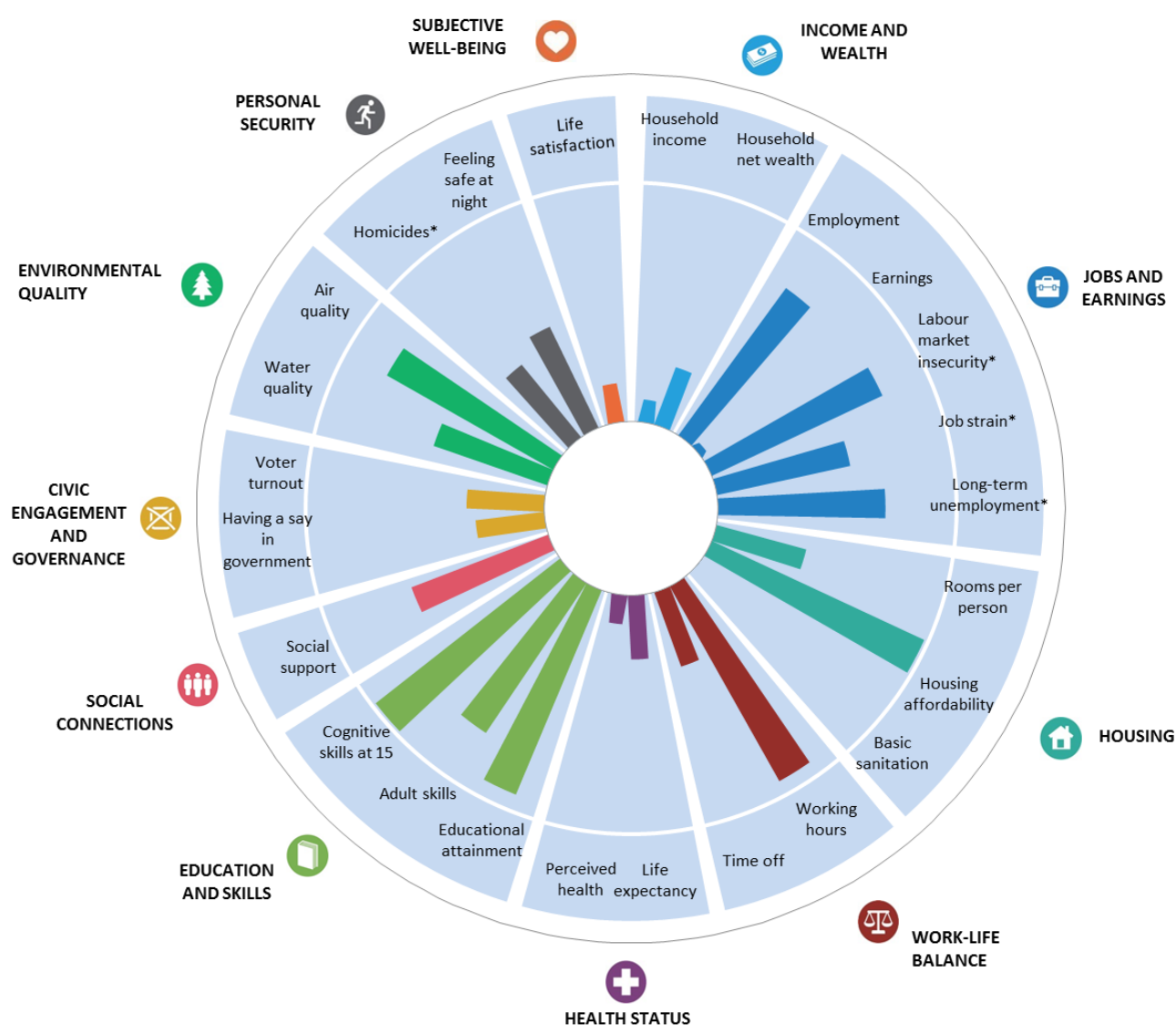


How's Life in Estonia?

Relative to other OECD countries, Estonia's average performance across the different well-being dimensions is mixed. While it falls in the bottom tier of OECD countries on **household net adjusted disposable income**, the **employment rate** is 72% (compared to an OECD average of 67%), and only 3% of employees regularly **work very long hours** (less than one-quarter of the OECD average rate). **Housing affordability** is a comparative strength in Estonia, but almost 7% of people live in homes without **basic sanitation** (defined as homes without an indoor flushing toilet for the sole use of the household), which is higher than in most OECD countries. At 78 years, **life expectancy** at birth in Estonia is lower than the OECD average, and only around half of the population (51%) declare that their health is "good" or "very good". However, Estonia is among the OECD's top-performing countries in terms of both upper secondary **educational attainment** and **students' cognitive skills**. Conversely, **life satisfaction** in 2013 in Estonia was in the lowest third in the OECD.

Estonia's average level of current well-being: Comparative strengths and weaknesses














Note: This chart shows Estonia's relative strengths and weaknesses in well-being when compared with other OECD countries. For both positive and negative indicators (such as homicides, marked with an "**"), longer bars always indicate better outcomes (i.e. higher well-being), whereas shorter bars always indicate worse outcomes (i.e. lower well-being). If data are missing for any given indicator, the relevant segment of the circle is shaded in white.

Additional information, including the data used in this country note, can be found at:


www.oecd.org/statistics/Better-Life-Initiative-2017-country-notes-data.xlsx


Change in Estonia's average well-being over the past 10 years

Dimension	Description	Change
 Income and wealth	Over the past decade, Estonia has experienced the strongest increase in household net adjusted disposable income in the OECD, with a cumulative increase of over one-third since 2005.	↗
 Jobs and earnings	Although the crisis had a heavy impact on jobs and earnings, its effects have started to wane. In 2016, the employment rate surpassed 2008 levels (reaching 72%, up from 64% in 2005), as did average annual earnings per full-time employee. Labour market insecurity worsened sharply in 2009 and has yet to improve fully, whereas long-term unemployment peaked in 2010 and has made a strong recovery in recent years. The incidence of job strain has lessened over the decade: around 34% of employees experienced job strain in 2015, down from 40% in 2005.	↗ ↗ ↘ ↗ ↗
 Housing conditions	In the past 10 years, Estonia has recorded a 35% increase in the number of rooms per person – the largest improvement in the OECD. Housing affordability has also improved significantly during the last decade. Finally, the share of people living in a home without basic sanitary facilities is 5 percentage points lower than 10 years ago.	↗ ↗ ↗
 Work-life balance	The share of employees working 50 hours or more weekly is lower than in most OECD countries, and has fallen from 5.1% in 2005 to 2.7% in 2016.	↗
 Health status	Estonia experienced the largest increase in life expectancy at birth among OECD countries between 2005 and 2015, with a gain of nearly 5 years. However, perceived health has remained relatively stable.	↗ ↔
 Education and skills	The share of adults with at least an upper secondary education in Estonia is high, but has seen little change over the past decade.	↔
 Social connections	Social support in Estonia has increased, with the share of the population reporting that they have relatives or friends whom they can count on to help in case of need increasing from 85.4% to 90.5%, one of the largest improvements in the OECD.	↗
 Civic engagement	Contrary to the OECD average trend, voter turnout increased by 2.3 percentage points since 2007, to reach 64.2% in the 2015 parliamentary elections.	↗
 Environmental quality	Air pollution levels were slightly lower in 2013 than they were in 2005. Estonia is one of only a few OECD countries where satisfaction with local water quality has substantially improved over the past decade.	↗ ↗
 Personal security	There have been clear signs of progress in personal security since 2005: the homicide rate has fallen by two-thirds in the last decade, and the proportion of people declaring that they feel safe when walking alone at night has increased by 11 percentage points.	↗ ↗
 Subjective well-being	Although starting from a relatively low base, life satisfaction in Estonia is currently higher than it was in 2005.	↗


Note: For each indicator in every dimension: ↗ refers to an improvement; ↔ indicates little or no change; and ↘ signals deterioration. This is based on a comparison of the starting year (2005 in most cases) and the latest available year (usually 2015 or 2016). The order of the arrows shown in column three corresponds to that of the indicators mentioned in column two.


Estonia's resources and risks for future well-being: Illustrative indicators

 Natural capital		
Indicator	Tier	Change
Greenhouse gas emissions from domestic production	3	↔ 2005-2015
CO ₂ emissions from domestic consumption	2	↗ 2001-2011
Exposure to PM _{2.5} air pollution	1	↗ 2005-2015
Forest area	1	↔ 2005-2014
Renewable freshwater resources	2	.. Long-term annual avg
Freshwater abstractions	3	.. 2015
Threatened birds	1	.. Latest available
Threatened mammals	1	.. Latest available
Threatened plants	1	.. Latest available

 Economic capital		
Indicator	Tier	Change
Produced fixed assets	3	↗ 2005-2014
Gross fixed capital formation	3	↘ 2005-2016
Financial net worth of total economy	2	↗ 2005-2016
Intellectual property assets	3	↗ 2005-2014
Investment in R&D	3	↗ 2005-2014
Household debt	1	↘ 2005-2015
Household net wealth	3	.. 2013
Financial net worth of government	1	↗ 2005-2015
Banking sector leverage	1	↘ 2005-2015

1	Top-performing OECD tier, latest available year
2	Middle-performing OECD tier, latest available year
3	Bottom-performing OECD tier, latest available year

 Human capital		
Indicator	Tier	Change
Young adult educational attainment	2	↔ 2005-2016
Educational expectancy	3	.. 2015
Cognitive skills at age 15	1	.. 2015
Adult skills	2	.. 2011/2012
Long-term unemployment	2	↗ 2005-2016
Life expectancy at birth	3	↗ 2005-2015
Smoking prevalence	3	↗ 2006-2016
Obesity prevalence	2	↘ 2006-2016

 Social capital		
Indicator	Tier	Change
Trust in others	2	.. 2013
Trust in the police	2	.. 2013
Trust in the national government	2	↘ 2005-2016
Voter turnout	2	↗ 2007-2015
Government stakeholder engagement	1	.. 2014
Volunteering through organisations	3	.. 2011/2012

↗	Improving over time
↘	Worsening over time
↔	No change
..	No data available

HOW LARGE ARE WELL-BEING INEQUALITIES IN ESTONIA?

What is inequality and how is it measured? Measuring inequality means trying to describe **how unevenly distributed** outcomes are in society. *How's Life? 2017* adopts several different approaches:

- Measures of “**vertical**” inequalities address how unequally outcomes are spread across all people in society – for example, by looking at the size of the gap between people at the bottom of the distribution and people at the top.
- Measures of “**horizontal**” inequalities focus on the gap between population groups defined by specific characteristics (such as men and women, young and old, people with higher and lower levels of education).
- Measures of “**deprivation**” report the share of people who live below a certain level of well-being (such as those who face income poverty or live in an overcrowded household).

In Estonia, **vertical inequalities** are often comparatively large. Income, wealth, earnings, adult skills, having a say in government and subjective well-being are each ranked in the bottom (i.e. most unequal) third of OECD countries. By contrast, disparities in working hours and cognitive skills at age 15 are narrower than the OECD average.

Estonia has mixed outcomes when it comes to the **gender gap**. Compared to men, Estonian women earn less, are more likely to be in low paid jobs, enjoy less time off, and feel less like they have a say in government – more so than in many other OECD countries. By contrast, while on average women and men tend to have similar unemployment and educational attainment rates, Estonian women do better than men in both of these areas.

When looking at the well-being gap with **middle-aged** adults, **young people** in Estonia often fare better than their OECD peers – albeit still disadvantaged in jobs, earnings, income and wealth. However, in educational attainment, where the young often outperform older age groups in the OECD, young Estonians are doing less well than middle-aged adults.

People with a **tertiary education** tend fare better than those without across a wide range of well-being outcomes. Compared to other OECD countries, these education-related gaps are relatively narrow in Estonia when it comes to feelings of safety, having a say in government, skills, and net wealth. However, there are large gaps in terms of perceived health.

Compared to other OECD countries, Estonia records low levels of **deprivation** in education and skills, social support, air quality and housing affordability. However, the incidence of income poverty (15.5%), poor perceived health (48.6%), not feeling you have a say in government (53.2%) and low life satisfaction (13.3%) – among others – are higher than the OECD average.

Well-being inequalities in Estonia

● top third of OECD countries

● middle third of OECD countries

● bottom third of OECD countries

○ data gaps

■ no measures

	Vertical inequality	Horizontal inequality by			Deprivation
		Gender	Age	Education	
		Women relative to men	Young relative to middle-aged	Secondary relative to tertiary	
	●		●		●
	●		●	●	●
	●	●	●	●	
		●			●
		●	●	●	
		●	●	●	●
					●
					●
	○				
			●	●	●
	●	●	●	●	●
		●	●		
		●	●		●
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		●	●		
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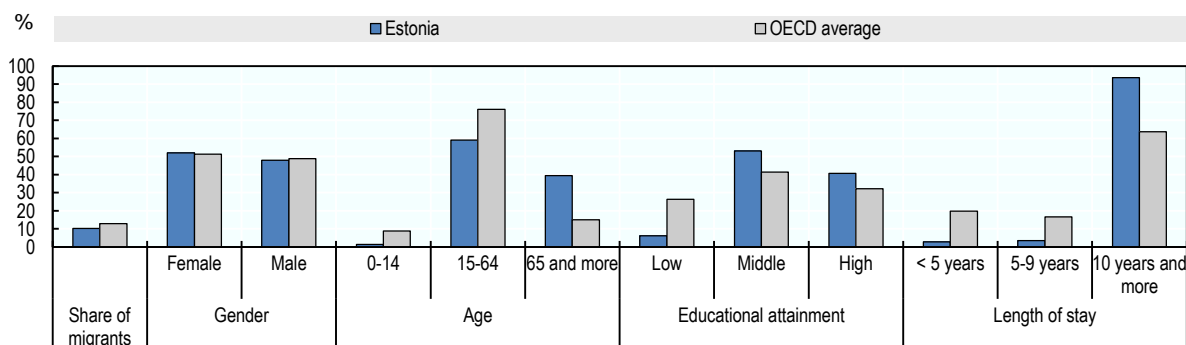
HOW'S LIFE FOR MIGRANTS IN ESTONIA?

Migrants (defined as people living in a different country from the one in which they were born) represent an important share of the population in most OECD countries. Capturing information about their well-being is critical for gaining a fuller picture of how life is going, and whether it is going equally well for all members of society.

Who are the migrants in Estonia and OECD?

One in ten people living in Estonia (10%) were born elsewhere, below the OECD average (13%), and 52% of them are women (51% for the OECD average). Migrants in Estonia are less likely to be of working age than in the OECD on average (59% of them are aged 15 to 64, as compared to 76% across the OECD), and they are more likely to have a middle or a high educational attainment than a low level. Nine in ten migrants arrived in Estonia ten years ago or more.

Share of migrants in the total population and selected characteristics

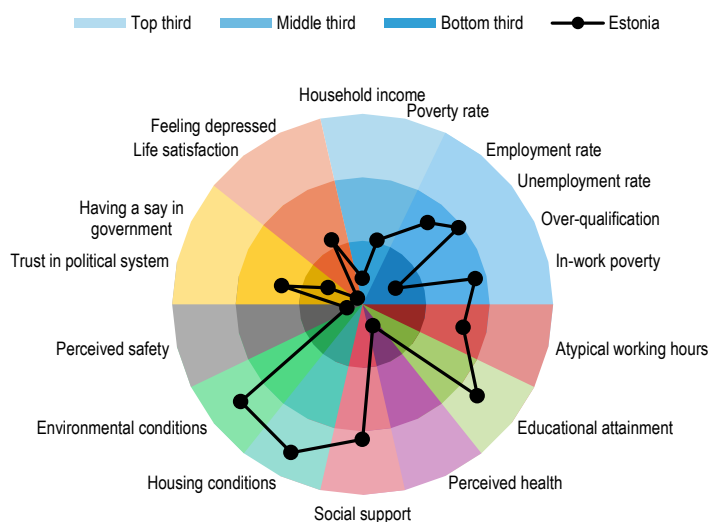


How is migrants' well-being in Estonia?

When compared with the migrant populations of other OECD countries, migrants living in Estonia have a relatively good situation regarding environmental and housing conditions, social support and educational attainment. Moreover, Estonian migrants rank in the middle third of OECD-country migrants for 7 out of 17 selected well-being indicators. They are in the bottom third for over-qualification, perceived health, perceived safety, having a say in the government, life satisfaction and household income.

As in many other OECD countries, migrants in Estonia tend to experience lower well-being outcomes than the native-born population: in Estonia, this is the case for 11 out of 12 selected well-being indicators. However, migrants in Estonia report a better situation for housing conditions than the native-born.

Comparing well-being outcomes for migrants in Estonia with the migrant populations of other OECD countries



Comparison of migrants' and native-born well-being in Estonia

	Migrants have a worse situation	Same situation	Migrants have a better situation
Household income	▲		
Wealth	▲		
Atypical working hours	▲		
Perceived health	▲		
Social support	▲		
Housing conditions			▲
Environmental conditions	▲		
Perceived safety	▲		
Trust in political system	▲		
Having a say in government	▲		
Life satisfaction	▲		
Feeling depressed	▲		

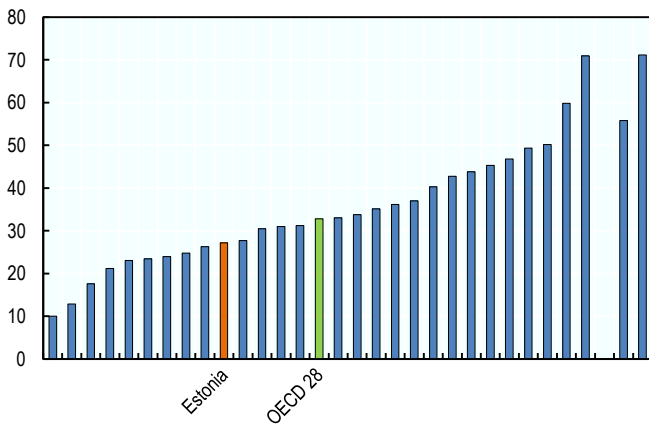
GOVERNANCE AND WELL-BEING IN ESTONIA

Public institutions play an important role in well-being, both by guaranteeing that people’s fundamental rights are protected, and by ensuring the provision of goods and services necessary for people to thrive and prosper. How people experience and engage with public institutions also matters: people’s political voice, agency and representation are outcomes of value in their own right.

In Estonia, 27% of the population feels that they have a say in what the government does, compared to an OECD average of 33%. Since 2007, voter turnout has remained relatively steady, with 64% of registered Estonian voters casting a ballot in 2015, compared to 62% 8 years prior. When asked about whether or not corruption is widespread across government, 55% of Estonians answered “yes”, which is similar to the OECD average of 56%. Since around 2006, the share of people in the OECD who report that they have confidence in their national government has fallen from 42% to 38%.

Having a say in what the government does

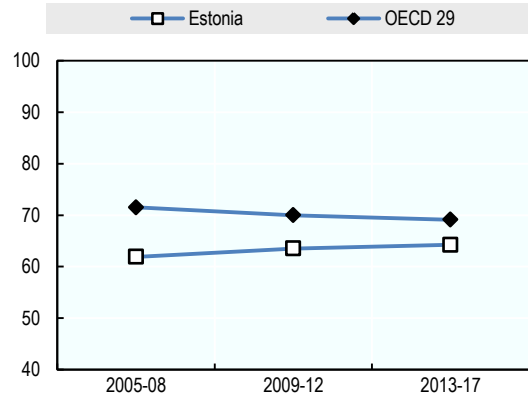
Percentage of people aged 16-65 who feel that they have a say in what the government does, around 2012



Source: OECD Survey of Adult Skills (PIAAC database)

Voter turnout

Percentage of votes cast among the population registered to vote



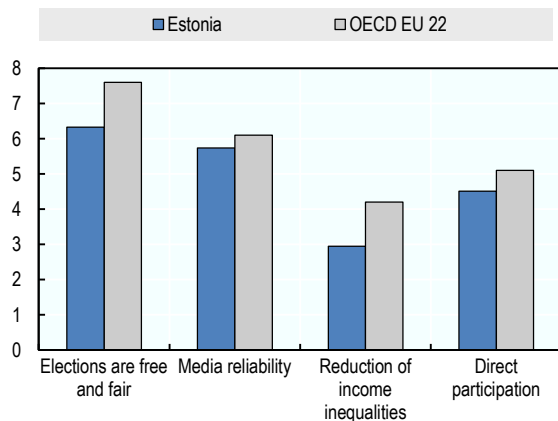
Note: Data refers to parliamentary elections. If more than one election took place over the time period indicated, the simple average voter turnout from all elections is shown. The OECD average sums elections that occurred over the time periods shown in 29 OECD countries.

Source: IDEA dataset

Overall, satisfaction with the way democracy works in Estonia country is consistently below the OECD European average. People in Estonia tend to be reasonably satisfied with the freedom and fairness of elections (6.3 on a 0-10 scale), while they are much less satisfied with policies to reduce inequalities (3.0) or the existence of direct participation mechanisms at the local level (4.5). Europeans’ satisfaction with public services meanwhile varies according to whether people have used those services in the last year. For example, satisfaction with education is higher among those with direct recent experience (6.7 vs 6.2 on average), and this is also true of the health system (6.4 vs 6.2 on average). These data relate to 19 European countries only, and unfortunately no comparable data are available for Estonia.

Satisfaction with different elements of democracy

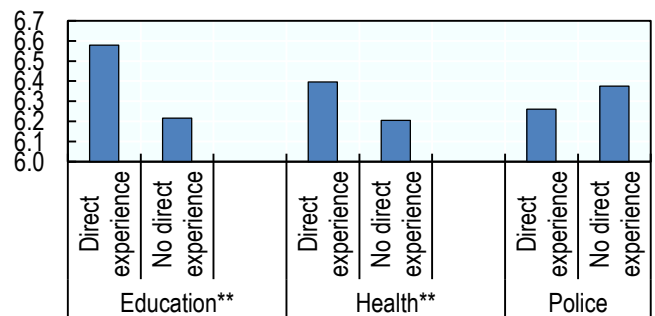
Mean score on a 0-10 scale, with higher scores indicating higher satisfaction with elements of democracy, 2012



Source: OECD calculations based on wave 6 of the European Social Survey (ESS), special rotating module on citizens’ valuations of different elements of democracy.

OECD EU average satisfaction with public services by direct experience

Mean score on a 0-10 scale, with higher scores indicating higher satisfaction with elements of democracy, 2013



Note: ** Difference is statistically significant at 95%

Source: OECD calculations based on the EU Quality of Government (QoG) for 19 European countries.

BETTER LIFE INDEX

The **Better Life Index** is an interactive web application that allows users to compare well-being across OECD countries and beyond on the basis of the set of well-being indicators used in *How's Life?*. Users chose what weight to give to each of the eleven dimensions shown below and then see how countries perform, based on their own personal priorities in life.

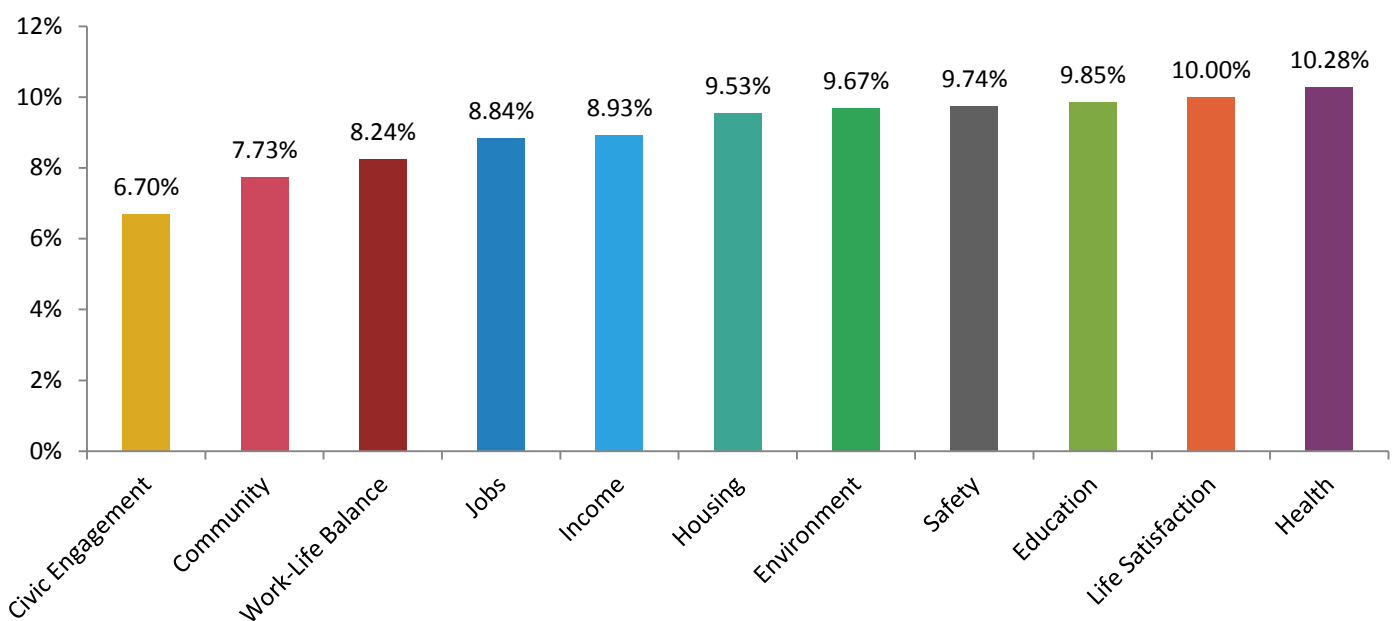


Users can also share their index with other people in their networks, as well as with the OECD. This allows the OECD to gather valuable information on the importance that users attach to various life dimensions, and how these preferences differ across countries and population groups.

WHAT MATTERS MOST TO PEOPLE IN ESTONIA?

Since its launch in May 2011, the Better Life Index has attracted **over ten million visits from just about every country on the planet** and has received over **22 million page views**. To date, over 29,300 people in Estonia have visited the website making Estonia the 49th country overall in traffic to the website. The top cities are Tallinn (51% of visits), Tartu, Parnu and Johvi.

The following country findings reflect the ratings voluntarily shared with the OECD by 204 website visitors in Estonia. Findings are only indicative and are not representative of the population at large. **For Estonian users of the Better Life Index, health, life satisfaction and education are the three most important topics** (shown below).¹ Up to date information, including a breakdown of participants in each country by gender and age can be found here: www.oecdbetterlifeindex.org/responses/#EST.



¹ User information for Estonia is based on shared indexes submitted between May 2011 and September 2017.

The **OECD Better Life Initiative**, launched in 2011, focuses on the aspects of life that matter the most to people and that shape the quality of their lives. The Initiative comprises a set of regularly updated well-being indicators and an in-depth analysis of specific topics, published in the *How's Life?* report. It also includes an interactive web application, the *Better Life Index*, and a number of *methodological and research projects* to improve the information base available to understand well-being levels, trends and their drivers.

The OECD Better Life Initiative:

- Helps to inform policy making to improve quality of life.
- Connects policies to people's lives.
- Generates support for needed policy measures.
- Improves civic engagement by encouraging the public to create their own *Better Life Index* and share their preferences about what matters most for well-being
- Empowers the public by improving their understanding of policy-making.

This note presents **selected findings for Estonia from the *How's Life? 2017* report** (pages 1-6) and shows what **Estonian users of the Better Life Index** are telling us about their **well-being priorities** (page 7).

HOW'S LIFE?



How's Life?, published every two years, provides a comprehensive picture of well-being in OECD and selected partner countries by bringing together an internationally comparable set of well-being indicators. It considers eleven dimensions of current well-being including: income and wealth; jobs and earnings; housing; health status; work-life balance; education and skills; social connections; civic engagement and governance; environmental quality; personal security; and subjective well-being. It also looks at four types of resources that help to sustain well-being over time: natural, human, economic and social capital.

The *How's Life? 2017* report presents the latest data on well-being in OECD and partner countries, including how lives have changed since 2005. It includes a special focus on inequalities, the well-being of migrants in OECD countries, and the issue of governance – particularly how people experience and engage with public institutions. To read more, visit: www.oecd.org/howslife.

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