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for Rural Areas)

Country Profiles Report **ESTONIA**

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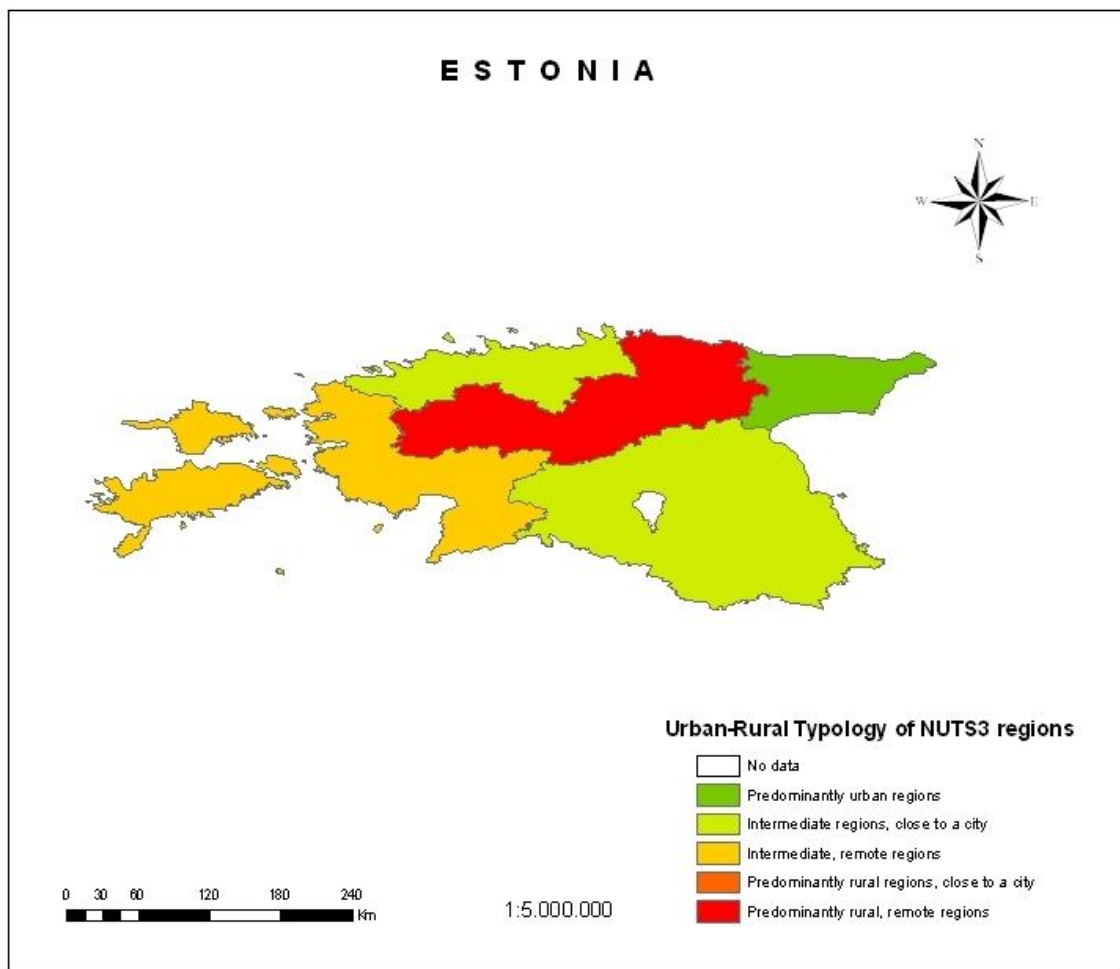
1. Introduction

Guidelines: please, add comments based on your local knowledge on the following (when possible, support your comment on provided tables and/or other sources):

- Key ideas/comments on the resulting DG Regio Typology (reasonable classification?, processes hindered?, degree of internal variation?, etc.)
- Basic comments on the main Drivers, Opportunities and Constraints affecting different typologies of regions in the country
- Basic comments on the implications of the three “Grand Narratives of Change” described by Mark Shucksmith in the rural areas of Estonia (ref. document “Narratives of Change Affecting Rural Areas of Europe”)

When divided into NUT3 regions Estonia consists of five different areas (Figure 6.1). In the middle of Estonia is where the most rural region is to be found. The most urban part of the country is to be found in the north-east and not in the north-west, where the capital is to be found. The capital is considered the most developed region in Estonia while especially the eastern regions bordering Russia suffered to a large extent from major economic transformations, especially the decrease of the agricultural sector. Intermediate areas not in connection to cities are to be found in the south-western parts of the mainland and on the larger islands.

Figure 6.1 DG Region modified Urban-rural typology of NUT3 regions: Estonia



Source: own elaboration from http://ec.europa.eu/regional_policy/sources/docgener/focus/2008_01_rural.pdf

2. Demography

Guidelines: please, add comments based on your local knowledge on the following (when possible, support your comment on provided tables and/or other sources):

- Which are the main demographic processes in the country?
- Which are the features of the “natural growth”? (positive or negative growth, ageing process)
- Which are the features of migration processes? (dimensions, size, directions, prevalence, tradition, consequences on territorial model).
- Are there significant variations in the above processes depending of the types of regions considered (ie. PU, IRA, IRR, PRA, PRR)? Please, describe briefly.

In 2001 the largest shares of young people could be found in rural areas, “predominantly rural, remote regions” had the largest share (Table 6.1). The “predominantly urban region” on the other hand, had in comparison with the other region types the largest share of people in working age. Older people were quite evenly distributed between the types of regions.

Country average tells us that Estonia in 2001 had a larger share of young under 15, and a smaller share of people over 64 than did EU 27. The age dependency rate was below the EU 27 figure.

Table 6.1 Demography indicators

DEMOGRAPHY		PU	IRA	IRR	PRA	PRR	Average country	Average EU 27 +CH+HR+IS+LI+MK+NO+TR	Average EU 27
Variables*		1	21	22	31	32			
Census population 2001	% people aged 0 to 14 years	16.51	18.01	19.99		20.65	18.63	16.75	16.70
	% people aged 15 to 64 years	67.72	67.13	64.17		64.04	66.04	66.62	66.65
	% people aged 64 years and over	15.77	14.86	15.84		15.31	15.33	16.53	16.55
	Age dependency rate	23.28	22.26	24.69		23.92	23.28	25.09	25.09
Population	Population change 2001-2007 (Index pop. 2001=100)	98.19	98.19	98.19		98.19	98.19	96.58	96.31
	% pop. 0_14_2007	14.88	14.88	14.88		14.88	14.88	16.68	15.97
	% pop. 15_64_2007	68.04	68.04	68.04		68.04	68.04	69.75	70.18
	% pop. >64_2007	17.07	17.07	17.07		17.07	17.07	13.55	13.84
	Age dependency rate	46.96	46.96	46.96		46.96	46.96	44.08	43.17
	Natural increase change_01_06	-21.43	-90.00	-25.00		-16.67	-48.62	-5.99	-6.09
	Net migration change_01_06	1548.82	101.13	238.95		104.79	418.96	7.09	8.97
	% ISCED 0_2**	19.80	19.80	19.80		19.80	19.80	33.62	36.65
	% ISCED 3_4**	46.60	46.60	46.60		46.60	46.60	43.29	47.14
	% ISCED 5_6**	24.77	24.77	24.77		24.77	24.77	17.03	18.54
	% of farmers with basic or full educational attainment	25.20	30.90	34.00		34.90	31.18	35.34	39.54
	Life-Long Learning in Rural Areas	5.92	5.92	5.92		5.92	5.92	7.69	8.61

* Values NUT3 are replaced by values NUTS2

**% ISCED by groups is calculated for population more 15 years.

3. Employment

Guidelines: please, add comments based on your local knowledge on the following (when possible, support your comment on provided tables and/or other sources):

- Main processes and trends in relation to the labour market (employment/unemployment, disadvantaged groups and territories). Explanatory reasons
- Are there significant variations in the above processes depending of the types of regions considered (ie. PU, IRA, IRR, PRA, PRR)? Please, describe briefly.

Table 6.2 shows that rural areas of Estonia have a considerably larger share of the workforce employed in the primary sector than does the “predominantly urban region”. The share increases with rurality and with the distance to cities. When comparing the Estonian country average with the corresponding figures for the EU 27 it shows that more people are employed in the secondary sector and less in the primary sector in Estonia.

In 2007 unemployment was higher in the “predominantly urban region” than in the more rural ones. Among people between 15 and 24 this difference did not appear however. The unemployment was lower among women in almost all age groups and region types, and albeit lower in general, the country average differed from the EU 27 the most when comparing the figures for women. The “predominantly urban region” was the only one with higher unemployment rate among women than men.

Between 2002 and 2005 the unemployment decreased in the country, most so in the urban areas. During the same time unemployment among the young aged between 15 and 24 increased extensively in rural areas however.

Table 6.2 Employment indicators (a)

EMPLOYMENT		PU	IRA	IRR	PRA	PRR	Average country	Average EU 27 +CH+HR+IS+LI+ MK+NO+TR	Average EU 27
Variables		1	21	22	31	32			
Employment rate*	15_64 years	69.40	69.40	69.40		69.40	69.40	66.40	66.42
	Tmale 15_64 y	73.20	73.20	73.20		73.20	73.20	73.05	73.12
	Tfemale 15_64 y	65.90	65.90	65.90		65.90	65.90	59.72	59.70
	Total 15_24 y	34.50	34.50	34.50		34.50	34.50	39.66	39.67
	T 45_64 years	73.10	73.10	73.10		73.10	73.10	62.37	62.34
	Total 45_54	86.20	86.20	86.20		86.20	86.20	78.30	78.38
	Total 55_64	60.00	60.00	60.00		60.00	60.00	46.44	46.30
%Employment in principal sector	%Emp. primary	2.48	5.32	10.21		13.02	7.27	7.95	7.97
	%Emp. Secondary	43.15	31.45	39.94		34.72	36.14	26.71	26.71
	%Emp. tertiary	54.37	63.23	49.85		52.26	56.59	65.33	65.31
Unemployment evolution 2002_05	Total > 15 y	48.81	47.72	59.65		55.56	51.89	187.25	188.17
	Total 15_24 y	53.33	69.58	140.00		145.45	95.59	255.26	257.16
	Total >25 y	47.83	42.83	42.55		36.54	42.51	82.27	82.21
	Male > 15 y	42.27	56.30	59.38		45.45	51.94	82.45	82.36
	Female > 15 y	54.79	39.47	68.00		51.72	50.69	94.74	94.79
Unemployment rate 2007*	Total >15	9.70	4.15	3.40		3.90	5.06	7.61	7.63
	Total Male >15	9.50	5.05	4.60		4.20	5.68	7.06	7.05
	Total Female >15	9.60	3.35	3.90		3.90	4.82	8.61	8.59
	Total 15_24	20.00	9.40	10.00		10.00	11.76	15.80	15.65
	Total >25	8.60	3.45	2.80		3.30	4.32	6.67	6.67
Long term unemployment*	% long term unemployment rate_07	49.47	49.47	49.47		49.47	49.47	43.07	43.12
	Evolution of long term unemployment 2002_07	94.39	94.39	94.39		94.39	94.39	111.33	110.94

* Values NUT3 are replaced by values NUTS2

4. Rural business development

Guidelines: please, add comments based on your local knowledge on the following (when possible, support your comment on provided tables and/or other sources):

- Which are the features of the rural businesses (size, dominant activities, employment, profitability, innovation, use of IST, etc)?
- Which is the profile of the rural entrepreneur?
- Which are the niches of activity in which rural companies are being created?
- Which are the opportunity sectors for future rural business operation?
- Which are the main constrains that need to be overcome?
- Are there specific policies/programs/initiatives that could be labeled as “best practices” in rural business promotion?
- Are there significant variations in the above processes depending of the types of regions considered (ie. PU, IRA, IRR, PRA, PRR)? Please, describe briefly.

Table 6.4 Rural business development indicators

RURAL BUSINESS DEVELOPMENT		PU	IRA	IRR	PRA	PRR		Average EU 27 +CH+HR+IS +LI+MK+ NO+TR	
Variables		1	21	22	31	32	Average country		Average EU 27
N° FIRMS BY SECTOR OF OPERATION (1_2 digits)_2006	% Mining and quarrying	0.22	0.22	0.22		0.22	0.22	0.30	0.30
	% Manufacturing	12.37	12.37	12.37		12.37	12.37	14.08	14.05
	% Electricity, gas and water supply	0.65	0.65	0.65		0.65	0.65	0.61	0.63
	%Construction	10.50	10.50	10.50		10.50	10.50	9.48	9.46
	%Wholesale and retail trade	35.55	35.55	35.55		35.55	35.55	23.02	21.83
	%Hotel and restaurants	4.36	4.36	4.36		4.36	4.36	6.52	6.15
	%Transport, storage and communication	7.92	7.92	7.92		7.92	7.92	8.69	8.46
	%Real state, renting and business activities	28.44	28.44	28.44		28.44	28.44	37.29	39.12
EMPLOYMENT BY SECTOR OF OPERATION (1_2 digits)_2006	% Mining and quarrying	1.27	1.27	1.27		1.27	1.27	0.58	0.52
	% Manufacturing	31.10	31.10	31.10		31.10	31.10	29.18	28.08
	% Electricity, gas and water supply	1.92	1.92	1.92		1.92	1.92	1.14	0.89
	%Construction	11.86	11.86	11.86		11.86	11.86	9.09	9.14
	%Wholesale and retail trade	23.05	23.05	23.05		23.05	23.05	26.14	26.93
	%Hotel and restaurants	4.63	4.63	4.63		4.63	4.63	8.27	8.37
	%Transport, storage and communication	10.73	10.73	10.73		10.73	10.73	8.65	8.52
	%Real state, renting and business activities	15.42	15.42	15.42		15.42	15.42	16.78	17.51
RURAL BUSINESS DEVELOPMENT		PU	IRA	IRR	PRA	PRR		Average EU 27 +CH+HR+IS +LI+MK+ NO+TR	
Variables		1	21	22	31	32	Average country		Average EU 27

*Values NUT3 are replaced by values NUTS2

Employment in high and medium technologies manufacturing activities_2004	Employment in high and medium tech manufacturing activities_2004_Media	5.12	5.12	5.12		5.12	5.12	6.88	7,42
	Employment in high and medium tech manufacturing activities_2004_%EU 25	50.60	50.60	50.60		50.60	50.60	95.89	107,13
%firms with own website		NA	NA	NA		NA	NA	50.21	50.21

*Values NUT3 are replaced by values NUTS2

5. Rural-urban relationships

Guidelines: please, add comments based on your local knowledge on the following (when possible, support your comment on provided tables and/or other sources):

- Are there established or incipient initiatives for cooperation between urban and rural areas?
- Is the “territorial approach” developed? (ie. Territorial Employment Pacts, supra-municipal planning, etc.),
- are there rural-urban partnerships? If so, which are their goals and ways of operation? Where is the power located?
- Which is the importance/extent of suburbanisations processes?
- What are the main demands/uses over rural areas from urban inhabitants? How these are met?
- Are there specific policies/programs/initiatives that could be labeled as “best practices” in promoting appropriate rural-urban relations?
- Are there significant variations in the above processes depending of the types of regions considered (ie. PU, IRA, IRR, PRA, PRR)? Please, describe briefly.

6. Cultural heritage

Guidelines: please, add comments based on your local knowledge on the following (when possible, support your comment on provided tables and/or other sources):

- Which are the main cultural resources?
- Which are the main cultural resources of rural regions?
- Is cultural heritage used? If so, in which senses (ie. tourism, other economic activities, identity reference, education, other non profit uses?)
- Which are the main demands upon cultural heritage?
- Are there specific policies/programs/initiatives that could be labeled as “best practices” in protecting/promoting sustainability of cultural heritage?
- Are there significant variations in the above processes depending of the types of regions considered (ie. PU, IRA, IRR, PRA, PRR)? Please, describe briefly.

7. Services of General Interest

Guidelines: please, add comments based on your local knowledge on the following (when possible, support your comment on provided tables and/or other sources):

- Which is the general situation of the services of general interest (SGI) in the country?
- Which are the main problems in relation to accessibility and provision to SGI for rural residents and visitors?
- Which are the main forms of provision of services in rural areas? Are there innovative solutions to low accessibility areas?
- Are there specific policies/programs/initiatives that could be labeled as “best practices” in promoting accessibility/provision of Services of General Interest, particularly in rural areas?
- Are there significant variations in the above processes depending of the types of regions considered (ie. PU, IRA, IRR, PRA, PRR)? Please, describe briefly.

Intermediate regions have the longest road networks in Estonia while the longest railway networks are to be found in the “predominantly urban region”. In both cases though, the country average is below the average for EU 27.

The area of the regions is in general larger in Estonia than in the 27 EU countries and the population density is considerably lower; 212 compared to 4067. The peripherality by car (ie. travel time from each regions centroid to all others over the road network taking into account additional factors such as lower average travel speeds in mountainous areas or border waiting times etc) tells us that it takes longer to go from the center of the urban region to the others, than the other way around. The accessibility to markets however does not differ as much between the types of regions.

Table 6.5 Services of general interest indicators (a)

SERVICES OF GENERAL INTEREST		PU	IRA	IRR	PRA	PRR	Average EU 27 +CH+HR+IS+L I+MK+NO+TR	Average EU 27
Variables		1	21	22	31	32	Average country	
Density of motorways		NA	NA	0.00		NA	0.00	0.04
Density of trunk road		0.09	0.12	0.12		0.11	0.11	0.17
Density of railways		0.02	0.03	0.01		0.02	0.02	0.10
Area (km2)**		3364.00	20132.00	11135.00		9067.00	43698.00	5659749.80
DENSITY	Evolution density 2001_06	-3.41	-1.22	-2.20		-1.87	-1.99	0.93
	Density of population 2006***	51.36	71.15	14.56		15.56	44.76	414.65
								446.23

Table 6.6 Services of general interest indicators (b)

SERVICES OF GENERAL INTEREST	PU	IRA	IRR	PRA	PRR	Average country	Average EU 27 +CH+HR+IS+L I+MK+NO+T R	Average EU 27
Variables	1	21	22	31	32			
Daily population accessible by car	1401.00	1361.00	1310.00		2652.00	1617.00	18078.54	19285.23
Time to nearest hospital	NA	NA	NA		NA	NA	22.83	22.83
Time to nearest university	73.08	17.18	18.22		81.35	41.40	45.10	45.10
Time to nearest airport	73.08	81.75	18.22		75.67	66.10	83.44	83.44
%households with broadband access	NA	NA	NA		NA	NA	49.07	48.00
% households with internet at home	NA	NA	NA		NA	NA	81.46	81.20

* Values NUT3 are replaced by values NUTS2

** The findings of these variables are the sum of values, not the average, as the others.

*** These values are only indicatives and aren't reals because in the calculation there are values NUTS2 and NUTS3.

Table 6.6 Services of general interest indicators (b)

SERVICES OF GENERAL INTEREST		PU	IRA	IRR	PRA	PRR	Average country	Average EU 27 +CH+HR+IS+LI+MK+N O+TR	Average EU 27
Variables		1	21	22	31	32			
N° STUDENTS ISCED 0_6	N°students ISCED_0 per 1.000 inhabitants	NA	NA	NA		NA	NA	29.59	29.46
	N°students ISCED_1 per 1.000 inhabitants	NA	NA	NA		NA	NA	61.66	60.76
	N°students ISCED_2 per 1.000 inhabitants	NA	NA	NA		NA	NA	43.21	43.28
	N°students ISCED_3 per 1.000 inhabitants	NA	NA	NA		NA	NA	48.05	48.04
	N°students ISCED_4 per 1.000 inhabitants	NA	NA	NA		NA	NA	3.06	3.10
	N°students ISCED_5_6 per 1.000 inhabitants	NA	NA	NA		NA	NA	37.37	37.23
	N° of beds in hospitals per 100.000 inhabitants_05	548.40	548.40	548.40		548.40	548.40	696.91	704.88
BEDS IN HOSPITAL PER 100,000 inhabitants*	Evolution nbeds 2000_05	76.27	76.27	76.27		76.27	76.27	91.53	91.94
	Density of hospitals	NA	NA	NA	NA	NA	NA	5.44	5.44
	Hospital beds per head	NA	NA	NA	NA	NA	NA	4.98	4.98
	Doctors per inhabitant	NA	NA	NA	NA	NA	NA	171.35	171.35

* Values NUT3 are replaced by values NUTS2

8. Farm structural change

Guidelines: please, add comments based on your local knowledge on the following (when possible, support your comment on provided tables and/or other sources):

- Which are the main DOC in relation to agriculture?
- Are there specific policies/programs/initiatives that could be labeled as “best practices” in promoting agriculture?
- Are there significant variations in the above processes depending of the types of regions considered (ie. PU, IRA, IRR, PRA, PRR)? Please, describe briefly.

Compared to the EU 27 a smaller share of the Estonian farmers worked full time in 2005. In the rural region the share was higher than in the other region types. The economic size of farms in Estonia is small compared to the EU 27 while the amount of farmers in the Farmers Insurance Organization is above average.

The percentage of the farmers with basic and full education is lower in urban regions of the country and the overall average is below the figures for EU 27.

Table 6.7 Farm structural change indicators (a)

FARM STRUCTURAL CHANGE		PU	IRA	IRR	PRA	PRR	Average country	Average EU 27 +CH+HR +IS+LI+MK+NO+TR	Average EU 27
Variables		1	21	22	31	32			
% HOLDINGS 2005*	< 2 ESU	75.75	75.21	77.41		72.42	75.20	33.42	33.89
	2 to 100 ESU	23.39	23.87	22.12		26.08	23.86	57.56	57.02
	>100 ESU	0.86	0.92	0.47		1.50	0.94	8.33	8.38
%CHANGING N° HOLDINGS 2000-2005*	% Change in number of total holdings 2000-2005	NA	NA	NA		NA	NA	-9.53	-9.19
	% Change in number of holdings less 2 ESU 2000-2005	NA	NA	NA		NA	NA	-2.22	-0.65
	% Change in number of holdings 2 to 100 ESU 2000-2005	NA	NA	NA		NA	NA	-13.91	-13.73
	% Change in number of holdings over 100 ESU 2000-2005	NA	NA	NA		NA	NA	32.21	31.28

* Values NUT3 are replaced by values NUTS2

Table 6.8 Farm structural change indicators (b)

FARM STRUCTURAL CHANGE		PU	IRA	IRR	PRA	PRR	Average country	Average EU 27 +CH+HR +IS+LI+MK+NO+TR	Average EU 27
Variables		1	21	22	31	32			
HOLDERS	% Holders working full time 2005*	23,76	12,87	13,92		16,43	15,97	35,42	35,50
	% Change in Number of Holders working full time 2000 – 2005*	NA	NA	NA		NA	NA	-0,01	0,33
	Economic Farm Size (RDEU07)	3,40	6,00	3,50		6,90	5,16	41,93	41,93
	Farmers with OGA (RDEU07)	34,20	43,80	40,80		45,20	41,56	37,55	37,55
	% holders > 55 years 2007*	57,28	57,28	57,28		57,28	57,28	50,19	50,61
	% holders < 35 years 2007*	5,57	5,57	5,57		5,57	5,57	6,35	6,32
	% change in holders > 55 years 2000 – 2005*	NA	NA	NA		NA	NA	5,88	5,61
	% change in holders < 35 years 2000 – 2005*	NA	NA	NA		NA	NA	-34,01	-33,95
% farmers with basic and full education in agriculture attained (RDEU07)		25,20	30,90	34,00		34,90	31,18	42,29	42,29

* Values NUT3 are replaced by values NUTS2

9. Institutional Capacity

Guidelines: please, add comments based on your local knowledge on the following (when possible, support your comment on provided tables and/or other sources):

- characteristics of the governance system (type of administrative system, levels of government, distribution of powers),
- Dominant types of interactions among levels of government (formal/informal, hierarchical/cooperative, open/closed, top-down/bottom-up, etc.)
- Which are the main problems in relation to government and governance?
- Are there specific policies/programs/initiatives that could be labeled as “best practices” in promoting better institutional capacity, particularly in rural areas?
- Are there significant variations in the above processes depending of the types of regions considered (ie. PU, IRA, IRR, PRA, PRR)? Please, describe briefly.

In relation to the average gross domestic product in PPS / inhabitant of the EU 27, Estonia has a low institutional capacity. The “intermediate regions, close to a city” have the highest level which is considerably higher than the level for the other regions and affects the country average. The GDP per inhabitant is about 50 % of the EU average in 2005.

Table 6.9 Institutional capacity indicators

INSTITUTIONAL CAPACITY		PU	IRA	IRR	PRA	PRR	Average country	Average EU 27 +CH+HR+IS+LI+MK+NO+TR	Average EU 27
Variables		1	21	22	31	32			
GDP DISPERSION OF GDP_2005	GDP in Mio. Euro 2005	927.4	4303.05	957.9		718	2241.88	9722.69	9856.11
	GDP in PPS per inhabitant 2005	9058.3	15556.25	9978		8596.1	11748.98	20926.83	21110.46
	GDP in euro per inhabitant in percentage of the EU average 2005	23.90	41.00	26.30		22.70	30.98	94.38	95.48

10. Climate change

Guidelines: please, add comments based on your local knowledge on the following (when possible, support your comment on provided tables and/or other sources):

- Which are the main perceived threats in relation to climate change for population, authorities, interest groups?
- Are there any scientific evidence pointing to climate change? Please describe
- Are there specific policies/programs/initiatives that could be labeled as “best practices” in counteracting the effects of climate change, particularly in rural areas?
- Are there significant variations in the above processes depending of the types of regions considered (ie. PU, IRA, IRR, PRA, PRR)? Please, describe briefly.