

# EMPLOYMENT AND SUBSISTENCE

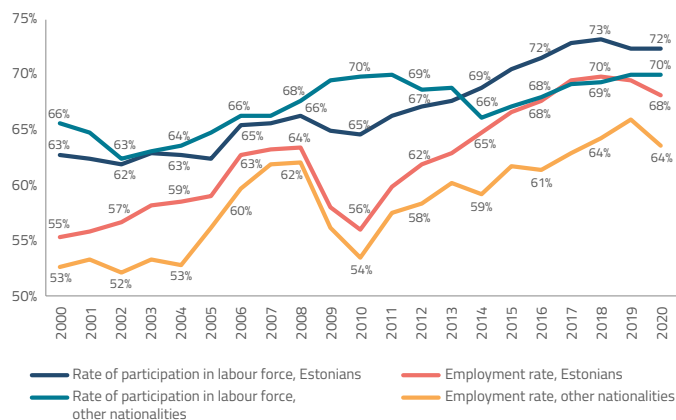
## FACTSHEET

The results of the survey Monitoring the Integration of Estonian Society (EIM) and other similar surveys indicate that in comparison with the residents of other nationalities, Estonians are in a better position on the labour market and they also cope better economically. The differences in the economic and social situation in Estonia are decreasing, but people of other nationalities are more vulnerable in the case of a recession.

## EMPLOYMENT

The employment indicators of the residents of Estonia achieved their best level of the last 20 years until the outbreak of the coronavirus pandemic, while some of the labour market differences between Estonians and residents of other nationalities have decreased. The changes on the labour market have a strong impact on the employment of residents, and recessions have resulted in an increase in nationality-based differences (Figure 2). In this area, it's still important for Estonian society to understand how different nationalities adapt to the changed socioeconomic situation and labour market opportunities.

**Figure 1. Employment rate and rate of participation in labour based on nationalities, 2000-2020 (people aged 15-74), %**



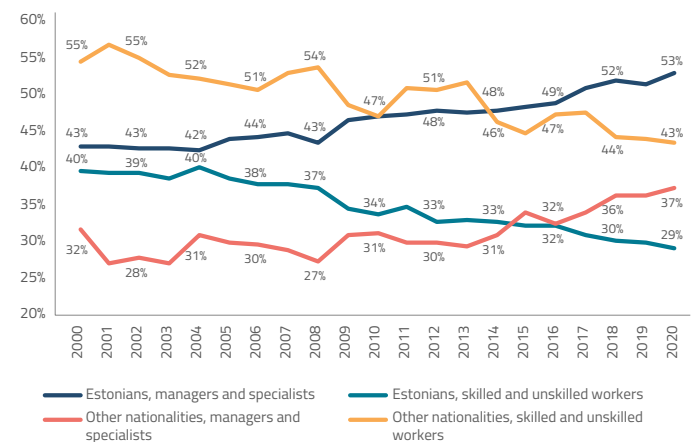
Source: Statistics Estonia

Note. Employment rate is the share of employed people in the population. The rate of participation in labour, i.e. the rate of activity, is the share of employed persons and unemployed persons in the population.

The outbreak of the coronavirus pandemic in 2020 and the resulting labour market crisis in Estonia have had an impact on the employment rate of Estonians as well as residents of other nationalities. However, it's noticeable that in comparison with the previous year, the unemployment of men of other nationalities and Estonian and other young people increased the fastest in 2020.

Previous labour market crises have indicated that the employment of residents of other nationalities is more vulnerable in difficult times. This is why an increase in nationality-based differences can be expected as a consequence of the present crisis.

**Figure 2. Share of employed persons among managers and specialists, and skilled and unskilled workers, based on nationalities, 2000-2020, %.**



Source: Statistics Estonia

Nationality-based segregation persists on the Estonian labour market: people of other nationalities are employed in the manufacturing industry more often than Estonians. Also, it has been more difficult for persons of other nationalities to move to higher-ranked positions in the last 20 years. Although the share of managers and specialists among them has increased in the last decade, it's still smaller than the same indicator of Estonians (Figure 2).

## SUBSISTENCE

The income level of Estonians has been higher for years than that of residents of other nationalities. According to Statistics Estonia, the average annual income in 2019 was 14,297 euros for Estonians and 12,213 euros for representatives of other nationalities. The income of residents of other nationalities comprised 85% of the income of Estonians (incl. 83% in the case of women and 88% in the case of men). Estonians belong more often to the higher income group and people of other nationalities to the lower income group.

These indicators have remained rather similar in the last two decades.

Low income increases the risk of poverty and subsistence problems. While the income and the share of relative poverty of Estonians and people of other nationalities used to be more similar, the relative poverty rate increased during the recession that started in 2008 and this increase was faster among people of other nationalities than among Estonians.

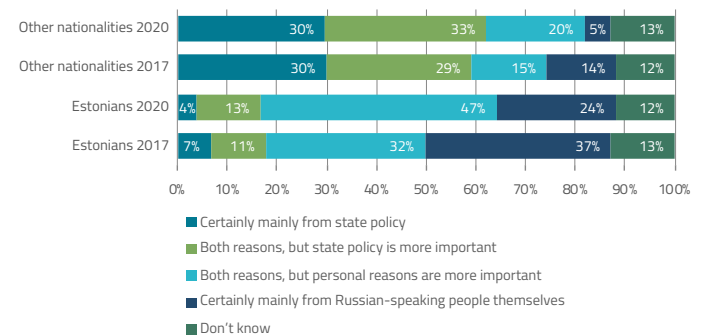
The poverty rate as well as its difference between ethnic groups decreased the recovery of the economy. However, the difference in the relative poverty rate of Estonians and people of other nationalities was still 4 percentage points in 2019.

Another recession started in 2020 and it will once again increase the subsistence risks of residents. According to the EIM, the opinion of Estonians and residents of other nationalities of their subsistence in 2020 has improved in comparison with 2017.

However, there are more people among residents of other nationalities who find that the subsistence of their family deteriorated after the start of the coronavirus pandemic.

Whilst 75% of Estonians found that the subsistence of their family has remained the same and 21% responded that it has deteriorated, 63% of people of other nationalities found that their subsistence had remained the same and 32% thought it had deteriorated.

**Figure 3. Responses of residents to the question whether labour market inequality arises mainly from the state's policy or from Russian-speaking people themselves, based on ethnic groups, %.**



Source: EIM 2017, 2020

The state can improve the subsistence of the residents with social policy. According to EIM 2020, the opinions of ethnic groups about the accessibility of social assistance are similar rather than different. Estonians are somewhat more satisfied (82%) with how the socioeconomic crisis caused by the coronavirus has been dealt with in Estonia (75% of residents of other nationalities are satisfied).

The people of other nationalities in Estonia expect the state to intervene more on the labour market (Figure 3), but the people of Estonia are still satisfied with the accessibility of the state's support and assistance irrespective of the ethnic group.