. To keep up with job vacancies from abroad, in autumn 2010 the Chamber of Commerce and Industry opened the Internet portal [talendidkoju.ee](http://talendidkoju.ee), through which young people who have gone to work abroad will be encouraged to come back home. The portal provides practical information about the home country: how to start life or start a company here, nursery school places and residence permit of a spouse who is a foreigner, and Estonian employers can also let the people who have gone abroad know about the job vacancies.

## References

- Aaviksoo, A., Kirss, L., Mägi, E. (2009). Kas haridus kui Eesti inimarengu senine vedur hakkab väsima? [Is education as the current locomotive of Estonian human development getting exhausted?] In: *Estonian Human Development Report 2009*, 17-21. Tallinn: Estonian Cooperation Assembly. <http://www.kogu.ee/public/eia2009/EIA2009redis.pdf>, (13.07.2010).
- Doyle, N., Hughes, G., Wadensjö, E. (2006). *Freedom of Movement for Workers from Central and Eastern Europe: Experiences in Ireland and Sweden*. Report, 5. Stockholm: Swedish Institute for European Policy Studies.
- Drinkwater, S. (2003). *Go West? Assessing the Willingness to Move from Central and Eastern European Countries*. Flowenla Discussion Paper, 5. Hamburg: Hamburg Institute of International Economics.
- Drinkwater S., Eade, J., Garapich, M. (2006). *Poles Apart? EU Enlargement and the Labour Market Outcomes of Immigrants in the UK*. Discussion Paper Series, 2410. Bonn: IZA.
- Estonian Cooperation Assembly. (2010). *Eesti inimvara raport (IVAR): võtmeprobleemid ja lahendused* [Estonian Human Asset Report: key problems and solutions]. [http://www.kogu.ee/public/Eesti\\_Inimvara\\_Raport\\_IVAR.pdf](http://www.kogu.ee/public/Eesti_Inimvara_Raport_IVAR.pdf), (13.07.2010).
- Erala, S. (2010). Soome näib paljudele eesti töötutele ainsa pääseteena [Finland seems to be the only way out for a lot of unemployed persons in Estonia]. *Postimees*, 21 May, 8.
- European Commission. (2010). *Geographical and labour market mobility*. [http://ec.europa.eu/public\\_opinion/archives/ebs/ebs\\_337\\_en.pdf](http://ec.europa.eu/public_opinion/archives/ebs/ebs_337_en.pdf), (13.07.2010).
- Eurostat. Population forecasts.
- Fouarge, D., Ester, P. (2009). Understanding Migration Decisions in Eastern and Western Europe: Perceived Costs and Benefits of Mobility. In: H. Fassmann, M. Haller, D. Lane (eds.) *Migration and Mobility in Europe: Trends, Patterns and Control*, 51-72. Cheltenham: Edward Elgar.
- Human Development Report 2009. Overcoming Barriers: Human Mobility and Development*. New York: United Nations Development Programme.
- International Institute for Management Development. (2009). *IMD World Competitiveness Yearbook 2009*. Switzerland: IMD.
- Jaźwińska, E. (2001). Incomplete Migration and Professional Career. In: E. Jaźwińska, M. Okólski (eds.) *People on the Swing. Migration from Polish Peripheries to Peripheries of the West*. Warsaw: Scholar.
- Jaźwińska, E. (2004). Occupational and Spatial Mobility of Seasonal Migrants. In: P. Kaczmarczyk, W. Łukowski (eds.) *Polish Workers on the European Union Labour Market*. Warsaw: Scholar.
- Järv, K. (2007). *Eesti tööealise elanikkonna väljarände eelistused* [Migration intentions of working-age population in Estonia]. Policy Analysis. Series of the Ministry of Social Affairs, 8. Tallinn: Ministry of Social Affairs.
- Kallaste, E., Philips, K. (2004). *Eesti tööealise elanikkonna töötamise potentsiaal Euroopa Liidu riikides* [Working potential of Estonian working-age population in EU Member States]. Publications, 13. Tallinn: PRAXIS Center for Policy Studies.
- Randveer, M., Rööm, T. (2009). *The Structure of Migration in Estonia: Survey-Based Evidence*. Working Paper Series, 1. Tallinn: Bank of Estonia.
- Raus, L. (2010). *Mitukümmend tuhat eestimaalast otsib tööd välismaal* [Tens of thousands of residents of Estonia search for work abroad]. <http://www.tarbija24.ee/?id=268541&redir=>, (27.05.2010).
- Sakkeus, L. *Rahvastikuteadlane: jutt suurest väljarändest on müüt* [Population researcher: stories about large migration are a myth]. <http://www.postimees.ee/?id=262265>, (20.05.2010).

Statistics Estonia. Estonian Labour Force Surveys.

Van Dalen, H., Henkens, K. (2008). *Emigration Intentions: Mere Words or True Plans? Explaining International Migration Intentions and Behavior*. Discussion Papers. Tilburg: University of Tilburg and Netherlands Interdisciplinary Demographic Institute.

World Bank. (2010, to be published). *Taking Stock of Recent Migration Flows in the European Union*. Washington: World Bank.

## Series published earlier

### Series published in 2010:

- 7/2010 Coping of Disabled Adults and Care Load Arising from Disability. – Policy analysis (*available also in English*).
- 6/2010 Unemployed non-Estonians on the Labour Market of Estonia. – Policy brief.
- 5/2010 Long-term Unemployed Persons on the Labour Market of Estonia. – Policy brief.
- 4/2010 Young Unemployed Persons on the Labour Market of Estonia. – Policy brief.
- 3/2010 Gender Equality and Inequality: Attitudes and Situation in Estonia in 2009. – Policy analysis (*available also in English*).
- 2/2010 Issues Arising From the Occupational Health and Safety Act to Employers. – Policy analysis.
- 1/2010 Gender Equality Monitoring 2009. – Research report.

### Series published in 2009:

- 5/2009 Injuries in Estonia. – Policy brief (*available also in English*).
- 4/2009 Single-parent Families: Problems, Needs and Policy Measures. – Policy analysis (*available also in English*).
- 3/2009 Employment and Working Life in Estonia 2008–2009. – Trends (*available also in English*).
- 2/2009 Unconventional Work Arrangements in Estonian Enterprises. – Policy analysis.
- 1/2009 Burden of Disease of Estonian Population. – Policy brief (*available also in English*).

All series are available on the web page of the Ministry of Social Affairs of Estonia  
[www.sm.ee](http://www.sm.ee) > Väljaanded > Toimetised

## Facts from the survey

- Changes in the migration wishes are an exact reflection of changes on the labour market. The worse the situation of different segments (young people, non-Estonians, etc.) on the Estonian labour market, the higher their migration potential is.
- While in 2006 the share of working-age population who considered going abroad was 26%, in 2010 the same indicator was already as high as 38%.
- In the nearest years migration will most probably remain within 8.5% (77,000 people) of the working-age population.
- People wanting to work abroad are now less informed of job opportunities abroad than potential migrants in earlier years.
- The most preferred jobs abroad include that of a construction worker, elementary worker, cleaner and room attendant, customer service assistant, chauffeur and bus driver (in the given order).
- 13% of potential migrants would leave their state of residence permanently.
- Working in another state seems to be the most attractive for people aged 15–24.
- Each third unemployed person and each fourth student would like to work abroad and has also made preparations for that.
- The number of people who wish to work abroad has increased at each educational level, but the most at the lowest educational levels.
- The sectors where people wish to work abroad the most are construction sector, followed by transport, storing and processing industry.
- The most preferred destination countries are the Nordic countries, particularly Finland. Compared to previous surveys, Ireland and Great Britain have lost their importance. For young people, popular places are Australia and the US.
- The reasons for migration are similar to those mentioned in 2006: the wish to earn higher salary and broaden one's mind and the wish to find job has increased the most.

*Policy Analysis* represents a series of pre-reviewed publications of the Ministry of Social Affairs intended for providing overviews of analyses related to social, labour and health policy and thus contributing to development of knowledge-based policy.