

POTENTIAL OF ESTONIA'S WORKING AGE POPULATION TO WORK IN THE COUNTRIES OF THE EUROPEAN UNION

Summary

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The purpose of this study is to analyse the intentions of Estonia's working age population to work abroad. The current situation is compared to that in the year 2000. The analysis is based on two polls for studying the migration plans conducted by AS SaarPoll in 2000 and 2003.

It appears that in 2003 the desire to work abroad has decreased in most population groups aged 15 to 64, compared to the year 2000. The rate of people who definitely and permanently intend to work abroad is approximately 3%. Most people who desire to work abroad would like to work abroad on a temporary basis (75 % wish to work for some months or work abroad from time to time). The number of people wanting to find permanent work abroad is very small (8 %). The desire to go abroad is largest among men, young people, undergraduates and students. According to this study, the percentage of persons with higher education among those intending to work abroad is lower than estimated by previous studies. The main incentive for working abroad is better salary. The preferred destination is Finland, followed by Germany and United Kingdom. As for the jobs, people would like to find a job that is equivalent to the job they do in Estonia and receive a salary comparable to the salary of the residents of the country of destination (60 %). However, people are often also willing to accept a position requiring less qualification and in many cases they are also willing to accept lower salary than locals get for the similar job (40 %).

Like previous studies, this study confirms that it is predominantly the young people who want to go abroad. At the same time one might conclude that in Estonia the number of people going to work abroad is relatively small and it will probably not create problems on the labour market in general.

1. The Number of People Wanting to Work Abroad

This study analyses the intentions of Estonia's working age population to work in the countries of the European Union. The changes in these intentions have been monitored over the period 2000-2003. The analysis is based on two opinion polls conducted by AS SaarPoll in 2000 and 2003. During the polls, 1000 people in the age group 15 to 64 were interviewed.

Opinion polls are a widely used method for assessing the potential and structure of migration (for a recent example covering all accession countries see Krieger, H., Migration Trends in an Enlarged Europe, 2004 draft). However, one must note that using opinion polls for assessing potential migration will give overestimated results, because many people respond that they would like to work abroad, but in reality they never carry out their intentions. There is a great discrepancy between people's wishes and the reality. Several qualifying questions are used in order to deduce the actual migration decisions from the general opinion polls (for example, 'Have you made any preparations for going to work abroad?'; 'When do you intend to leave?', etc.).

The number of people aged 15 to 64 who would like to work in the countries of the European Union has decreased, compared to the year 2000. This drop reflects the change in the opinions of both, the people who would like to work in the countries of the EU from time to time or for some months, as well as the people who would like to leave Estonia permanently or for several years. 3.1 % of the respondents would like to go to the countries of the European Union definitely and permanently (4.0 % in 2000). The rate of people who would like to work abroad definitely and from time to time is 15 % (20 % in 2000). **Consequently, this study is similar to most studies predicting East-West migration in that the majority of the future migration flows seem to be of temporary character.** The percentage of people, who would like to work abroad in general, not considering the length of the stay, was 42 % in 2003 (51 % in 2000), and the percentage of people, who definitely do not want to work abroad, was 47 % (40 % in 2000).

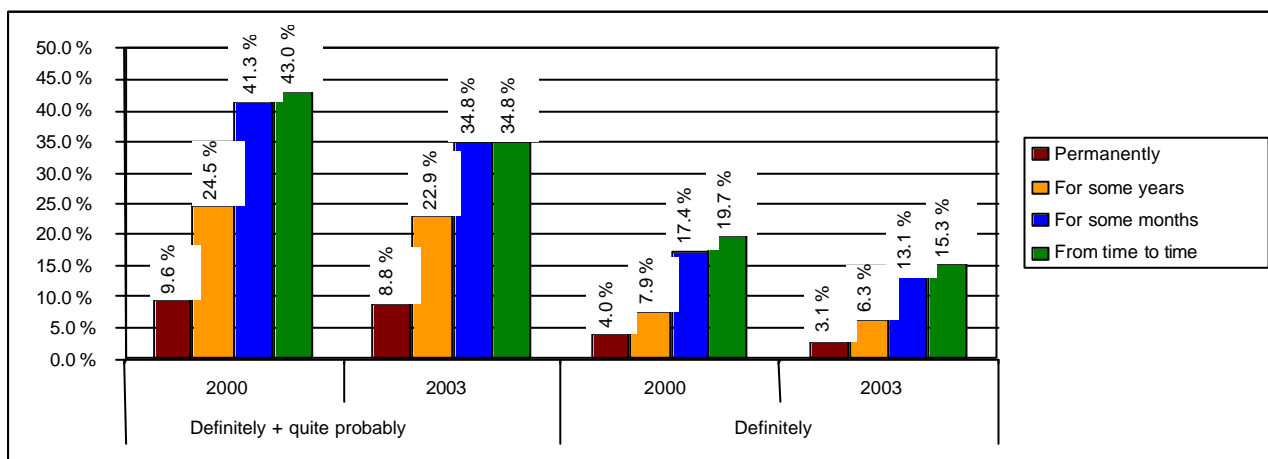


Figure 1. The preferences regarding the length of the stay among people, who definitely or quite probably would like to work abroad (as a % of all respondents)

It must be kept in mind that the data shown on Figure 1 probably overestimate the percentage of people going abroad from Estonia. This is confirmed by the fact that **more than a half of the people desiring to go abroad think that they definitely or quite probably will not find a job, or are unable to assess their prospects of finding a job.** Consequently, the prospects of finding a job are assessed to be very low and there is a high probability that people, who do not hope to find a job abroad, are never going to work in another country.

In addition, there is a lack of knowledge on the possibilities of working abroad. Although people are more knowledgeable compared to the year 2000, still more than half of the people wanting to work abroad are very poorly or quite poorly informed (see Figure 2).

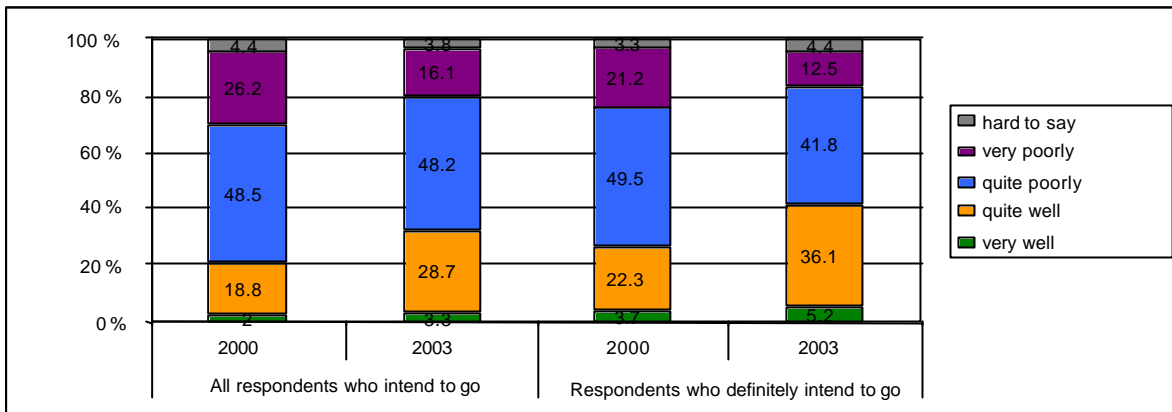


Figure 2. How well people intending to work abroad are informed of the possibilities of working abroad

Research has indicated that if people express in the opinion polls desire to go abroad, in 90 % of the cases they will leave within the next five years and in half of the cases within the next year (Krieger 2004). Therefore, it is very important to look at the data on the time in which people want to leave. The closer the planned time of departure the higher the probability that people will actually go abroad. In this study, this parameter could not be analysed. Instead, it was asked if people have made any preparations for going to work abroad. It appeared that, compared to the year 2000, people have made somewhat more preparations, but only 3 % of the respondents intending to work abroad have made concrete preparations and 11 % have collected much information (see Figure 3). People, who definitely intend to work abroad, have made more preparations than people in other groups. Nearly 20 % of them have collected much information or made concrete preparations. The people, who have made preparations (either collected much information or done something concrete), constitute only 4 % of those definitely intending to go to work in the countries of the EU.

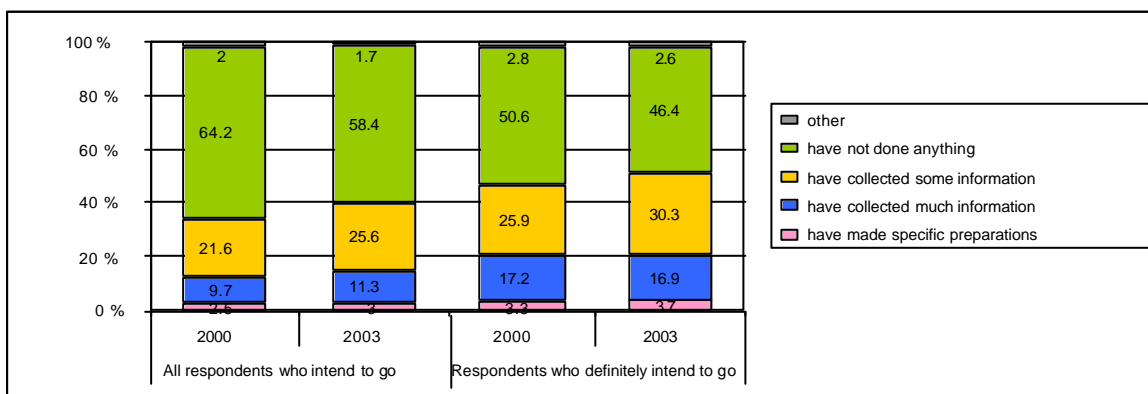


Figure 3. Preparations for going to work abroad among people wanting to work abroad

There could be several reasons for the decreased desire to work in the countries of the EU. People's decision to migrate is not only based on their current standard of living and the current labour market situation, but also on the future developments (income, job opportunities) and the migration both in the country of origin and in the country of destination. Estonia's economic climate has improved compared to the year 2000. Unemployment rate that reached the independence period peak in 2000 has decreased. It is also possible that people have positive expectations for Estonia's economic growth and improvement of the living standards resulting from the accession to the EU and it is

likely that Estonia's rate of development will continue to supersede the economic growth in the countries of the EU (especially in the next few years). Consequently, both the favourable economic climate and positive expectations decrease people's desire to move abroad. In addition, it is likely that people have become more knowledgeable. They realize that it would not be easy to find a job abroad and that there are complicated and long procedures to be complied with. They would have to compete with both, local population and other immigrants, on the labour market of the destination country.

2. A Socio-Demographic Picture of People Wanting to Work Abroad

This study has confirmed several theoretical and observational views on the socio-demographic background of the people wanting to work abroad.

- **Age.** Half of the people who quite probably would like to work abroad are aged 15 to 29 and the percentage of young people among those wanting to work abroad has increased.

The rate of people wanting to work abroad is more or less similar in the age groups 30 to 39 and 40 to 49, constituting 40 to 45 % of the people in the respective age group. The rate of people wanting to work abroad is much larger in the age group 20-29 – 61 %. The age group 15 to 19 exhibits the largest desire to go abroad – 72 %. The number of people wanting to work abroad drops rapidly among those aged 50 or more, constituting only 17 %.

- **Gender.** 41 % of people wanting to work abroad are women. The percentage of women among people wanting to work abroad has decreased in Estonia compared to the year 2000 (51 % in 2000).
- **Level of education** indicates that almost 60 % of people wanting to work abroad have secondary education and 13 % have higher education. This result differs from the results of a recent study (Krieger 2004), which claimed that a third of people going abroad have higher education.

At the same time, 43 % of people with basic and/or secondary education desire to work abroad. The people with higher education exhibit less desire to work abroad – 37 %. The rate of people wanting to work abroad has decreased on all levels of education, but the decrease is largest among people with higher education, with a drop of 17 percentage points.

- **Nationality** indicates that non-Estonians have a greater desire to work abroad than Estonians. 45 % of the non-Estonians and 40 % of the Estonians want to go abroad. Both groups show a drop in their desire to work abroad compared to the year 2000.
- **Citizenship status** indicates that the rate of people wanting to work abroad is highest among people without a citizenship. 46 % of them would like to work abroad, compared to the 42 % of Estonian citizens and 34 % of Russian citizens.
- **Marital status.** The desire to go abroad is highest among single people who have never been married or cohabiting (65 %). The desire to work abroad is significantly lower among people who have been married or cohabiting – only 33 % and 39 %, respectively.
- **Children.** Households with children have expressed more desire to go abroad than households without children. 48 % of the households with children and 35 % of the households without children would like to work abroad. One reason of these results is probably the fact that elderly people, whose children live separately, were registered as households without children.

- **Labour market situation.** The desire to work abroad is highest among students. The lowest desire is exhibited by pensioners and other inactive persons (see Figure 4).

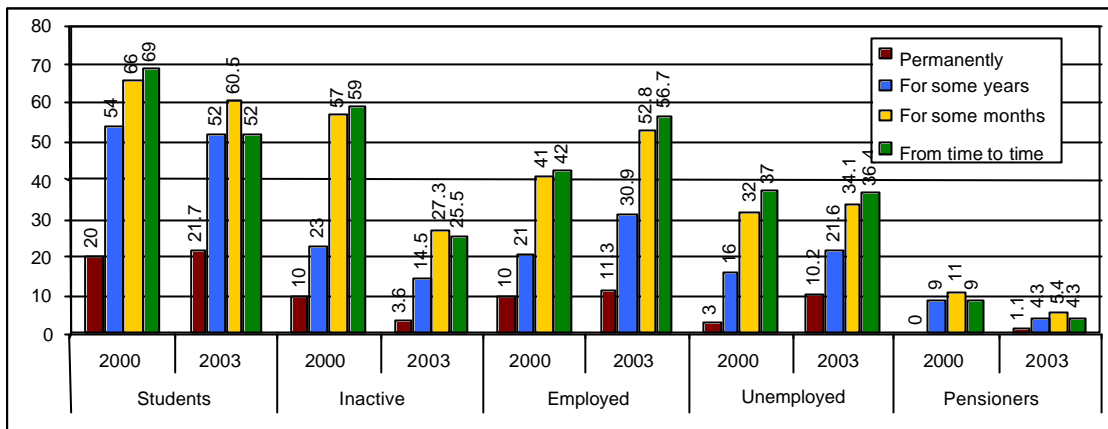


Figure 4. The desired length of the stay in different labour market status groups (as a % of people in the respective labour market status group)

In sum, the majority of people going to work abroad are probably young, male and with secondary education. The desire to go abroad is highest among students and undergraduates. Except for the results concerning education, this study confirms the results of the Krieger study (2004) indicating that it is predominantly the young people who go abroad. The young people bring more flexibility to the labour markets of the destination countries, because they are often willing to accept short-term jobs below their level of qualification.

3. Reasons/Obstacles for Working Abroad

According to the theoretical views, the main incentive for going to work abroad is the difference between the current income in the country of origin and the expected income in the country of destination. Similarly, this study indicates that many people would like to work abroad because of a better salary. The next reasons in the order of importance include seeing the world and higher quality of life in a foreign country, but also the desire to find a job due to the unemployment in Estonia (see Figure 5). At the same time the factors like personal/family reasons (e.g., reunification of families) or disappointment with life in Estonia play a relatively minor role in emigration. One of the major reasons of migration in the world – reunification of families – is relatively unimportant in Estonia, because there have been no great waves of emigration from Estonia.

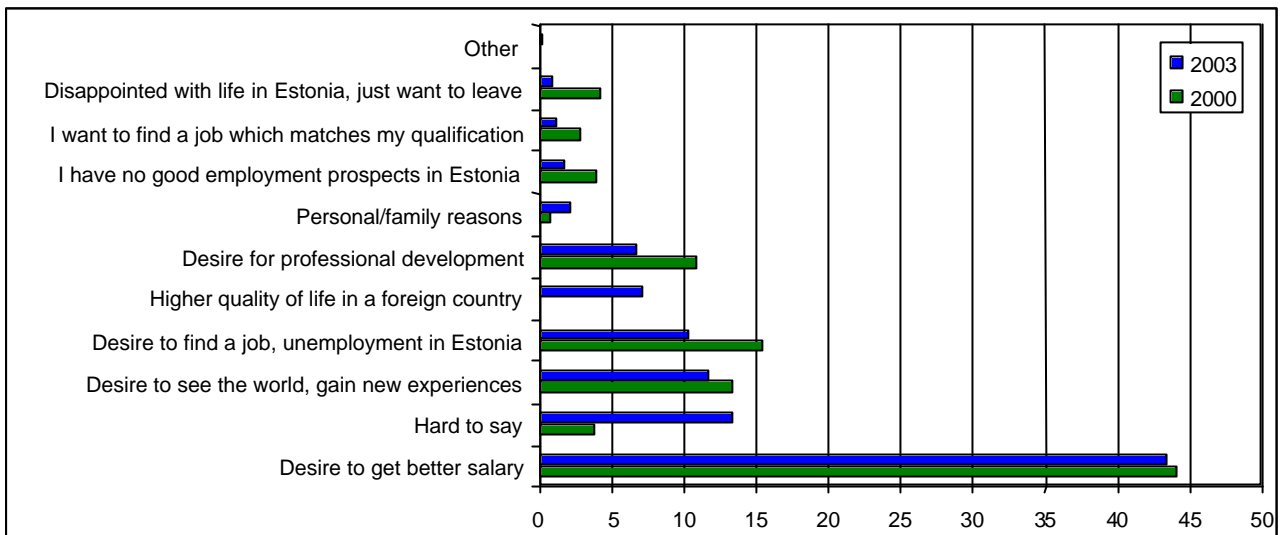


Figure 5. Main reasons for going to work abroad in 2000 and 2003 (as a % of all respondents).

From particular obstacles the most important for people is the fact that family and friends are/remain in Estonia. Many people also consider as an obstacle that their home is in Estonia and, therefore, they are not interested in working abroad. An important obstacle for almost one fifth of the people is the lack or insufficiency of language skills. Other factors are less important. The 2000 poll did not ask people's opinion on the expenses of migration, but in 2003 almost one tenth of the respondents said that it is one of the main obstacles.

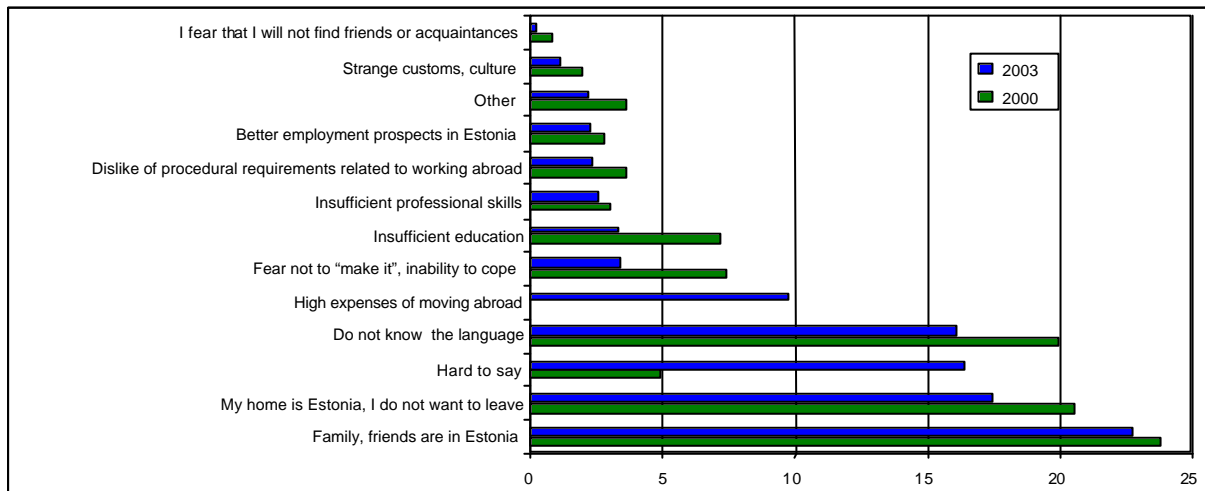


Figure 6. Main obstacles preventing people from going abroad in 2000 and 2003 (as a % of all respondents)

4. Desired Destinations and Activities

Unquestionably, the people of Estonia prefer Finland as the country of destination for working abroad (see Figure 7). On the one hand, Finland is preferred due to its geographic and cultural closeness and a relatively low language barrier. On the other hand, there is already a quite large Estonian community in Finland, which simplifies the process of moving there. Estonians who already live in Finland constitute a social network that facilitates adaptation in a new environment and decreases the expenses related to moving abroad. Germany and United Kingdom follow Finland in the order of preference.

After Estonia's accession to the EU, none of these countries will offer Estonian labour force equal rights with the local labour force. A work permit will still be required to work in Finland and Germany. United Kingdom has limited the access to its social security system for the labour force from the accession countries.

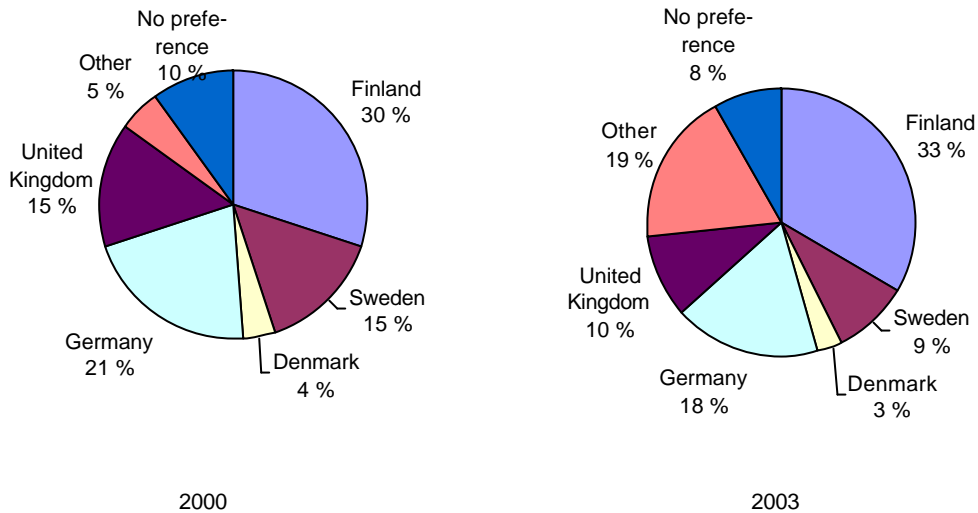


Figure 7. The first preferred country of destination among all people wanting to work abroad in 2000 and 2003

The analysis of people's professional preferences indicates that, preferably, people would like to continue working in the profession similar to their current position and in the same economic sector. As the next preference, people mention mainly lower positions compared to the existing one. Most popular economic sectors are agriculture and service sector.

As to the salary, people prefer to receive a salary similar to the salary that would be received by the citizens of the destination country working in the same profession – almost 60 % of the respondents indicated that they would like their salary to be at least as high as the salary for the same work received by the citizens of the respective EU country. More than 30 % of the respondents, mostly women and people with lower level of education, said that they would be willing to work for somewhat smaller remuneration. Only 3 % of the people would be willing to work for significantly smaller remuneration. However, people are much more unpretentious when it comes to the content of the work. Only slightly less than 40 % of the respondents want their job to be at the same level of qualification as their current job in the country of origin. Nearly a quarter of the respondents would accept almost any job, including unskilled labour, and a smaller salary. There are no significant changes in the opinions of the people compared to the year 2000.

Consequently, we may sum up the results and suggest that in Estonia the rate of people going to work abroad will remain relatively modest – less than 4 % of the population aged 15 to 64. A potential problem could be the departure of young people. One must keep in mind that this study estimates the general intentions of migration and it does not allow drawing conclusions on various economic sectors.

The predicted migration flows from Estonia would exceed the migration that followed the southern enlargement of the European Union (accession of Spain and Portugal to the EU). After the accession of Spain and Portugal, during the transition period, 1,000 and 6,000 people, respectively, left these countries to work abroad. The migration flows from East Germany to West Germany were greater.

During the first half year 2.8 %, and during the next ten years 7.3 % of the population emigrated. The number of emigrants predicted by this study is in line with other studies in this field, indicating that the rate of emigrants from the accession countries will remain in the region of 1 to 4 % of the population of the respective country (see also European Commission 2001, Krieger 2004).

5. People who have Worked Abroad

According to the 2003 poll, 8 % of the respondents had worked abroad during the last five years (one must be careful when interpreting these results, because it constitutes only a small portion of the sample). It should also be noted that these are people who have returned to Estonia and do not represent those who have left Estonia permanently. More than a third (36 %) of the people who have temporarily worked abroad worked in Finland.

Most of the people who worked abroad did so during a very short period. 60 % of the people who worked in Finland and 46 % of the people who worked in any foreign country stayed there up to 3 months. Only a scant tenth had stayed abroad longer than a year.

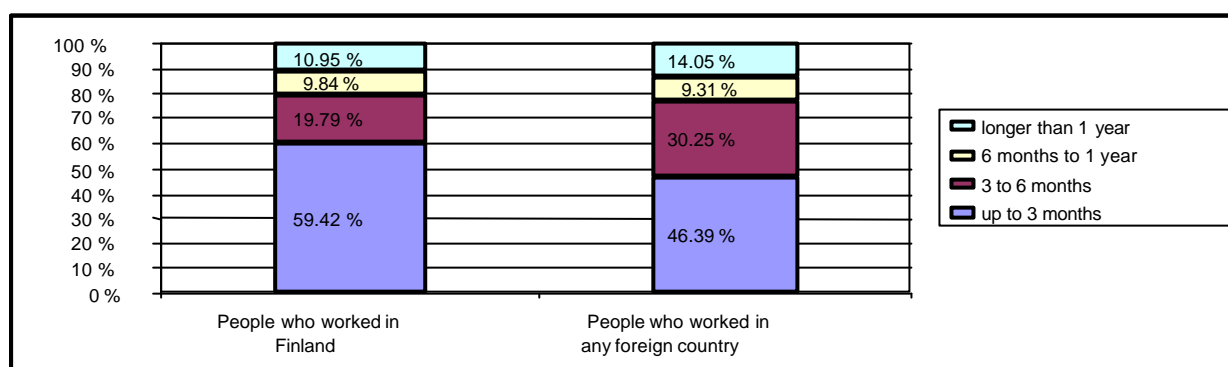


Figure 8. The duration of the stay of people who worked abroad temporarily

The majority, i.e., a third of the people who worked in Finland were employed in agriculture, hunting, forestry and fishing, and held ancillary or unskilled work positions. The main purpose of working in Finland and other foreign countries was earning additional salary. Other reasons had slightly more importance for people who had worked in other countries besides Finland.

Table 1. Distribution of people who have worked abroad by sectors, professions and incentives (%)

	People who worked in Finland	People who worked in any foreign country
Economic sector		
Agriculture, hunting and forestry, fishing	32.2	20.5
Construction	25.3	18.1
Other fields	32.5	61.4
Total	100	100
Profession		
Auxiliary worker, unskilled work	51.6	33.3
Other	48.4	66.7
Total	100	100
Incentive		
To earn money	83.9	72.6
Other (incl. to see the world)	16.1	27.4
Total	100	100

More than 80 % of people who worked abroad were satisfied with the salary, the content of the work and other work conditions. 40 % of people who worked abroad held a position that did not match their profession/qualifications. Consequently, people are mostly satisfied with the work conditions abroad, but often their position does not match their profession/qualifications. 44 % said that they had equal or better work conditions than the local population, and 45 % found that their work conditions were worse. Since most of the people who have worked abroad, have done so for a very short period, they are willing to accept a position that does not match their profession, but enables earning additional salary. Consequently, the above-described expectations of people for the level of qualification and work conditions were, generally, in line with the actual experiences of people who had temporarily worked abroad.

According to their words, nearly half of the people who worked abroad did not need a work permit. As this data included people who worked legally without a work permit, people who had a work permit organised by the employer, as well as illegal workers without a work permit, this subject needs further analysis.

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