

# JUSTMIG

## **Sustainable and socially just transnational sectoral labour markets for temporary migrants**

### **Background report**

### **Estonia**

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## Introduction

In recent years, a pattern of permanent reliance on temporary employment of migrant workers has grown significantly across the EU – especially in some sectors such as construction, care, transportation, and manufacturing. In most EU Member States, industrial relations actors struggle with problems of declining regulatory influence and deteriorating organizational capacities. The JUSTMIG project analyses labour market dynamics in both service and manufacturing sub-sectors across 6 EU Member States where fixed-term contracting of migrant workers occurs and 3 EU candidate countries that are source countries for workers. The project addresses and involves social partners and labour market institutions throughout the project by applying an innovative participatory methodology.

The aim of the current background report is to provide an overview of the presence and relevance of migrant workers in temporary employment in different sectors. In the context of migration, Estonia can be regarded as both a sending country and a receiving country (the latter, especially since the 2010s). The attractiveness of Estonia as a receiving country for temporary employees has grown due to rapid increases in wages and labour shortages (Rahapoliitika ja Majandus, 2019). As permanent immigration to Estonia is restricted by immigration quotas and the length of the period considered temporary work has gradually increased, the conditions for employing temporary migrants have become more favourable over time. Thus, the number of temporary foreign employees has also increased in the labour market. Additionally, the supply of foreign employees is affected by the recent influx of large numbers of female Ukrainians with temporary protection related to the Russian-Ukrainian war. Temporary migration from Estonia represents, to a large extent, the migration of construction workers to Finland<sup>1</sup>. The short distance enables commuting and favours spending the income in the home country instead. However, other dimensions of temporary migration also need attention, and by the end of the project, partners from Finland can further expand the local knowledge of temporary migration from Estonia.

The background report is divided into four sections. First, a short overview of policies and regulations is provided (section 2). Next, statistical data from previous research about short-term migration to Estonia is summarised (section 3). Then, employment relations of migrant workers in manufacturing and services are described (section 4). Finally (in section 5), different from

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<sup>1</sup> Concerning other migration destination countries, it has been showed that for Estonian migrants in Norway, construction is the most important industry (Ødegård and Nergaard 2020).

previous sections, Estonia is perceived as a sending country and desk research on temporary labour migration from Estonia is reported. Conclusions and summary are separately presented in section 6.

### 1. Relevant policies and regulations regarding migration

Bilateral cooperation in Estonia is conceptualized in connection to the regional development of partner countries Ukraine, Georgia and Moldova, promoting a democratic state governed by the rule of law (Development Cooperation, 2024). The Russia-Ukraine war has redefined the cooperation with Ukraine for Estonia. In 2022, the number of recipients of international protection increased by 4480% (from 46 to 2107) mainly due to Ukrainian war refugees (Eesti rände- ja varjupaigapoliitika 2022). Ukrainian citizens are entitled to temporary protection; compared to two other types of international protection (refugee status or subsidiary), it is fast and simplified: the process takes 30 days instead of up to six months. The recipients must also attend an A1-level Estonian language course (100 academic hours) and participate in a compulsory one-day adaptation course. The status of temporary protection recipients is equal to that of any other third-country citizen with a residence permit in Estonia. (Temporary protection, 2024)

Third-country nationals and people of undetermined citizenship are required to have a residence permit to live in Estonia, and the Aliens Act regulates residence permits. According to the act, short-term work is defined as working up to 365 days within 455 days or, in the case of seasonal work, 270 days within 365 days (section 106). The employer must register the short-term employment of an alien in the Police and Border Guard Board, or the right to work in Estonia should arise directly from the law or a treaty ratified by the Riigikogu (section 104). The minimum working time for short-term work is five days in one month. At the same time, the registration of the employer does not create a legal basis for staying in Estonia; a visa for third-country nationals is still required. Short-term employment without registration is allowed in certain exceptional cases like working for less than five days in one month (30 days) or if the stay of the worker follows the expiry of the residence permit (nevertheless, the legal basis for the stay in the country is still required) (PPA Eestis töötamise info tööandjale, 2024).

In 2020, the COVID-19 pandemic closed the borders of Estonia, and it was impossible to follow the thresholds stipulated for short-term and seasonal work. Therefore, the amendment of the Aliens Act now allows the Government to prolong the period of short-term employment of third-country nationals to a maximum of 730 days within 913 consecutive days in case of emergency (section 106 subsection 16, in force since May 2020). Exceptions related to the length

of short-term work, in general, are granted to teachers in Estonia in an educational institution for working as an academic staff (research and/or teaching), as a top specialist, or employment in a start-up company (section 106 subsection 1<sup>4</sup>). In general, the employer must pay at least the annual average gross monthly salary last published by Statistics Estonia to the alien for full-time, short-term work (subsection 107); again, some exceptions include teachers and scientists, but also seasonal workers. The requirement of full-time, short-term work was added to avoid lower salaries that could be justified with part-time contracts.

The period of maximum stay for short-term work has been increased gradually; in 2017, the previous maximum of 6 months in a year was prolonged to 9 months and in the middle of 2018 from 9 months to 12 months (Rahapoliitika ja Majandus, 2019). Since the beginning of 2023, the Aliens Act has allowed residence permits for up to two years following the alien's short-term (at least nine months) work in Estonia if the employee continues to be employed by the employer who registered the short-term employment. Thus, the total period of short-term work can be extended to three years without considering the quota of long-term work (section 176<sup>2</sup>).

Conversely, concerning laws related to short-term work, the quota for long-term residence permits in Estonia for third-country nationals has not been relaxed since its implementation in 1990. The immigration quota<sup>2</sup> that limits the number of aliens who can receive long-term residence permits in Estonia does not exceed 0.1 per cent of the permanent population of Estonia annually (Eesti Vabariigi Immigratsiooniseadus, section 2). Due to certain categories exempted from the immigration quota requirements, such as top specialists or employment in start-ups or the ICT field, the migration of low- and middle-level skills is primarily managed through the quota. However, the strict quota that hinders the employment of long-term employees may also affect the use of short-term employment of third-country nationals in Estonia. For example, a recent study (Kaldur et al., 2024) indicates that nearly one-third to half of the industrial sector companies use or plan to use temporary agency workers (i.e. rental workers), and partly the reason lies in avoiding the strict limits of the immigration quota. Similarly, strict immigration quota may be the reason why in 2021, the Police and Border Guard Board discovered seasonal workers present in firms working off-season and for other reasons instead of the seasonal work the person was employed for (Vollmer & Luik, 2022).

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<sup>2</sup> In 2024, the quota is set to 1307 foreign employees, while nearly 22% of the jobs in the quota are reserved for creative workers, accredited journalists and some other fixed categories (Siseministerium, 2023). Citizens of the EU, the USA, Great Britain and Japan are exempt from the quota, similar to family migration, study migration and prolonging of residence permits.

In politics, some groups, especially the Estonian Conservative People's Party (Eesti Konservatiivne Rahvaerakond, EKRE), have taken the anti-immigration position (Petsinis 2019), and, more recently, against the influx of war refugees from Ukraine linked to the Soviet-time mass immigration of mostly Slavic nationals (Russians, but to a lesser extent also Ukrainians and Belorussians), and earlier with the refugee question in 2015 (Petsinis 2019 has linked that to the "decolonization" nationalism). While EKRE, during their participation in the coalition government in 2019-2022, did not achieve a major change in the Estonian migration policy, it used the COVID-19 pandemic to promote the agenda of more restrictive immigration policy (Jakobson, Kalev 2020), e.g. regarding seasonal agricultural workers, that was also actively discussed in the media (Masso, Roosaar, Karma 2021). The anti-immigration agenda of EKRE expands transnationally to their local branch in Finland, the major destination country of emigrants from Estonia (Jacobson et al. 2020). On the other hand, employers organisations (The Estonian Employers' Confederation) have always considered the quota for foreigners and wage criteria too restrictive. In February 2024, the Estonian Employers' Confederation suggested increasing the quota at least three times because foreign labour could help to achieve economic growth. The shortage of workers has spread to other sectors, and current exceptions (e.g. in ICT) are insufficient. An ad hoc working group was created at the end of January 2024 to solve the shortage of qualified workers, according to the Minister of Economic Affairs and Information Technology of Estonia. Among several possible solutions, the Minister of the Interior proposed tripartite negotiations of the state, employer and employees that would add flexibility to the decision process (Voltri, 2024)

## 2. Statistical data on migration

Statistics Estonia, the national statistical agency of Estonia, collects data on outward and inward migration (immigration and emigration). As shown in Figure 1, Estonia had negative net migration for most of 2000-2022 (until 2014). The outward migration accelerated after Estonia joined the EU in 2004 (the number of people emigrating was 2,927 in 2004 and 4,610 in 2005), yet the fast economic growth in these years must have moderated the outward migration flows. Emigration increased even more after joining the EU, partly also because of the Great Recession (the number of people emigrating was 4,406 in 2008, but 6,214 in 2021). Since 2015, Estonia has experienced positive net migration. While such a change distinguishes Estonia from many other CEE countries, it is not unique as migration, e.g. in the Czech Republic, follows a similar pattern. The positive net migration is caused both by return migration (a relatively high share of immigrants who have Estonian citizenship) and immigration of foreign citizens, especially from third countries. As for many other CEE countries, the major surge in the 2022 numbers is due to the influx of war refugees from Ukraine. These developments have also shaped changes in the public discourse on

migration in policy, social dialogue and academic research over time. In the 1990s, discussions were related to the integration of the Russian-speaking minority (who mainly arrived in Estonia during the period of the Soviet Union). From the 2000s till approximately 2015, the attention was focused more on the issues of outward migration to other EU countries and, later, return migration. More recently, since the 2nd half of the 2010s, inward migration from third countries has become the topic of debate.

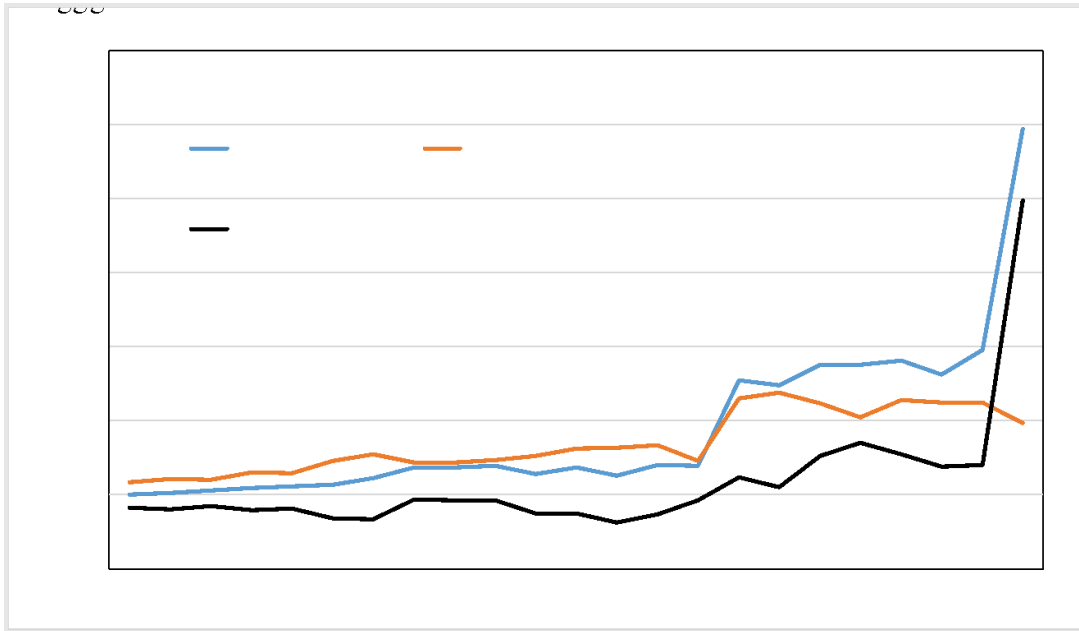


Figure 1 Immigration, emigration and net external migration in Estonia.

Source: Statistics Estonia, table RVR03

Regarding the quality of the migration statistics, under-registration of emigration has been a challenge because many people leave the country without informing the authorities. Tammur et al. (2017) estimated using the 2000 and 2011 census data that about 30% of emigration cases in that interval were unregistered. Moreover, the developments in migration are, in fact, much more dynamic compared to what one may perceive by looking at the ratio of migration flows to the migration stocks because the latter would include the large numbers of Soviet-time immigrants (while after World War II, Estonia was rather a mono-ethnic country), that also affect the current migration discussions (Petsinis 2019). In 2022, the Eurostat database refers to a total non-EU immigrant stock of 190,909 in Estonia, making any flow-to-stock rate relatively moderate in size (3-4% in the order of magnitude). However, since quite a lot has already passed since regaining independence, Estonia's share of the foreign-born population is relatively close to the average of the EU or the OECD countries, 14.9%, similar to Spain and Germany (OECD, International Migration Database).

Regarding the reasons for the inflows of immigrants (Figure 2), among the first permits, about 40% have been due to family reasons, one-third due to employment, and about 15-25% due to education - the latter increased starting from 2008 from ca 10% till peaking around 25% at 2017 and after that demonstrating instead the downward trend. Much of the education-related flows are also affecting the labour market because the students may work during their studies, and more importantly, they have the right to stay in Estonia after graduation, and a high share of them do that (e.g. in IT, but that is also very field-specific). The downward trend can also be seen in the share of employment as the reason for the first permit (primarily due to the COVID-19 restrictions). The share of permits for other reasons declined from 2008 to 2021, down to about 5% in 2021, but jumped to a high level of 25% following the influx of Ukrainian war refugees in 2022.

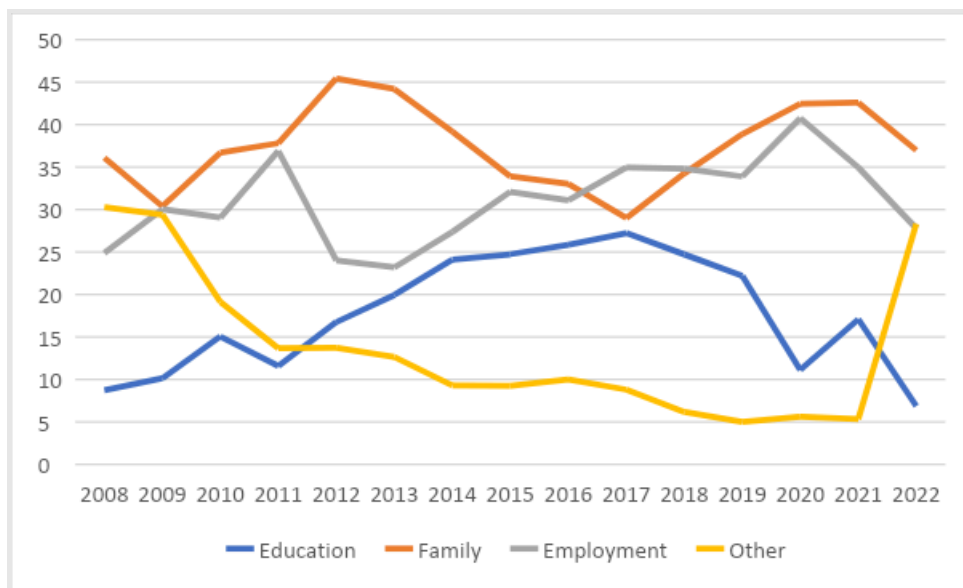


Figure 2 First permits by reasons in Estonia (per cent)

Source: Eurostat, data code tps00170

The share of the short-term (up to one year) employment permits in Estonia has been less than 10% during 2008-2022 (Figure 3). Given that share has been around 40-60% in the EU, the Estonian numbers can be regarded as relatively low. Nevertheless, short-term migration in Estonia fills a critical gap caused by heavy restrictions on long-term migration (very low migration quota – at least from the view of employers - of 0.1% of the whole population, even though exceptions have been added over time, e.g. for the IT workers); thus, short-term migration has been preferred to solve the need for the foreign workforce (Masso et al. 2021). One message is that one year may be, in that regard, too low a threshold for short-term migration. Secondly, such

statistics may not include certain migration flows, e.g. what concerns migrants intermediated by transnational temporary work agencies.

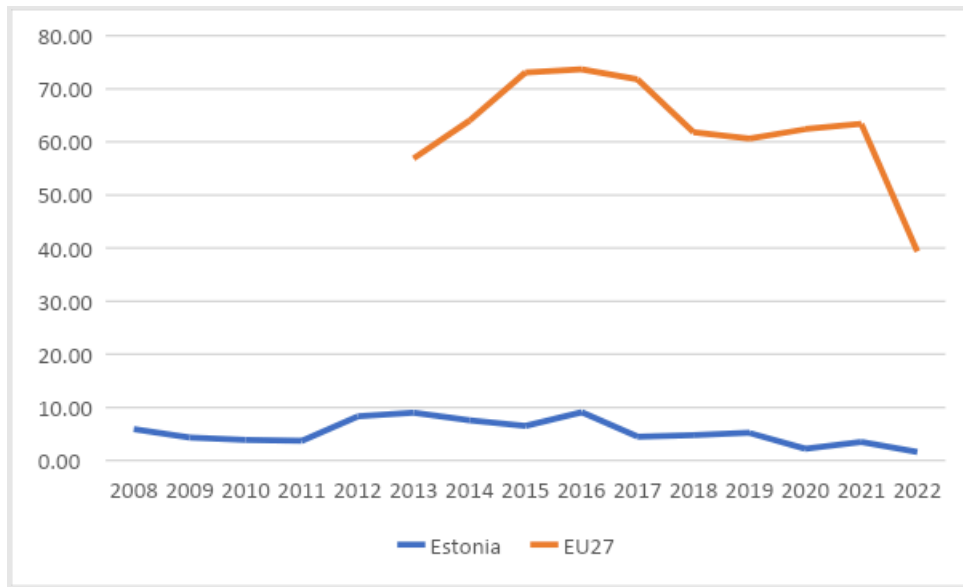


Figure 3 The share of short-term employment permits in Estonia

Source: Eurostat, data code tps00170

The Police and Border Guard collect data on new foreigners registered as short-term employees. Figure 4 below indicates that the number of short-term work registrations has been rather volatile over the years, starting from as low as 1,982 in 2016 and reaching more than 32 thousand in 2019. This is an increase of 16 times in the absolute number of short-term employees in 2019 compared to 2016. There was a significant decline in 2020 due to COVID-19 (-31%), followed by another increase (+49%) in 2021. The substantial decline in 2022 (-26%) was caused by the war in Ukraine, whereas in earlier years, up to 70% of registrations were linked to the workforce from Ukraine, but in 2022, just 47% (but to a smaller extent, also due to the sanctions applied against the Russian and Belarus citizens. Anniste et al., 2023). The most important sectors of short-term work registrations have been construction and manufacturing (in 2022, respectively, 35% and 24% of the total).



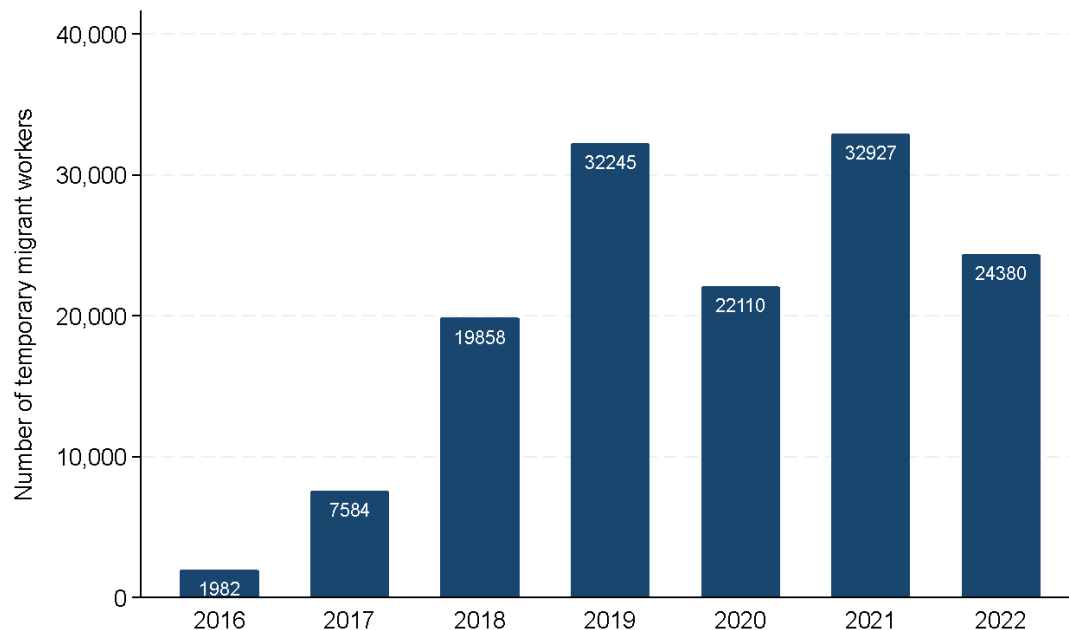


Figure 4. The number of short-term employment permits in Estonia

Source: Anniste, et al. 2023

Available migration statistics are additionally broken down by characteristics such as age, gender, the source or destination country and citizenship. Estonian migration data is also disaggregated territorially, up to the county level. Holmen et al. (2024) thus used it in the Baltic States' regional-level database on internationalisation indicators at the level of NUTS3 regions; shortly, in Estonia, Northern Estonia (the capital region of Tallinn and the surrounding Harju county) has the highest rates of both international emigration and immigration per capita, ca 14 and 18 per thousand, respectively, in 2019 (while these ratios could be twice lower in some other regions). Figure 2 on the numbers of immigrants by citizenship shows that while in 2015, people with Estonian citizenship constituted about 50% of all immigrants (who can be considered as return migrants, Saar and Saar 2020), that share declined to about one-third by 2021. 2022 is an outlier, with 67% (ca 33 thousand) immigrants from Ukraine. Due to the sudden and significant increase in the number of Ukrainians in Estonia, Statistics Estonia has also published detailed statistics on the performance of Ukrainians in the Estonian labour market (Eesti Statistika 2024), all with Ukrainian citizenship and those with temporary protection. Regarding those with temporary protection, about 50% of them are working, but quite many are in blue-collar occupations (and 40% in elementary occupations) and about 25% in manufacturing. They are also mainly employed with short-term contracts, as 20% of all Ukrainians are employed with contract lengths of 200-399 days, and the contract length is up to 399 days or shorter for 60% of all Ukrainians.

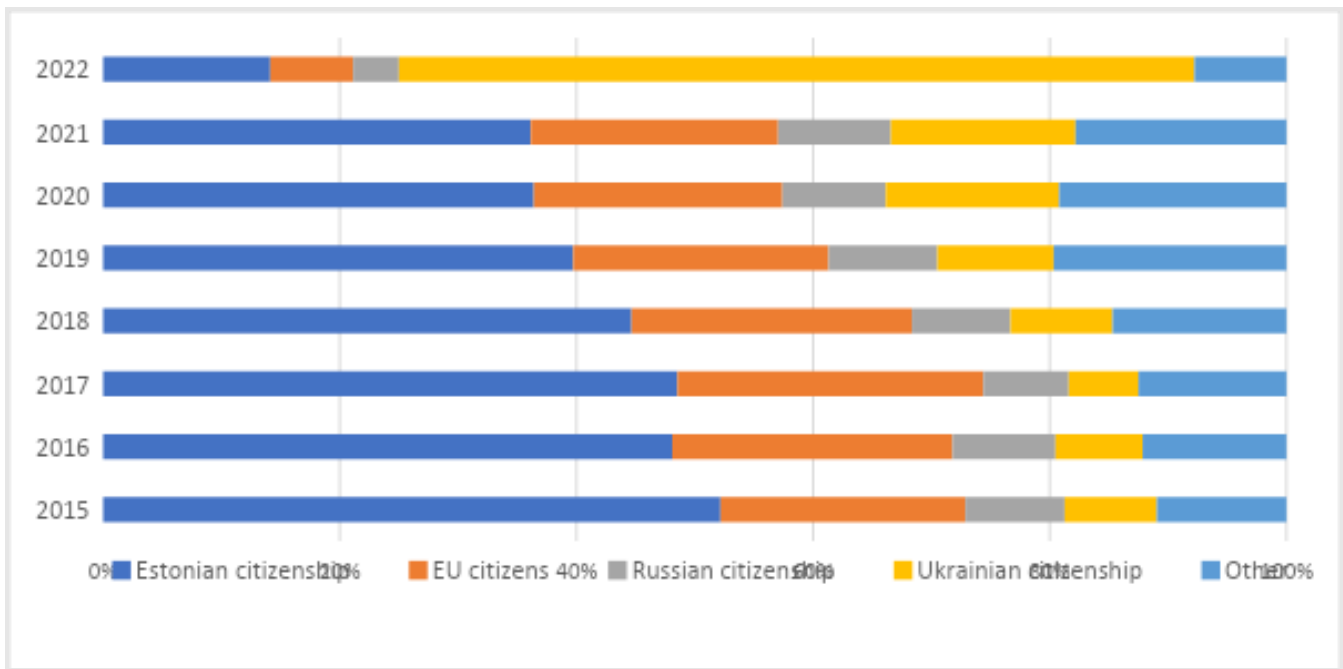


Figure 5 Citizenship of immigrants in Estonia

Source: Statistics Estonia, table RVR08

Note. The available data goes back to 2004 but is less detailed before 2015.

Estonia has generally quite a good data infrastructure for migration research. First, while the Estonian Labour Force Survey (conducted since 1995) is a standard source of data for labour market analysis, it can also be used to study migration. The longitudinal part of the survey can identify the migration status (individuals followed for two quarters, not followed for two quarters, and after that, again followed by two quarters). The particular exceptional feature of the Estonian data is the availability of data on wages (generally not available in the LFS data), which has enabled the analysis, among other things, of the labour market performance of return migrants (e.g. Masso et al. 2017).

As another source of data, in the Estonian Household and Population Census data that is available for 1989, 2000, 2011, and 2021, the migration status can be captured by country of birth (2011), yet it also includes information on the parents' country of birth. Third, the statistical registry of the data (available since 2010) also allows for capturing the migration status by country of birth (Kalm, Tammaru 2011 used that to study the profiles of the newly arrived migrants, i.e. to distinguish them from the Soviet-time migrants). The advantage of the last database over the previously mentioned ones is its coverage of the whole population and its monthly availability. Most individual-level and firm-level databases can be easily connected in Estonia by using pseudonymized individual and firm identifiers to create matched employer-employee data. That

allows, for example, the investigation of the issues of the employment of the migrant workforce at the firm level.

Finally, as a less traditional source of data, the job search portal CV-Keskus provides data which has allowed researchers to investigate migration based on the job seekers' CVs. Namely, the latter includes the jobseekers' last five jobs and the country of employment. Past studies have used that information to investigate the effects of return migration on wages and occupational mobility (Masso et al., 2014; Tverdostup and Masso, 2016). Another new "big data" source of information for migration statistics comes from mobile positioning data developed by the University of Tartu Department of Geography. For instance, Silm et al. (2021) showed using the passive mobile positioning data that regular cross-border travellers comprised 5% of visitors from Estonia to Finland. Bank of Estonia (the central bank of Estonia) has used mobile positioning data to calculate the balance of payments statistics on tourism.

One of the most ambitious initiatives to develop microdata for research is to connect the Estonian and Finnish individual-level datasets to study the migration from Estonia to Finland. In such a merged Estonian-Finnish dataset, the same individual could be observed before the migration (in Estonia) and after the migration (in Finland). The project's legal basis is that the statistical offices of the two EU countries can exchange microdata among them. The project is carried out in cooperation with Statistics Estonia and the University of Tartu from Estonia, and Statistics Finland, and Aalto University from Finland. As of spring 2024, the link between the Estonian and Finnish registry data has been created for about 95,000 individuals – based on their name and date of birth. The data would cover approximately the following variables: wage earnings, occupation, industry of employment, employment status, place of residence (county), education, marital status, number of children, year of birth, country of birth, native language, nationality, citizenship, family and household. The data starts from 1989 (the last Estonian Soviet-time population census) and will span approximately till 2021.

### 3. Employment relations of migrant workers in manufacturing and services

The industrial relations system in Estonia is generally characterised by somewhat limited social dialogue, a low trade union density (less than 10%), and low collective agreement coverage (less than 10%). Collective agreements and bargaining are significant only in sectors like passenger transport, healthcare, and perhaps education. Given that labour relations have been mostly covered by legislation, it has been argued that the need to introduce fast regulation of the labour market via legislation at the beginning of the transition to a market economy may have been one

of the factors crowding out the social dialogue (Kallaste 2023). Given the low coverage of collective agreements, minimum wages are important in setting the wage floor; the minimum wages are agreed upon with the negotiations of the social partners, and these have seen significant increases recently with mostly positive effects (Masso et al. 2021).

Social partners have regarded migration-related topics as important for the social dialogue (Masso, Roosaar, Karma 2021). One reason, especially from the employers' side, is that due to the labour shortages and the significant wage increases in Estonia (raising the expectations of Estonians towards remuneration, as well as other working conditions), many sectors and employers have been very dependent on foreign labour from third countries. The trade unions state that they are not against inward labour migration (Masso, Roosaar, Karma 2021), but fair working conditions must be ensured; thus, they also regard the topic of migration as very important. In construction, there are many problems with working conditions and the use of temporary agencies, but the platform economy has also been problematic. Regarding the violations, the long-run problem has been the unreported income, "envelope wages".

The migrant workforce does not seem to be the most relevant topic in social elderly care for industrial relations actors, and there does not seem to be much of the migrant workforce, e.g. in a survey of service users, it came out that elderly care services were usually not provided by migrant workers (see the recent study on personal and household services, Masso and Roosaar 2024)<sup>3</sup>. One reason is that knowing the local language is important in that sector. Yet, some of the interviewed individuals had worked as care workers abroad, and the interviewed employer organization representatives stressed that migrant workers could relieve the labour shortages in the sector.

In retail services (Masso, Roosaar, Karma 2021), despite the administrative issues accompanying the employment of the 3rd country nationals, employers highly value migrant workers' contribution and loyalty. The sector also has a trade union (Estonian Trade Union of Commercial and Servicing Employees, Eesti Teenindus- ja Kaubandustöötajate Ametiühing). According to Statistics Estonia data, quite a high share of Ukrainians with temporary protection work in the sector (13.8%, while 14.5% is the sector's share in the total workforce).

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<sup>3</sup> According to Estonian Qualifications Authority (Kutsekoda), the share of foreign workforce was in 2021 in the healthcare specialists about 1 %.

Regarding the food processing sector, some companies rely heavily on the migrant workforce because, at least currently, the working conditions might not be attractive to the locals (e.g. due to shift work and cold temperatures, e.g. in the meat processing industry). The report by Pihl and Krusell (2023) on the labour force and skills needs in the agriculture and food industry stated that the use of the foreign labour force has become a usual approach in the food industry (though less than in agriculture), e.g. in 2021 there were about 1,000 foreign employees mostly in the elementary occupations and skilled workers (Employment Registry data).

In metal and automotive, migrant workers are quite important (e.g., welding, according to some estimates, 10-15% of the employees in the sector are migrant workers, but possibly 25% of welders, Lepik and Uiboupin 2023), to the extent that trade unions have been worried about the migrant workers replacing the Estonian workers in the labour market (Masso, Roosaar, Karma 2021), possibly because the migrant workers are less likely to join unions, their hiring at the lower end of the wage scale is motivated by their lower price of labour, they may exert downward pressure on the working conditions and that one should instead satisfy the sectors need for labour domestically by the development of education for occupations needed on the labour market. The typical employment forms of third-country citizens used in the sector are temporary agency work and project-based or fixed-term (e.g., for one full year) contracts because production is also project-based. The report by Lepik and Uiboupin (2023) on the labour force and skills needs in the sector stated that while the sector uses quite a lot of foreign and rental workforce, that is not the most preferred option for the companies as with permanent workforce, it is easier to keep the team spirit and the workforce from 3<sup>rd</sup> countries needs for successful work performance time-consuming supervision. The report also argued that migrant workers will be needed in the sector (both among the engineers and production workers), and at least during the next ten years, it will not be possible to cover the labour needs without foreign workers.

#### 4. Main characteristics of temporary labour migration from Estonia

A central feature of Estonian outward labour migration is Finland's dominant role as the destination country. In that dimension, Estonia differs from other Baltic states, such as Latvia and Lithuania, where the UK is the key destination country. Hazans and Philips (2011) estimated that about 40% of gross migration flows from Estonia ended up in Finland (2003 – 29.4 %; 2007 – 38.6%, Table 1a). The authors have listed causes like the common border, similarities in the languages (both being in the Finno-Ugric language group and good knowledge of the Finnish language in Northern Estonia due to the exposure to Finnish TV), very short distances (ca 80 kilometres between the capitals, Tallinn and Helsinki) enabling commuting (e.g. spending

weekends at home in Estonia). It has been claimed that migration would not be an option for some people without such short distances (Anniste et al. 2017). The same factors that had contributed to the outflow of migrants from Estonia to Finland (cultural and linguistic proximity) have also contributed to their relatively good performance in the Finnish labour market, e.g. in 2007, the unemployment rate was 10% among immigrants from Estonian and 30% among immigrants from Russia (Employment and Economic Development Office of Finland, 2008). The Estonian migrants to Finland have also been found to be different from some other immigrants, like being older; almost half of them are older than 35 years (Hazans, Philips 2011).

Regarding the total number of Estonian migrants in Finland, according to Statistics Finland (table 11rg -- Citizenship according to age and sex by region), the numbers started from a very low level of 720 in 1991 (as Finland was not a significant destination country of emigration before or during the World War II), but have after that a major increase (that accelerated after EU enlargement and Great Recession). Since 2015, the figures have stabilized at around 50 thousand. In that regard, the data from Statistics Estonia on balanced migration flows since 2015 and the Statistics Finland data on the rather stable (or slightly decreasing) number of Estonian nationals in Finland seemed to align with one another.

Anniste et al. (2017) show, based on interviews, that the geographic proximity of Estonia to Finland causes the migration to be incomplete and temporal, which can be positive for the home country (Estonia) via migrants spending a considerable share of their income in Estonia (and also maintaining the personal life in Estonia) and their reduced reliance on the source country social protection system. Regarding the latter, Alho and Sippola (2019) claim that Estonian migrants in Finland have a positive sentiment towards the Finnish welfare state, and they view themselves as contributing to the Finnish welfare state differently from the migrants from other countries. Sippola and Kall (2016), by studying the Estonian construction workers in Finland, show that Finland's strong industrial relation system has contributed positively, especially to the position of the most vulnerable labour migrants, the posted workers. The temporary nature of the Estonian migration to Finland also means that, unlike other migrants in Finland, Estonians are less likely to obtain residential integration, own a home, or relocate into above-average income neighbourhoods. Instead, the income earned in Finland is used to improve the housing situation in Estonia (Torpan et al. 2022; Kährrik et al., 2019).

Very active return migration is also specific to Estonia, indicating that the outward migration has been largely temporary. Regarding the economic effects of the return migration, previous studies

have shown that there are positive effects on wages upon return (Tverdostup and Masso 2016) but not on the progression in career in terms of the occupational ladder (Masso et al. 2014), showing the somewhat limited knowledge accumulation related to return migration. Saar and Saar (2020) stressed, based on the Estonian migrants in the UK, 80% of whom are young adults in the age of 18-34, that the return migration decision is shaped by the decision to move from one stage of life to another, e.g. in terms of family planning (i.e. the concept of lifetime migration can be applied to such moves, while in the literature it has been rather applied to retirement). That is also in line with statistics regarding the number of immigrating children, and the return migration is often related to the age period when people start to form families.

## **5. Conclusion and final comments**

The labour shortage is the continued challenge in Estonia, and the unemployment rate has remained rather low despite the stagnation in the GDP growth rates. On the other hand, a rather high share of the migration going to nearby Finland also facilitates the return migration. Covering the labour shortage by employing third-country nationals with short-term contracts seems to be an increasing trend. Regulations of short-term immigration have become more lenient over time. The immigration quota for long-term residence has remained, and although additional categories of workers have been added as exempt from the quota, the strict anti-immigration policy is still widely criticized. Sometimes, short-term employment of third-country nationals is preferred for simplicity of the procedure compared to quota-related issues of long-term residence permits and long-term contracts.

Statistical data indicate that net migration in Estonia has been positive since 2015. Currently, the attention in debates is on inward migration from third countries. It is estimated that the emigration statistics may omit nearly a third of emigration cases, and general statistics on migration stocks can include immigrants of Soviet time. Employment and family have been the most frequent reasons for immigration to Estonia. The Russian-Ukrainian war has largely affected the statistics by reducing education as a reason to migrate and increasing the prevalence of other reasons. Short-term employees are mainly Ukrainians (47% of all registered short-term workers in 2022) and were Ukrainians also before the war. All Ukrainians in Estonia are working mainly in blue-collar occupations. As might be expected, the most popular areas for immigration and emigration are Tallinn and Harju counties in Northern Estonia. Labour Force Survey, Census data and data from CV Keskus have been used to analyze migration in Estonia. As the newest source of information about migration, the linked data of Finnish and Estonian registries may help reach new levels by analyzing migration from Estonia to Finland.

Limited social dialogue characterizes industrial relations in Estonia, and the national minimum wage represents a wage floor for all sectors and occupations. Nevertheless, social partners seem to consider migration-related topics important due to labour shortages (employers) and problems with working conditions (trade unions). Migrant workers are relatively often used in metal and automotive, food processing and retail services. Although similar to other sectors in social elderly care, labour shortages are increasingly present, one of the reasons why immigrants are not widely used seems to be their lack of knowledge of the Estonian language.

Although Finland is the main country of emigration from Estonia, some other countries like Norway and the UK have also been mentioned in surveys as destinations for migrants from Estonia. Finland is the most attractive country because wages have been higher in Finland for a long time, its welfare has been appreciated, Finnish language is similar to Estonian, and the commuting time is very short. The proximity of the two capital cities has created some anomalies in terms of migration (e.g. older people emigrate), a relatively large share of the income of migrants is spent in the home country, and relocation to Finland is less likely than for immigrants of other countries. Analyzing return migration to Estonia has not shown fast career progression in the home country despite the positive effect on wages. Decisions to move are often related to important changes in life-cycle (e.g. birth of a child etc.).



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