



Determining labour shortages and the need for labour migration from third countries in the EU

Estonian national report

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Disclaimer: The following responses have been provided primarily for the purpose of completing a Synthesis Report for the above-titled EMN Focussed Study. The contributing EMN NCPs have provided information that is, to the best of their knowledge, up-to-date, objective and reliable within the context and confines of this study. The information may thus not provide a complete description and may not represent the entirety of the official policy of an EMN NCPs' Member State.

Following is the input of EE EMN NCP to the EMN 2015 Focussed Study. This document was produced by Helina Maasing the expert of EE EMN NCP. This report was compiled based on public and available information. Furthermore, experts of this topic was consulted.

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Table of Contents

Definitions	4
Top-line "Factsheet"	6
Section 1: General overview of the national labour migration policy and recent public and policy debates on labour migration	7
Section 2: Overview of instruments used for identifying current and future labour and skills shortages and for anticipating the need for labour migration	10
Section 3: Monitoring the outcomes of labour migration policy in relation to shortage occupations	17
Annex	24

Definitions

'Circular migration' is a repetition of legal migration by the same person between two or more countries. (Source: EMN Glossary V3)

'Contract migrant worker' refers to a person working in a country other than their own under contractual arrangements that set limits on the period of employment and on the specific job held by the migrant. (Source: EMN Glossary V3)

'Economic migration' refers to migration mainly for economic reasons or in order to seek material improvements to livelihood. (Source: EMN Glossary V3)

'Employee' is defined as a worker holding an explicit or implicit employment contract, which gives them a basic remuneration that is not directly dependent upon the revenue of the unit for which they work. (Source: EMN Glossary V3)

'Employer' is considered any natural person or any legal entity, including temporary work agencies, for or under the direction and/or supervision of whom the employment is undertaken. (Source: EMN Glossary V3)

'Employment' is defined as the exercise of activities covering whatever form of labour or work regulated under national law or in accordance with established practice for or under the direction and/or supervision of an employer. (Source: EMN Glossary V3)

'Immigration quota' is defined as a quota established for and by the country, normally for the purposes of labour migration, for the entry of immigrants. (Source: EMN Glossary V3)

'Intra-corporate transferee' refers to a third-country national subject to a temporary secondment from an undertaking established outside the territory of a Member State and to which the third-country national is bound by a work contract to an entity belonging to the undertaking or to the same group of undertakings which is established inside this territory. (Source: EMN Glossary V3)

'Intra-EU mobility' is an action of persons (EU nationals or legally resident third-country nationals) undertaking their right to movement by moving from one EU Member State to another. (Source: EMN Glossary V3)

'Labour market test' a mechanism that aims to ensure that migrant workers are only admitted after employers have unsuccessfully searched for national workers, EU citizens (in EU Member States this also means EEA workers) or legally residing third-country nationals with access to the labour market according to national legislation. (Source: EMN Glossary V3)

'Labour migration' is a movement of persons from one state to another, or within their own country of residence, for the purpose of employment. (Source: EMN Glossary V3)

'Labour shortage' is a shortage or insufficiency of qualified candidates for employment (in an economy, country) (Collins Dictionary)

'Mobility partnership' refers to cooperation arrangement, on the basis of political declarations, that provides the bilateral framework for dialogue and practical cooperation to address relevant migration and mobility issues of mutual concern primarily with EU neighbourhood countries, including short and long-term mobility, on a voluntary basis. (Source: EMN Glossary V3)

'Occupation' is defined as a set of jobs whose main tasks and duties are characterised by a high degree of similarity. (Source: EMN Glossary V3)

'Social partners' refers to employers' associations and trade unions forming the two sides of social dialogue (Source: European Quality Assurance in Vocational Education and Training (EQAVET); European Commission Glossary¹)

'Seasonal worker' is a third-country national who retains their principal place of residence in a third country and stays legally and temporarily in the territory of a Member State to carry out an activity dependent on the passing of the seasons, under one or more fixed-term work contracts concluded directly between that third-country national and the employer established in that Member State. (Source: EMN Glossary V3)

'Skills shortages' refers to shortages of particular skills on the labour market. Skills shortages can be cyclical and structural. On the one hand, shortages are common during periods of rapid economic growth, when unemployment is low and the pool of available workers is reduced to a minimum. However, these type of shortages tend to be overcome along the cycle. On the other hand, some structural changes, such as the adoption of new technologies, may increase the demand for certain skills that are not immediately available in the labour market, creating skills shortages even when unemployment is high. In fact, having a large pool of unemployed people provides no guarantee that employers can find appropriately skilled individuals to fill their vacancies. (Source: OECD)

'Social dumping' refers to the practice whereby workers are given pay and/or working and living conditions which are sub-standard compared to those specified by law or collective agreements in the relevant labour market, or otherwise prevalent there. (Source: EMN Glossary V3)

¹ Available at: <http://www.eqavet.eu/qa/gns/glossary/s/social-partners.aspx>

Top-line "Factsheet"

Migration is seen as part of a response to labour market policies and identified labour shortages. Therefore, the aim of this EMN study is to analyse whether there is a link between identified labour shortages and labour migration policy.

Estonia's labour migration policy is based on the principles of demand and protection of the local labour market. Meaning that employment of those third-country nationals, whose skills and knowledge will contribute to the development of Estonian economy, science, education and culture is facilitated. And domestic and EU labour force is prioritized over third-country nationals. Therefore, instruments like quotas, labour market test, and minimum salary threshold are applicable for labour immigrants. Presently the conditions for entry and stay in Estonia for third-country workers do not depend on the labour shortage forecasts for the respective occupation. If an employer wishes to invite a third-country national for work, it has to perform a labour market test.

However, to better match labour immigration policy to the actual needs of the labour market, as of 2016 the Government has the right to introduce a list of sectors or professions where labour shortage is identified. As a result of that, to fulfil jobs listed in the list of shortage occupations, labour market test is not applied anymore and minimum salary requirement is lower (the average gross salary) than to other labour immigrants.

The list of shortage occupations is based on different analyses done on labour market. The shortage list will be compiled mainly on the basis of the analysis of Labour Demand Forecast (quantitative analyses) and qualitative labour needs analysis, and possibly other analyses (e.g. sector specific, employers interviews, vacancies etc.). The list is compiled in cooperation with different ministries: Ministry of Economic Affairs and Communications, Ministry of Social Affairs, Ministry of Education and Research, Ministry of Culture and submitted by the Ministry of Interior to the Government for approval. The list of shortage occupations is reviewed after every two years.

Thus, so far Estonia has had no practise on linking labour market shortages to immigration policy, except the usual labour market test, which indicates the current needs of the employer. Longer-term projections are made by the Ministry of Economic Affairs and Communications annually in the Labour Demand Forecast, which points out labour needs in 9 years' time compared to the current situation. Also, the qualitative labour needs analysis compiled by the Estonian Qualifications Authority highlights key occupations and the need for labour, educational needs etc. in the period of 3-6 years. However, so far analysis on future labour demand has been mainly for the input to the education system, i.e. which professions should be thought in high education institutions etc.

There is no regular monitoring done on labour migration policy in relation to shortage occupations, yet. In the beginning of 2015 the Centre for Migration Studies analysed on behalf of the Ministry of Interior profiles of third-country nationals, who have immigrated to Estonia during 2009-2014 and if their skills/qualifications matched or are matching the national labour market needs. The analysis found that profile of third-country nationals who have immigrated to Estonia in the last six years matched the overall aim of Estonia's immigration policy (facilitating highly skilled immigration) and the needs of the employers (need for skilled labour). However, if looked more detailed the needs of the labour market, then there was a mismatch between the demand and the skills of immigrants. For example, when compared the vacancies during 2009-2014 and skills of immigrants, then most immigrants were highly skilled top specialist, however most vacancies were in service occupations. Greater mismatch was also in managing professions and the mismatch was lesser in skilled professions. In addition according to the Labour Demand Forecast for 2022, the biggest demand is for motor vehicle drivers, business and administration associate professionals, science and engineering associate professionals and production and specialized services managers. Thus, the biggest need in the future is for medium skilled workers.

Section 1: General overview of the national labour migration policy and recent public and policy debates on labour migration

*This section aims to outline the national migration policy and recent public policy debates on migration. Firstly, it examines whether the **conditions for entry and stay** for third-country nationals provided in national legislation are directly linked to shortage occupations. It further explores the **policy instruments** in place used for managing economic migration (for example quotas, labour market tests, points-based systems, other instruments). Secondly, the section focuses on recent public debated on labour migration especially with regard to debates on how labour migration is planned to be utilised to address labour market shortages. Thirdly, the section looks at the extent to which Member State view immigration as a tool to address labour shortages and the overall role envisaged by policy for migration to address labour shortages.*

Q1. Please briefly describe how the **national labour migration policy** functions in your (Member) State. (Maximum 1 page)

Q1 (a). Are **conditions for entry and stay** for (categories of) third-country nationals provided in national legislation linked to shortage occupations?

Q1 (b). What are the instruments in place in your Member State for **managing economic migration** (quotas, labour market tests, points-based systems, other instruments) and how are they linked to labour shortages identified (*for example, labour market test is not applied for third-country nationals applying for jobs listed in lists of shortage occupations*)

Q1. (c) To what extent does you Member State view immigration as a tool to address labour shortages? What overall role for migration to address labour shortages is envisaged by policy in your Member State?

The overall aim of Estonia´s national labour migration policy is to facilitate the employment of those third-country nationals, whose skills and knowledge will contribute to the development of Estonian economy, science, education and culture². To protect the local labour market, domestic workforce is prioritized over recruiting third-country nationals from outside of the European Union. Therefore, instruments like quotas, labour market test, and minimum salary threshold are applicable for labour immigrants.

Estonia has set simpler requirement to certain category of labour immigrants. Therefore, the following labour immigrants are exempt from the labour market test and minimum salary threshold: 1) teacher or lecturer; 2) researcher; 3) sportsman, coach, referee or sports official; 4) minister of religion, nun or monk; 5) accredited journalist; 6) posted worker; 7) person engaged in creative activities; 8) person performing directing or supervisory functions of a legal person governed by public law registered in Estonia (see statistics on residence permits issued for employment in Annex Table 1). In addition to this list expert, adviser or consultant, top specialist and third-country national working in a private company registered in Estonia where they perform directing or supervisory functions, are also exempt from the labour market test, but not from the minimum salary criteria. Estonian labour market is considered to benefit from these professions and for that reason simpler admission rules are introduced for them.

Furthermore, third-country nationals already in EU or Estonia gain from the favourable terms. Meaning that graduates of Estonian tertiary education institution and long-term resident´s residence permit holders of a member state of the EU can apply a residence permit for employment in Estonia without passing the labor market test and fulfilling the minimum salary threshold.

The overall requirement for labour immigrants is that they must earn a salary that is at least equal to the latest

² Aliens Act, Article 176, RT I 2010, 3, 4

annual average wage in Estonia published by Statistics Estonia, multiplied by the coefficient 1.24. The coefficient is higher for top specialists, who must earn a salary at least 2 times higher than the average wage in Estonia. Furthermore, EU blue card holders have to meet the salary requirement set with the Council Directive 2009/50/EC³ (so-called Blue card directive), which is 1.5 times or 1.2 times (applicable for groups 1 and 2 of ISCO-08) the average salary of the member state.

Another instrument for regulating immigration, including labour immigration, to Estonia is annual immigration quota, which is set by the Government. The immigration quota limits the number of third-country nationals who can settle in Estonia. The maximum quota per year cannot exceed 0.1 per cent of the permanent population of Estonia annually⁴. In numbers, the annual immigration quota has been around 1,000 persons per year. Mostly labour immigrants are going under the quota system. For example in 2014 94% of the quota was used for labour immigrants (See table 1). However, not all labour immigrants are admitted to Estonia via quota system, roughly 1/3 of labour immigrants are admitted outside of the annual immigration quota (See table 2). For example researchers, citizens of US and Japan can apply a residence permit in Estonia outside of the quota system.

Table 1. Temporary residence permits issued under annual immigration quota system, 2010-2014

	2010		2011		2012		2013		2014	
	Quota used	%	Quota used	%	Quota used	%	Quota used	%	Quota used	%
Temporary residence permits issued under quota system for...										
...enterprise	62	8%	137	11%	56	10%	43	7%	24	3%
...legal income (valid until 01.07.2012)	22	3%	43	3%	-	-	-	-	-	-
...employment	686	82%	1081	84%	500	86%	518	86%	828	94%
...international agreement	56	7%	22	2%	25	4%	41	7%	33	4%
Total	826	100%	1283	100%	581	100%	602	100%	885	100%

Source: Police and Border Guard Board

Table 2. Temporary residence permits issued for employment under annual immigration quota system, 2010-2014

	2010	2011	2012	2013	2014	
Decisions to grant residence permit for employment	941	1429	835	863	1237	
Number of labour immigrants admitted under quota system	686	1081	500	518	828	
	%	73%	76%	60%	60%	67%

Source: Police and Border Guard Board

³ Council Directive 2009/50/EC of 25 May 2009 on the conditions of entry and residence of third-country nationals for the purposes of highly qualified employment, *OJ L 155, 18.6.2009, p. 17–29*

⁴ Aliens Act Article 113 (2), RT I 2010, 3, 4

Labour force and labour market conditions are taken into account in the admission process with a labour market test. The labour market test is the only instrument designed to meet real demand. Estonian Unemployment Insurance Fund may give a permission to hire a third-country national for filling a position because it is impossible to fill the vacant position by employing an Estonian citizen or a citizen of the European Union or an alien residing in Estonia on the basis of a residence permit. Estonian Unemployment Insurance Fund makes the decision to give a permission to hire a foreigner based on the assessment of the current labour force and labour market situation (e.g. analysing the qualification of unemployed).

Above described mechanisms, like the annual immigration quota, labour market test and minimum salary threshold, are created first and foremost to protect Estonia's domestic labour market. Only highly skilled labour immigration is facilitated, regardless of the actual needs of the labour market. Thus, presently the conditions for entry and stay in Estonia for third-country workers do not depend on the labour shortage forecasts for the respective occupation, i.e. our national labour immigration policy has not been directly linked to shortage occupations so far. However, this will change in 2016, when Government has the right to introduce a list of sectors or professions where labour shortage is identified. As a result of that, to fulfil jobs listed in the list of shortage occupations, labour market test is not applied anymore and the minimum salary requirement is lower (the average gross salary) than to other labour immigrants. This change was made in the legislation to better match the actual needs of the national labour market.

Q2. Please briefly describe any recent public and policy debates in the area of labour migration, especially with regard to debates on how labour migration is planned to be utilised to address labour market shortages.

In the last three years wide-ranging consultations with relevant ministries, social partners and stake-holders have taken place to simplify and fasten the admission procedure of labour immigrants, mainly focusing on attracting highly qualified labour force. The debate and consultation which started in 2012 was first of its kind and was highly appreciated by the stakeholders. Cooperation between different stakeholders continued in 2013-2014 and consultations will continue in the future as well. As the result of the consultations several amendments were made to the Aliens Act to fasten the procedure of employing a top specialist and take into account the needs of Estonian labour market when recruiting a third-country national. As described in Q1 as of 2016 Estonian Government has the right to introduce a list of sectors or occupations where labour shortage is identified and recruiting third-country nationals to the jobs named in the list without passing a labour market test.

The stakeholders involved in the Aliens Act consultations were beside the Ministry of Interior, Ministry of Economic Affairs and Communications, Ministry of Education and Research, Ministry of Social Affairs, Ministry of Foreign Affairs and Ministry of Culture. Furthermore, Police and Border Guard Board, Estonian Tax and Customs Board, Internal Security Service, Estonian Service Industry Association, Finance Estonia and representatives of employer's organisations, trade unions and universities were also involved.

In the public media there have not been very substantial debates on how labour migration is planned to be utilised to address labour market shortages. However, more and more it is publicly discussed the issue of demographic change, which may result in bringing workforce from abroad and that may include semi-skilled immigrants as well.

Section 2: Overview of instruments used for identifying current and future labour and skills shortages and for anticipating the need for labour migration

This section aims to examine the existing instruments and approaches used in (Member) States to identify current and future labour and skills shortages and the anticipated need for migration labour. Firstly, it examines how labour shortages are defined and classified at national level (Q3) as well as whether there are any distinctions made among different types of shortages (Q4). Secondly, this section provides an overview of existing instruments and tools used in (Member) States to identify labour shortages and the need for migration labour to fill shortages in the labour market (Q5). The section explores the role and involvement of social partners and other national stakeholders (Q6). Finally, it aims to collect a summary of the results/findings of the identified instruments.

Q3. Definition and classification of labour shortages

Q3.(a) How are labour shortages **defined, identified and classified** in your Member State?

Q3.(b) What is the **level of analysis** (e.g. by sectors, by occupations or by qualifications or skill levels)?

Q3.(c) Are classifications of shortages defined in legislation or soft law (e.g. circulars, regulations, policy documents)? If yes, please describe and provide examples for each of the classifications.

Q3.(d) To which extent the level of analysis includes region/local level?

There are several types of analysis done in Estonia on medium and long-term labour demand. The focus of these analyses have been so far on identifying shortages for the whole workforce and it has not been directly linked to the labour immigration policy. According to the recent amendments to the Aliens Act, which will enter into force in the beginning of 2016, Estonian Government has the opportunity to adopt a list of shortage occupations or sectors⁵. That allows third-country nationals to apply a residence permit for employment in occupations or sectors named in the list on simpler requirements. Thus, as of 2016 labour immigration policy is linked with labour shortages.

Currently, long-term employment and labour demand are reflected in the Labour Demand Forecast conducted by the Ministry of Economic Affairs and Communications annually. In addition to the employment rate, the estimation assess the need for additional labour force in the next 9 years. The forecast includes predictions on people leaving labour force (retirement, mortality), movement between sectors and need for additional labour force in growing sectors. The forecast assesses the quantitative need for labour, i.e. the number of workforce is assessed, but not the skills needed. The estimations for labour demand are given by areas of activity, professions and levels of education. The forecast is based on the data of the labour force surveys and the latest population census (provided by Statistics Estonia).⁶

To supplement the quantitative need for labour force with qualitative needs, a method (OSKA) has been worked out in 2014. Aim of the OSKA system is to collect information on what kind of skills and how many workers different sectors need in the near future and formulate this information into the state funded training order, depending the needs of the labour market. The skills needed for the labour market is going to be analysed by the Estonian Qualifications Authority, which will give the overview of the labour market and specifies the skills needed in the next 3-6 years.⁷ The plan is to compile a quantitative analysis of the needs of the labour force, how much workers is needed, in which occupations and sectors, what is the replacement and additional need of labour force.

As mentioned above from next year a list of shortage occupations can be created, which names the sectors and/or

⁵ Aliens Act, Article 181 (8), RT I 2010, 3, 4

⁶ Labour demand and supply forecast 2022, Available: <https://www.mkm.ee/en/news-press-releases/analysis-and-research>

⁷ Response to EE NCP's query from Estonian Qualifications Authority and information from their webpage: <http://www.kutsekoda.ee/et/kutsesysteem/tooturuylevaated>

professions where shortage of labour will exist in the future. The list is compiled in cooperation with different ministries (Ministry of Economic Affairs and Communications, Ministry of Social Affairs, Ministry of Education and Research, Ministry of Culture). The list is submitted by the Ministry of the Interior to the Government for approval and the latter will issue a regulation of that. Thus, the shortage occupations linked to labour immigration policy will be stipulated with a legal act. The shortage list will be compiled mainly on the basis of the latest analysis of Labour Demand Forecast and qualitative labour needs analysis (by the Estonian Qualifications Authority), and possibly other analyses (sector specific, employers interviews, vacancies etc.).⁸

Q4. Do any distinctions between different types of labour shortages exist in your Member States, such as for example:

- **short-term** (current) shortages and **longer-term** (projected) shortages; or
- **cyclical** shortages (shortages occurring due to short-term imbalances in the supply and demand in the labour market and/or by providing incentives to the labour force) and **structural** shortages (which are due to changes, such as the adoption of new technologies, may increase the demand for certain skills that are not immediately available in the labour market, creating skills shortages even when unemployment is high).

If yes, please describe.

Longer-term projections are made by the Ministry of Economic Affairs and Communications annually in the Labour Demand Forecast, which points out labour needs in 9 years' time compared to the current situation. Also, the qualitative labour needs analysis compiled by the Estonian Qualifications Authority highlights key occupations and the need for labour, educational needs etc. in the period of 3-6 years.

Short-term labour shortage in migration process is identified based on employers' current needs (labour market test).

⁸ Explanatory note to the amendments to the Aliens Act and other legal acts, RT I, 23.03.2015, 1

*Determining labour shortages and the need for labour migration from third countries**Estonian national report*

Q5. Please complete the table below identifying the instruments/tools in your (Member) State used to identify labour shortages and the need for migration labour. You can list more than one instrument/tool per category.

Instruments and tools used for identifying labour market shortages and the need for migration labour	Is this instrument/tool used in your (Member) State? (Y/N)	Is this instrument used for determining labour migration needs? (Y/N) If yes, does the instrument: (a) focus exclusively on the identifying the need for migration labour or; (b) it is a tool which aims to identify shortages for the whole workforce (including national/EU) and has a component focusing on migration?	Please briefly describe the respective tool(s) and the methodology(ies) used for anticipating the need for migration labour.	(1) Please describe the level of analysis of the particular instrument/tools (i.e. skills, occupations, sectors, professions, level of qualifications, others). (2) Is an international (e.g. ISCO-08) or national classification of occupations used?	Which national organisation(s) use this mechanism/tool to produce information on skill shortages?	What is the geographical level of the mechanisms/tools used (e.g. national, regional, municipal)?	Additional comments
<i>Lists of shortage occupations</i>	Y (as of 1 st January 2016)	This tool aims to identify shortages for the whole workforce (including national/EU) and proposes a list of occupations where immigrants can apply a residence permit for employment on a simplified way.	Different analyses will be used to create the list of shortage occupations. Mainly the Labour Demand Forecast and qualitative labour needs analysis, and possibly other analyses (sector specific, employers' interviews, vacancies etc.) are used to compile the list.	Quantitative analysis on labour demand by sectors, professions (based on ISCO-08) and levels of education.	Ministry of Interior and the Government	National	
<i>Sector analysis</i>	Y, used for identifying the overall labour	N			Ministry of Economic Affairs and	National	

*Determining labour shortages and the need for labour migration from third countries**Estonian national report*

	market shortages, not linked to labour immigration.				Communication s, Ministry of Social Affairs, Estonian Qualifications Authority		
<i>Employer Surveys</i>	Y, used for identifying the overall labour market shortages, not linked to labour immigration.	N	Interviewing and the questioning employers.		Ministry of Social Affairs, Ministry of Economic Affairs and Communication	National	
<i>Forecasts/foresight analysis</i>	Y, used for identifying the overall labour market shortages, not linked to labour immigration.	N	Bases for the forecast is data collected by the Labour Force Survey (LFS) and the latest (2011) population census. Based on the LFS changes in employment by occupation, and in five groups of activities is analysed. Data of population census is used to estimate labour needs in more detail by occupations and the educational needs of employers.		Ministry of Economic Affairs and Communication.	National	
<i>Qualitative studies or analysis</i>	Y, used for identifying the overall labour market	N				National	

*Determining labour shortages and the need for labour migration from third countries**Estonian national report*

	shortages, not linked to labour immigration.						
<i>Other instruments/tools (please describe)</i>	N						

Q6. Concerning **lists of shortage occupations**, please briefly describe:

- a. The process for developing the shortage occupation lists;
- b. What are the criteria for selecting the shortage occupations (e.g. advertised vacancies are significantly higher than the qualified national job seekers available)? ;
- c. Which organisations/institutions play a role in determining lists of shortage occupations?;
- d. How frequently are the lists of shortage occupations updated?

As mentioned above Estonia has stipulated in the Aliens Act, that a shortages occupations or sectors list may be created to facilitate labour immigration to shortage professions. As this amendment will come in force in 2016, there has not been any shortage occupation lists created so far and the process is slightly vague yet. According to the amendments Estonian Government may approve a list of sectors or occupations where labour shortage exists or will exist in the next years. The list of occupations where labour shortage (might) exists for a certain period of time is determined in cooperation of different ministries (Ministry of Economic Affairs and Communication, Ministry of Social Affairs, Ministry of Education and Research, Ministry of Culture) and submitted by the Ministry of Interior to the Government for approval.⁹

The list of shortage occupations or sectors is created based on different analyses. Mainly the Labour Demand Forecast and qualitative labour needs analysis are used. Furthermore, other analyses done on labour market and labour shortages like sector specific reviews, employer surveys, vacancies etc., can be used to compile the list.

The list of shortage occupations or sectors is reviewed after every two years¹⁰.

Q7. For each of the instruments and tools used for identifying labour market shortages in Q5, please outline how it is used for policy purposes? Is there a formalised mechanism to disseminate the information produced? (Y/N) If yes, please describe.

So far the analysis on labour demand has not been used to develop labour immigration policy. Thus, the instruments or tools named in Q5 are not directly linked to labour immigration policy, except the list of shortage occupations, which will be used as of 2016 to facilitate labour immigration to Estonia.

Most of the tools named in Q5 are used to develop the overall labour market and training/education policy.

Q8. Are any of the tools/mechanisms for identifying labour market shortages identified above (e.g. lists of shortage occupations, employers' needs analysis, surveys, forecasts, etc.) used to determine any of the policy instruments for managing economic migration (e.g. quotas, labour market tests, points-based systems, etc.)? (Yes/No) If yes, please describe.

From the beginning of 2016 Estonian government can approve a list of shortage occupations, which is used to manage economic immigration from third-countries. As a result of that third-country nationals can apply a residence permit for employment to work in an occupation listed in the shortage list on simpler requirements. For example, labour market test is not applied to them. Furthermore, the minimum salary an employer must pay to the employee is lower than the salary requirement to other labour immigrants. Labour immigrants working in shortage occupations must be paid at least the average gross salary, when other labour immigrants must receive for their work at least 1.24 times the average salary in Estonia.¹¹

⁹ Explanatory note to the amendments to the Aliens Act and other legal acts, RT I, 23.03.2015, 1

¹⁰ Aliens Act Article 181 (8), RT I 2010, 3, 4

¹¹ Aliens Act Article 178, RT I 2010, 3, 4

Q9. Do any mechanisms or tools to monitor intra-EU mobility of workers filling job vacancies in the national labour market or leaving to work in other Member States exist in your Member State? (Y/N) If yes, please describe.

If possible, please distinguish between mechanisms or tools to monitor intra-EU mobility with regard to (i) shortage occupations and (ii) other occupations not considered as shortage occupations.

Please indicate the national sources of statistics or data on EU citizens working in your Member State.

There isn't any mechanism or tools in place to monitor intra-EU mobility of workers, who fill job vacancies in the national labour market or are leaving to work in other Member States. There are different databases that somewhat collect this data. For example national census data shows how many EU citizens live and work in Estonia. Also, the Tax and Customs Board has data on all economically active persons in Estonia despite their citizenship. The data collected by the Tax and Customs Board is not based on citizenship, but on personal identity code, for that reason it is difficult to distinguish EU and non-EU citizens from this data set.

Q10. Please outline the **role of social partners** (see definition of social partners above) and **other stakeholders** (please identify which stakeholders) in identifying the need for migrant labour? Is there a formalised mechanism to consult/involve social partners in identifying the anticipated need for migrant labour or is their involvement on an ad-hoc basis?

Previously, there has not been any formalised or ad-hoc mechanism in place for social partners and other stakeholders in identifying the need for migrant labour. As the possibility of the list of shortage occupations is being applied, different stakeholders are involved in putting that list together. Ministry of Economic Affairs and Communication, Ministry of Social Affairs, Ministry of Education and Research, Ministry of Culture and Ministry of Interior are involved in determining the list of shortage occupations. In addition, other stakeholders, like Statistic Estonia, Unemployment Insurance Fund, and Enterprise Estonia, employers' representatives etc. give their input in drawing up the quantitative labour market needs and the future prognosis, which is also used as a basis for the list of shortage occupations¹².

Q11. Q5 in Section 2 examined the types of national instruments used in your Member State to identify labour shortages and the need for migrant workers. Please briefly summarise the results/findings of these instruments for the most recent year(s)

As the list of shortage occupations will be used from next year, we cannot point out any findings of this instrument yet. Other instruments are used to find out the possible future labour shortages, however these analyses are not linked to the need to fill these occupations with migrant workers. Forecasts and employers surveys are mainly used to for identifying the educational/additional training needs for the future labour market.

Q12.(a) Please indicate any **challenges and risks** associated with the use of instruments for identifying labour shortages and the need for migration labour in your (Member) State. (based on existing studies/evaluations or information received from competent authorities)

Q12. (b) Are there shortage occupations which are not addressed through labour migration (for example because of political concern, sensitivity of the jobs, etc.). If so, how is this determined?

¹² Explanatory note to the amendments to the Aliens Act and other legal acts, RT I, 23.03.2015, 1

N/A

Section 3: Monitoring the outcomes of labour migration policy in relation to shortage occupations

This section examines the tools and mechanisms to monitor the outcomes of labour migration policy in relation to shortage occupations (e.g. workforce analysis, analysis of types of work permits granted, sector analysis, discussions with employers, etc.). It begins with a series of questions on the instruments used. The section also explores the use of these instruments; the role of social partners and other stakeholders and any challenges and risks associated with their use.

Q13. Are the outcomes of labour migration policies in relation to shortage occupations monitored in your (Member) State? If yes, please describe:

- (a) What are the monitoring mechanisms (e.g. workforce analysis, analysis of types and number of work permits granted, sectoral analysis, discussions with employers, etc.)? Is there a formal mechanism(s) to monitor the effects of migration on the labour market in your (Member) State or is this done on an ad-hoc basis?
- (b) At what level are labour migration policy outcomes monitored (e.g. workforce, sectors, skill levels, occupations)?
- (c) Which organisations carry out such monitoring? For example, are these produced by national agencies; academics; NGOs?
- (d) Is the monitoring laid out in legislation or soft law (e.g. circulars, policy documents)?

The outcomes of labour migration policies in relation to shortage occupations have not been monitored in Estonia so far. Ministry of the Interior does analyse the residence permits issued to third-country nationals for employment reasons, but it is not directly linked to the needs of labour market. Until now, the focus of Estonia's labour immigration policy is to facilitate highly qualified labour force. After the list of shortage occupation is introduced in 2016 and revised after every 2 years, then the match of labour immigrants and labour market needs are monitored more closely.

Q14. For each of the instruments and tools used for monitoring the outcomes of labour migration policy in relation to shortage occupations in Q13a, please outline how it is used? Are there formalised mechanisms to disseminate the results of each monitoring mechanism listed in Q13(a)? (Y/N) If yes, please describe

No.

Q15. Please outline the **role of social partners** (including organised representatives of employers and employees) and **other stakeholders** in monitoring the effects of labour migration on the labour market? Is there a formalised mechanism to consult/involve social partners or is their involvement on an ad-hoc basis?

In recent years social partners and other stakeholders have been part of the formulation of Estonian labour immigration policy. So far there have been no monitoring of the effects of labour migration on the labour market. Thus, other stakeholders have not taken part of that.

Q16. Please indicate any **challenges** associated with monitoring the outcomes of labour migration policy in relation to shortage occupations in your (Member) State or the impact of labour migration on the labour market at large (based on existing studies/evaluations or information received from competent authorities)

There is no regular monitoring done on labour migration policy in relation to shortage occupations. In the beginning of 2015 the Centre for Migration Studies analysed on behalf of the Ministry of the Interior profiles of third-country nationals, who have immigrated to Estonia during 2009-2014 and if their skills/qualifications matched or are matching the national labour market needs. The analysis¹³ found that the profiles of third-country nationals who have immigrated to Estonia in the last six years matched the overall aim of Estonia's national immigration policy (facilitating highly skilled immigration) and the needs of the employers (need for skilled labour). Meaning that 61% of the third-country nationals had a qualification that can be considered highly qualified and 38% of the immigrants had a qualification that can be considered skilled worker. Only less than 1% of the third-country nationals were low skilled. However, if looked more detailed the needs of the labour market, then there was a mismatch between the demand and the skills of immigrants. For example, when compared the vacancies during 2009-2014 and skills of immigrants, then most immigrants were highly skilled top specialist, however most vacancies were in service occupations (see Chart 1). Greater mismatch was also in managing professions and the mismatch was lesser in skilled professions. In addition, according to the Labour Demand Forecast for 2022, the biggest demand is for motor vehicle drivers, business and administration associate professionals, science and engineering associate professionals and production and specialized services managers. However, third-country nationals who have immigrated to Estonia in recent years had mainly the qualification of legal, social and cultural professionals; metal, machinery and related trades workers; administrative and commercial managers; information and communications technology professionals (see Annex Table 3). Thus, the biggest need in the future is for medium skilled workers. Latest Labour Demand Forecast for the year 2022 shows the need mainly for skilled workers (48%) and highly skilled workers (43%), and to a lesser degree low skilled labour (9%).

¹³ Study „Profiles of third-country nationals, who immigrated to Estonia during 2009-2014 and if their skills match the need of Estonia's labour market“. Available:

https://www.siseministeerium.ee/sites/default/files/dokumendid/Uuringud/profiilide_uuringu_lopparuanne_09_03_15.pdf

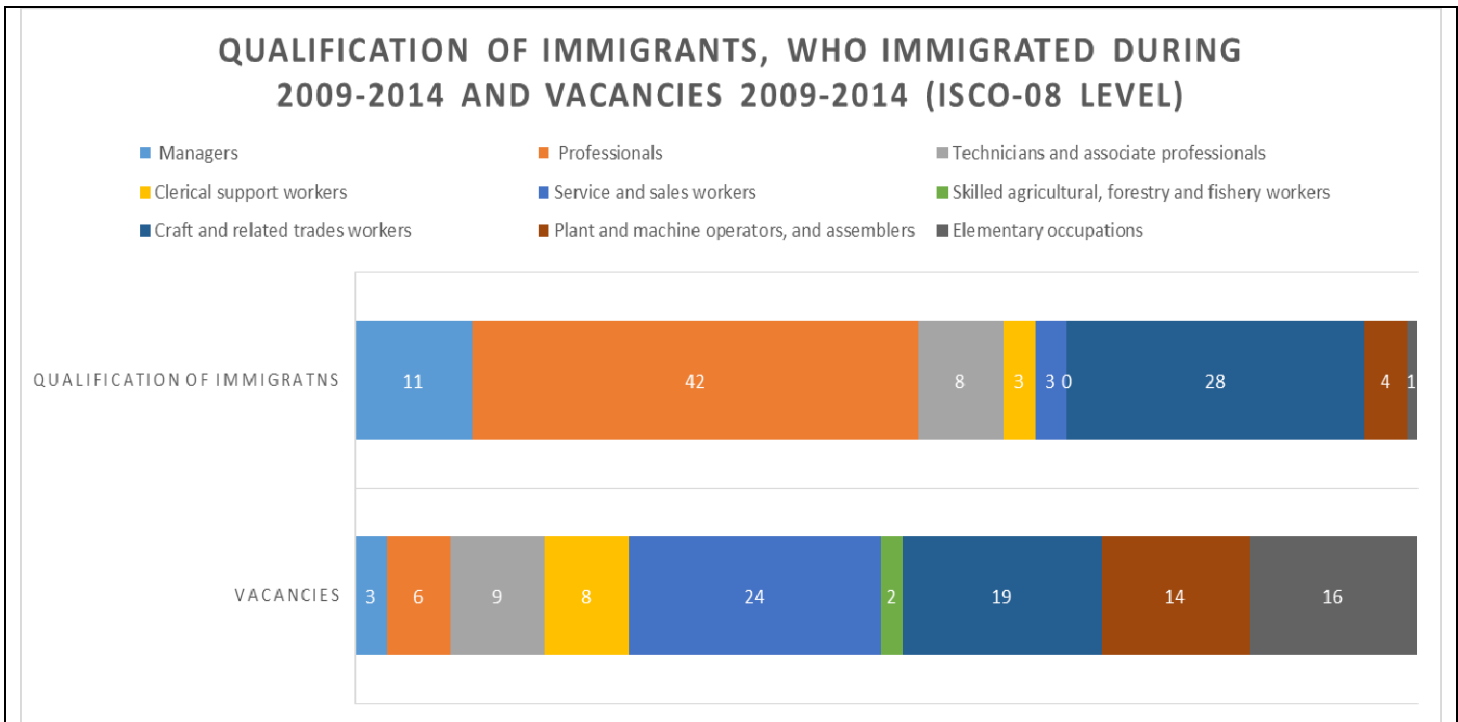


Chart 1. Qualification of immigrants, who immigrated during 2009-2014 and vacancies 2009-2014 (ISCO-08 level 1). Source: Police and Border Guard Board, Estonian Unemployment Insurance Fund. From the study „Profiles of third-country nationals, who immigrated to Estonia during 2009-2014 and if their skills match the need of Estonia’s labour market“.

Statistical Annex

A1. Workers employed by selected occupations and estimated unfilled vacancies (*statistics for the latest available year*)

Member States are requested to also provide statistics on a number of pre-selected occupations. The occupations in the table below are selected on the basis of the occupations that most frequently feature in (Member) States' shortage lists identified in the recent EMN Inform "Approaches and tools used by Member States to identify labour market needs". This section of the Statistical Annex is also aimed at collecting statistics on intra-EU mobility in terms of filling in shortage occupations.

If statistics are available based on ISCO-08, please provide the statistic based on the ISCO-08 number in brackets.

If statistics are not available based on ISCO-08, please provide the **national equivalent** available.

If your Member State has not yet adopted ISCO-08, but can provide ISCO-88 statistics, please provide the ISCO-88 statistics where statistics is available for the categories and sub-categories below.

Table 1: Workers employed by specific occupations and estimated unfilled vacancies (last available year)

Specific occupations	Total employment (31 st December 2011)			Employment of EU-nationals from other Member States (31 st December 2011)			Employment of third-country nationals (31 st December 2011)			Number of residence permits issued to third-country nationals for specific occupations (2014)			Number of unfilled vacancies (2014)**	Comments
	M	F	Total	M	F	Total	M	F	Total	M	F	Total		
Health Professional (22)	1,586	9,313	10,899	14	16	30	128 (39)*	398 (141)*	526 (180)*	11	8	19	523	
<i>Of which:</i> Medical doctors (221)	993	3,152	4,145	6	5	11	71 (16)	98 (21)	169 (37)	7	3	10	86	
<i>Of which:</i> Nursing and Midwifery Professionals (222)	46	3,147	3,193	0	7	7	6 (4)	177 (93)	183 (97)	0	0	0	76	
Personal care workers (53)	369	10,536	10,905	1	23	24	33 (16)	1,372 (709)	1,405 (725)	2	1	3	608	
<i>Of which:</i> Child Care Workers (5311)	47	2,373	2,420	0	4	4	3 (0)	395 (163)	398 (163)	0	1	1	146	
<i>Of which:</i> Health Care Assistants (5321)	200	3,599	3,799	0	8	8	18 (10)	516 (316)	534 (326)	0	0	0	158	
<i>Of which:</i> Home-based Personal Care Workers (5322)	66	802	868	1	6	7	5 (3)	79 (37)	84 (40)	0	0	0	74	

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Personal Services Workers (51)	4,025	16,760	20,785	24	52	76	513 (256)	2,188 (1,279)	2,701 (1,535)	57	24	81	3907	
<i>Of which: Cooks (5120)</i>	1,203	5,408	6,611	12	20	32	265 (136)	1,072 (614)	1,337 (750)	32	2	34	1680	
<i>Of which: Waiters (5131)</i>	495	2,765	3,260	3	5	8	26 (13)	183 (113)	209 (126)	0	0	0	503	
<i>Of which: Cleaning and Housekeep services in offices, hotels and other establishments (5151)</i>	170	391	561	0	1	1	16 (9)	31 (13)	47 (22)	0	0	0	36	
<i>Of which: Domestic Housekeepers (5152)</i>	36	65	101	1	0	1	2 (1)	1 (1)	3 (2)	0	0	0	23	
Skilled Agricultural, Forestry and Fishery Workers (6)	5,599	3,455	9,054	25	6	31	222 (115)	105 (69)	327 (184)	0	0	0	473	
<i>Of which: Field Crop and Vegetable Growers (6111)</i>	635	190	825	2	1	3	4 (3)	9 (5)	13 (8)	0	0	0	0	
<i>Of which: Gardeners; Horticultural and Nursery Growers (6113)</i>	195	382	577	4	1	5	8 (4)	11 (6)	19 (10)	0	0	0	91	
<i>Of which: Livestock and Dairy Producers (6121)</i>	911	2,223	3,134	6	3	9	25 (22)	75 (51)	100 (73)	0	0	0	203	
Information and Communications Technology Professionals (25)	5,724	1,707	7,431	106	7	113	494 (243)	79 (19)	573 (262)	95	12	107	143	
<i>Of which: Software and Applications Developers and Analysts (251)</i>	3,994	1095	5,089	90	5	95	409 (203)	55 (12)	464 (215)	40	4	44	103	
<i>Of which: Database and Network Professionals (252)</i>	1,614	557	2,171	16	1	17	83 (39)	22 (6)	105 (45)	38	2	40	40	
Teaching professionals (23)	4,796	25,638	30,434	121	85	206	272 (89)	1,503 (564)	1,775 (653)	32	18	50	702	
Engineering Professionals (excluding Electro-technology) (214)	3,379	1,461	4,840	26	8	34	451 (176)	166 (55)	617 (231)	1	1	2	140	
Architects, Planners, Surveyors and Designers (216)	2,264	2,029	4,293	25	7	32	143 (57)	89 (44)	232 (101)	0	0	0	80	
Accountants (2411)	842	9,791	10,633	10	13	23	51 (16)	496 (208)	547 (224)	1	3	4	0	

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* out of which persons with undetermined citizenship

** vacancies during the year 2014. Data of Estonian Unemployment Insurance Fund. This data does not reflect all the vacancies in that time period.

Source: Police and Border Guard Board, Estonian Unemployment Insurance Fund, Statistics Estonia (data of population census 2011).

A2. Top 15 professions included in lists of shortage occupations (statistics for the latest available year)

This part of the Statistical Annex aims to collect data on the occupations included in lists of shortage occupations and any estimations of unfilled vacancies.

If there are several regional lists of shortage occupations instead of a national list, please fill in the table below providing data for each region. You can create new tables below per region. Alternatively, you can use the box provided below to provide a descriptive overview and any available data.

If statistics is available based on ISCO-08, please provide the statistic based on the ISCO-08 number in brackets.

If statistics are not available based on ISCO-08, please provide the **national equivalent** available.

Table 2: Available statistics on lists of shortage occupations (based on the Labour Demand Forecast for 2013-2022)

ISCO-08				Equivalent national classification of occupations			
Occupation included in the list of shortage occupations (according to ISCO-08 sub-level 2)	Is there a specified number of vacancies to be filled with labour migrants from third-countries? (Y/N) If yes, please provide the number	Are there any special conditions for <u>migrants from third-countries</u> applying for shortage occupations? (Y/N) If yes, please describe. <i>Please describe conditions which are targeted to TCNs as well as other conditions that may affect TCNs' employment (for example, some professions may be regulated and may concern only MS nationals)</i>	Source and additional information	Occupation included in the list of shortage occupations	Is there a specified number of vacancies to be filled with labour migrants from third-countries? (Y/N) If yes, please provide the number	Are there any conditions that <u>migrants from third-countries</u> need to fulfil when applying for shortage occupations? (Y/N) If yes, please describe. <i>Please describe conditions which are targeted to TCNs as well as other conditions that may affect TCNs' employment (for example, some professions may be regulated and may concern only MS nationals)</i>	Source and additional information
1	83 Drivers and mobile plant operators	N	N	Labour Demand Forecast 2013-2022			

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2	33 Business and administration associate professionals	N	N	Labour Demand Forecast 2013-2022				
3	13 Production and specialized services managers	N	N	Labour Demand Forecast 2013-2022				
4	31 Science and engineering associate professionals	N	N	Labour Demand Forecast 2013-2022				
5	52 Sales workers	N	N	Labour Demand Forecast 2013-2022				
6	72 Metal, machinery and related trades workers	N	N	Labour Demand Forecast 2013-2022				
7	23 Teaching professionals	N	N	Labour Demand Forecast				
8	71 Building and related trades workers, excluding electricians	N	N	Labour Demand Forecast 2013-2022				
9	51 Personal service workers	N	N	Labour Demand Forecast 2013-2022				
10	24 Business and administration professionals	N	N	Labour Demand Forecast 2013-2022				
11	96 Refuse workers and other elementary workers	N	N	Labour Demand Forecast 2013-2022				
12	81 Stationary plant and machine operators	N	N	Labour Demand Forecast 2013-2022				
13	91 Cleaners and helpers	N	N	Labour Demand Forecast 2013-2022				
14	21 Science and engineering professionals	N	N	Labour Demand Forecast 2013-2022				
15	75 Food processing, wood working, garment and other craft and related trades workers	N	N	Labour Demand Forecast 2013-2022				

ANNEX**Table 1. First residence permits issued for employment 2009-2014, disaggregated by sex and reason***

Year	2009		2010		2011		2012		2013		2014		Total
	M	F	M	F	M	F	M	F	M	F	M	F	
reason/sex	M	F	M	F	M	F	M	F	M	F	M	F	M+F
expert, adviser or consultant	19	7	22	4	51	11	93	10	55	10	43	11	336
accredited journalist	0	0	1	0	1	0	1	0	0	0	0	0	3
performing directing or supervisory functions of a legal person	215	120	395	217	405	229	49	17	67	24	68	22	1828
creative activities	7	12	4	12	7	15	6	11	2	9	17	14	116
posted worker	240	6	83	7	448	3	198	10	231	13	405	21	1665
sportsman, coach, referee	29	6	38	1	24	3	38	2	55		60	2	258
researcher	10	5	11	8	22	3	24	10	19	7	21	4	144
other employment	297	20	64	10	108	12	237	24	218	22	293	33	1338
religious professions	27	15	30	14	29	18	34	21	41	28	27	27	311
teacher or lecturer	18	8	11	5	12	13	15	12	16	18	18	19	165
holder of EU blue card	0	0	0	0	0	1	11	5	9	3	15	3	47
top specialist	0	0	0	0	0	0	0	0	6	2	74	8	90
TCN has acquired a higher education in Estonia	0	0	0	0	0	0	0	0	1	1	17	4	23
holder of long-term residence permit of other EU MS	0	0	0	0	0	0	0	0	0	0	3	0	3

*Data does not include recognised non-citizens.

Source: Police and Border Guard Board. From the study „Profiles of third-country nationals, who immigrated to Estonia during 2009-2014 and if their skills match the need of Estonia´s labour market“.

Table 1. First residence permits for employment 2009-2014, disaggregated by sex and occupation (based on ISCO-08 classifications)*

Occupation	M	F	Total	Occupation	M	F	Total
1 Managers	402	195	597	52 Sales workers	2	5	7
11 Chief executives, senior officials and legislators	26	9	35	53 Personal care workers	28	15	43
12 Administrative and commercial managers	344	178	522	54 Protective services workers	0	0	0
13 Production and specialized services managers	29	7	36	6 Skilled agricultural, forestry and fishery workers	2	0	2
14 Hospitality, retail and other services managers osutavates asutustes	3	1	4	61 Market-oriented skilled agricultural workers	1	0	1
2 Professionals	1070	485	1555	62 Market-oriented skilled forestry, fishing and hunting workers	1	0	1
21 Science and engineering professionals	157	45	202	63 Subsistence farmers, fishers, hunters and gatherers	0	0	0
22 Health professionals	76	65	141	7 Craft and related trades workers	2230	50	2280
23 Teaching professionals	117	111	228	71 Building and related trades workers, excluding electricians	339	2	341
24 Business and administration professionals	75	45	120	72 Metal, machinery and related trades workers	1736	14	1750
25 Information and communications technology professionals	312	41	353	73 Handicraft and printing workers	2	9	11
26 Legal, social and cultural professionals	333	178	511	74 Electrical and electronic trades workers	55	5	60
3 Technicians and associate professionals	336	89	425	75 Food processing, wood working, garment and other craft and related trades workers	98	20	118
31 Science and engineering associate professionals	101	10	111	8 Plant and machine operators, and assemblers	223	8	231
32 Health associate professionals	7	9	16	81 Stationary plant and machine operators	56	8	64

Determining labour shortages and the need for labour migration from third countries

Estonian national report

33 Business and administration associate professionals	59	21	80	82 Assemblers	0	0	0
34 Legal, social, cultural and related associate professionals	151	46	197	83 Drivers and mobile plant operators	167	0	167
35 Information and communications technicians	18	3	21	9 Elementary occupations	37	6	43
4 Clerical support workers	51	66	117	91 Cleaners and helpers	0	0	0
41 General and keyboard clerks	1	3	4	92 Agricultural, forestry and fishery labourers	3	1	4
42 Customer services clerks	15	41	56	93 Labourers in mining, construction, manufacturing and transport	23	1	24
43 Numerical and material recording clerks	12	11	23	94 Food preparation assistants	4	0	4
44 Other clerical support workers	23	11	34	95 Street and related sales and service workers	7	4	11
5 Service and sales workers	117	61	178	96 Refuse workers and other elementary workers	0	0	0
51 Personal service workers	87	41	128	0 Armed forces occupations	8	0	8

**this number includes only those third-country nationals whose qualifications were known*

Source: Police and Border Guard Board. From the study „Profiles of third-country nationals, who immigrated to Estonia during 2009-2014 and if their skills match the need of Estonia´s labour market“.

Table 3. Qualifications of third-country nationals, who immigrated to Estonia during 2009-2014 and Labour Demand for 2022

Occupations ISCO-08	Third-country nationals 2009-2014*	Labour Demand 2013 -2022
1 Managers	1138	10700
11 Chief executives, senior officials and legislators	168	500
12 Administrative and commercial managers	915	1800
13 Production and specialized services managers	44	6300
14 Hospitality, retail and other services managers	11	2100
2 Professionals	4395	22500
21 Science and engineering professionals	804	4200

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22 Health professionals	234	3000
23 Teaching professionals	523	5600
24 Business and administration professionals	434	4600
25 Information and communications technology professionals	926	1800
26 Legal, social and cultural professionals	1474	3300
3 Technicians and associate professionals	799	20800
31 Science and engineering associate professionals	197	6200
32 Health associate professionals	101	2600
33 Business and administration associate professionals	170	9500
34 Legal, social, cultural and related associate professionals	260	1600
35 Information and communications technicians	71	900
4 Clerical support workers	271	6400
41 General and keyboard clerks	17	600
42 Customer services clerks	95	2000
43 Numerical and material recording clerks	103	2800
44 Other clerical support workers	56	1000
5 Service and sales workers	369	16100
51 Personal service workers	279	5000
52 Sales workers	32	6200
53 Personal care workers	55	2900
54 Protective services workers	3	2000
6 Skilled agricultural, forestry and fishery workers	5	2500
61 Market-oriented skilled agricultural workers	3	1800
62 Market-oriented skilled forestry, fishing and hunting workers	2	700

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63 Subsistence farmers, fishers, hunters and gatherers	0	0
7 Craft and related trades workers	2881	18000
71 Building and related trades workers, excluding electricians	487	5200
72 Metal, machinery and related trades workers	1934	5800
73 Handicraft and printing workers	61	600
74 Electrical and electronic trades workers	183	2800
75 Food processing, wood working, garment and other craft and related trades workers	216	3600
8 Plant and machine operators, and assemblers	413	16900
81 Stationary plant and machine operators	79	4300
82 Assemblers	0	1400
83 Drivers and mobile plant operators	334	11200
9 Elementary occupations	67	11800
91 Cleaners and helpers	2	4300
92 Agricultural, forestry and fishery labourers	10	400
93 Labourers in mining, construction, manufacturing and transport	34	1400
94 Food preparation assistants	9	1200
95 Street and related sales and service workers	11	0
96 Refuse workers and other elementary workers	1	4500

* number includes only those third-country nationals whose qualifications were known

Source: Police and Border Guard Board, Ministry of Economic Affairs and Communications. From the study „Profiles of third-country nationals, who immigrated to Estonia during 2009-2014 and if their skills match the need of Estonia´s labour market“.