

Regions and Cities at a Glance 2020 provides a comprehensive assessment of how regions and cities across the OECD are progressing in a number of aspects connected to economic development, health, well-being and net zero-carbon transition. In the light of the health crisis caused by the COVID-19 pandemic, the report analyses outcomes and drivers of social, economic and environmental resilience. Consult the full publication [here](#).

OECD REGIONS AND CITIES AT A GLANCE - COUNTRY NOTE

ESTONIA

- A. Resilient regional societies
- B. Regional economic disparities and trends in productivity
- C. Well-being in regions
- D. Industrial transition in regions
- E. Metropolitan trends in growth and sustainability

The data in this note reflect different subnational geographic levels in OECD countries:

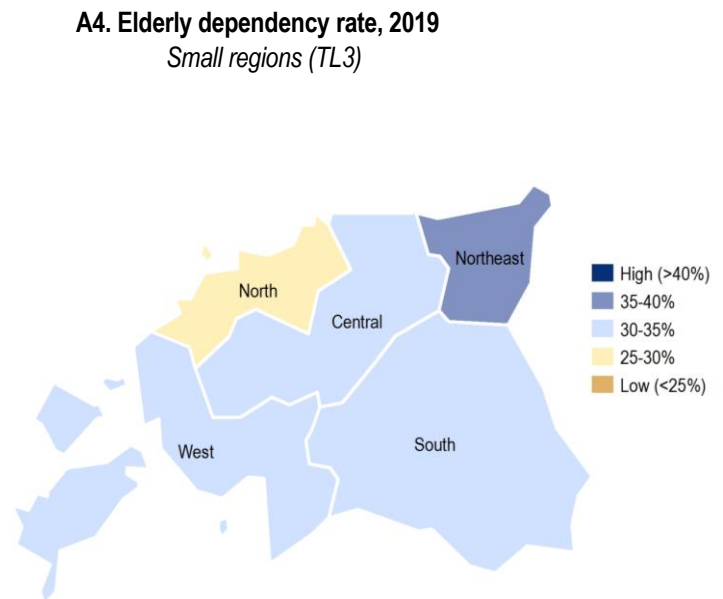
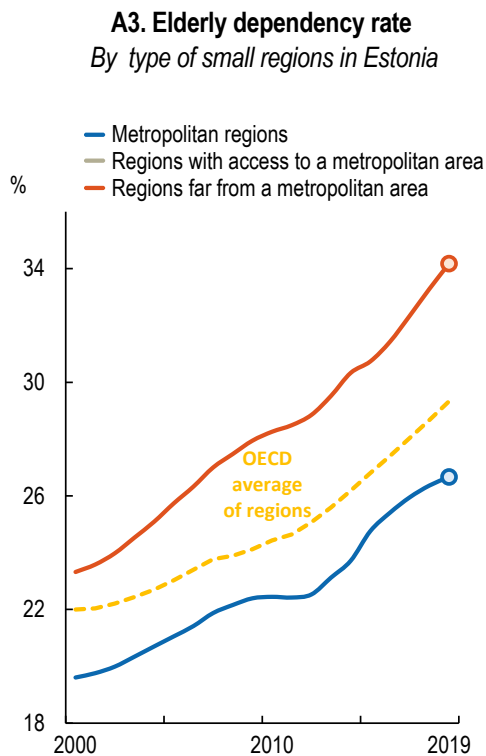
- **Regions** are classified on two territorial levels reflecting the administrative organisation of countries: large regions (TL2) and small regions (TL3). Small regions are classified according to their access to metropolitan areas (see <https://doi.org/10.1787/b902cc00-en>).
- **Functional urban areas** consists of cities – defined as densely populated local units with at least 50 000 inhabitants – and adjacent local units connected to the city (commuting zones) in terms of commuting flows (see <https://doi.org/10.1787/d58cb34d-en>). Metropolitan areas refer to functional urban areas above 250 000 inhabitants.



A. Resilient regional societies to global crisis

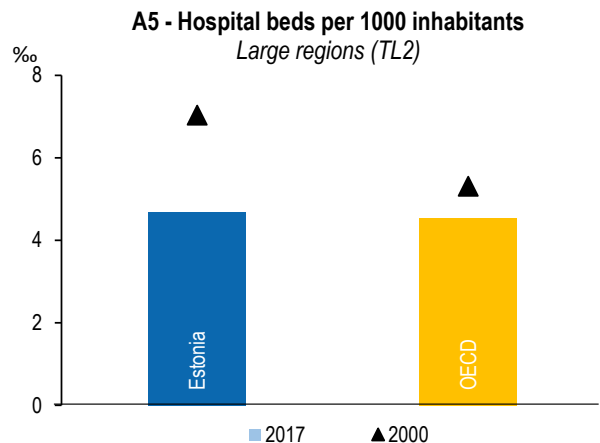
Ageing challenges regions far from metropolitan areas more strongly than elsewhere

The elderly dependency rate has been increasing in all types of regions in Estonia since 2000. Regions far from metropolitan areas show the highest elderly dependency rate (34%) among different types of regions (Figure A3). In the Northeast region, the region with the highest elderly dependency, there are almost two elderly for every three persons in their working-age in 2019 (Figure A4).



Hospital beds per capita are in line with the OECD average, although Estonia experienced a higher decrease over the period 2000-18

Estonia has a similar number of hospital beds per 1000 inhabitants than the OECD average, but it experienced a higher reduction of hospital beds between 2000 and 2018 (Figure A5).



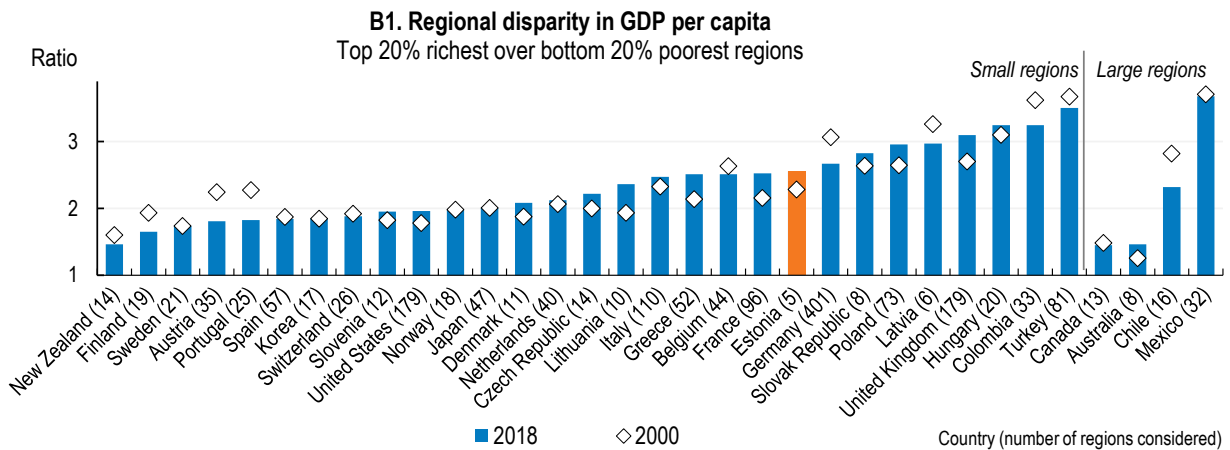


B. Regional economic disparities and trends in productivity

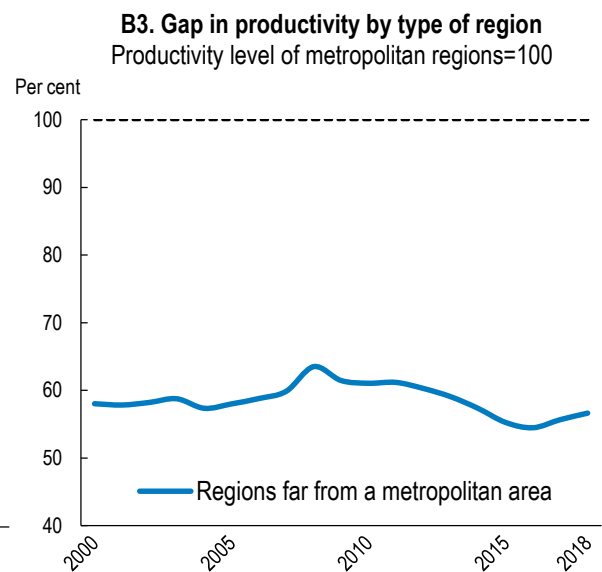
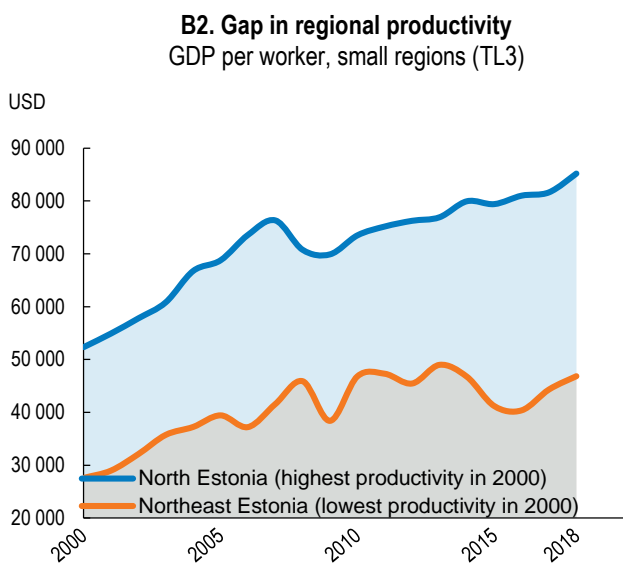
Regional economic gaps have slightly increased since 2000, due to higher growth of the most productive regions

The regional gap in GDP per capita has increased in Estonia over the last eighteen years. A strong economic growth in North Estonia drove this trend, especially since the recovery from the economic crisis. In 2018, GDP per capita in North Estonia was more than 2.6 times higher than in Northeast Estonia, an unprecedented level of difference between regions in the country. Regional economic disparities in Estonia also remain above the median of OECD countries (Figure B1).

With a productivity growth of 2.9% per year over the period 2000-18, Northeast Estonia converged from North Estonia, the country's frontier region in terms of productivity (Figure B2).

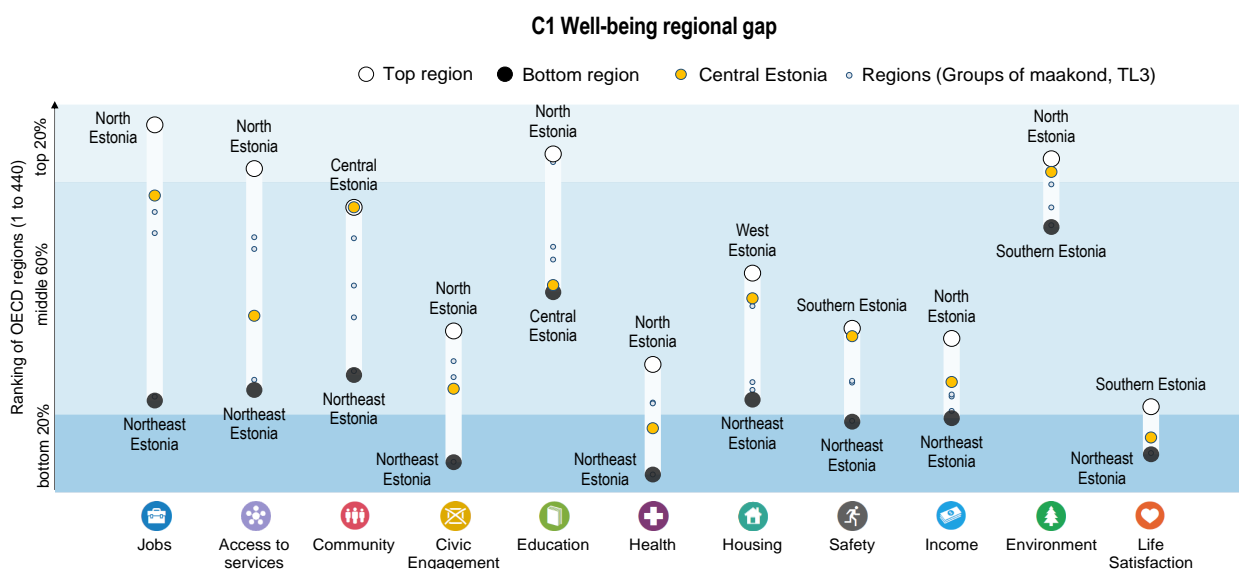


Note: A ratio with a value equal to 2 means that the GDP of the most developed regions accounting for 20% of the national population is twice as high as the GDP of the poorest regions accounting for 20% of the national population.



C. Well-being in regions

The largest regional disparities in people's well-being in Estonia concern jobs, access to services and community



Note: Relative ranking of the regions with the best and worst outcomes in the 11 well-being dimensions, with respect to all 440 OECD regions. The eleven dimensions are ordered by decreasing regional disparities in the country. Each well-being dimension is measured by the indicators in the table below.

While Estonian regions rank in the bottom 25% of OECD regions in terms of life satisfaction, the region of North Estonia ranks among the top 20% of OECD regions in jobs, access to services, education and environment. In addition, North Estonia outperforms the other six Estonian regions in seven well-being dimensions, notably in jobs and access to services – the areas with the largest regional disparities (Figure C1).

The top performing Estonian regions fare better than the top OECD regions in terms of exposure to air pollution, employment and unemployment rates, and population with at least upper secondary education (Figure C2).

C2. How do the top and bottom regions fare on the well-being indicators?

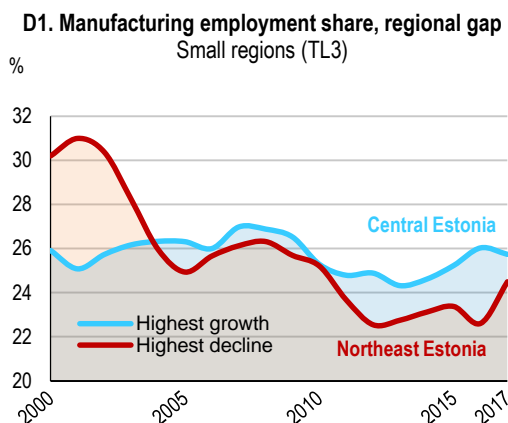
	Country Average	OECD Top 20% regions	Estonian regions	
			Top 20%	Bottom 20%
Jobs				
Employment rate 15 to 64 years old (%), 2019	75.3	76.0	80.0	68.5
Unemployment rate 15 to 64 years old (%), 2019	4.7	3.3	2.5	6.3
Access to services				
Households with broadband access (%), 2019	88.7	91.3	92.3	79.6
Community				
Perceived social network support (%), 2014-18	91.0	94.1	92.5	88.4
Civic engagement				
Voters in last national election (%), 2019 or latest year	63.7	84.2	66.8	54.4
Education				
Population with at least upper secondary education, 25-64 year-olds (%), 2019	90.2	90.3	92.0	82.2
Health				
Life Expectancy at birth (years), 2018	78.4	82.6	78.7	75.9
Age adjusted mortality rate (per 1 000 people), 2018	9.3	6.6	8.8	10.4
Housing				
Rooms per person, 2018	1.2	2.3	1.8	1.4
Safety				
Homicide Rate (per 100 000 people), 2016-18	3.8	0.7	2.0	5.3
Income				
Disposable income per capita (in USD PPP), 2018	15 165	26 617	17 025	12 845
Environment				
Level of air pollution in PM2.5 (µg/m³), 2019	7.6	7.0	6.7	9.0
Life Satisfaction				
Life satisfaction (scale from 0 to 10), 2014-18	5.8	7.3	5.9	5.5

Note: OECD regions refer to the first administrative tier of subnational government (large regions, Territorial Level 2). For Estonia, small regions (TL3) are represented in the well-being figures. Estonia is composed of ten small regions (Groups of maakond). Visualisation: <https://www.oecdregionalwellbeing.org>.



D. Industrial transition in regions

Industrial employment has decreased except in Central Estonia



Between 2000 and 2017, all small regions in Estonia experienced a decline in the share of manufacturing, except in Central Estonia. With a reduction of almost 6-percentage points in the share of industrial employment, Northeast Estonia, recorded the largest decrease (Figure D1).

The decline in employment in manufacturing coincides with a reduction in manufacturing gross value-added in all Estonian regions, except Southern and Central Estonia (Figure D2).

D. Manufacturing trends, 2000-17

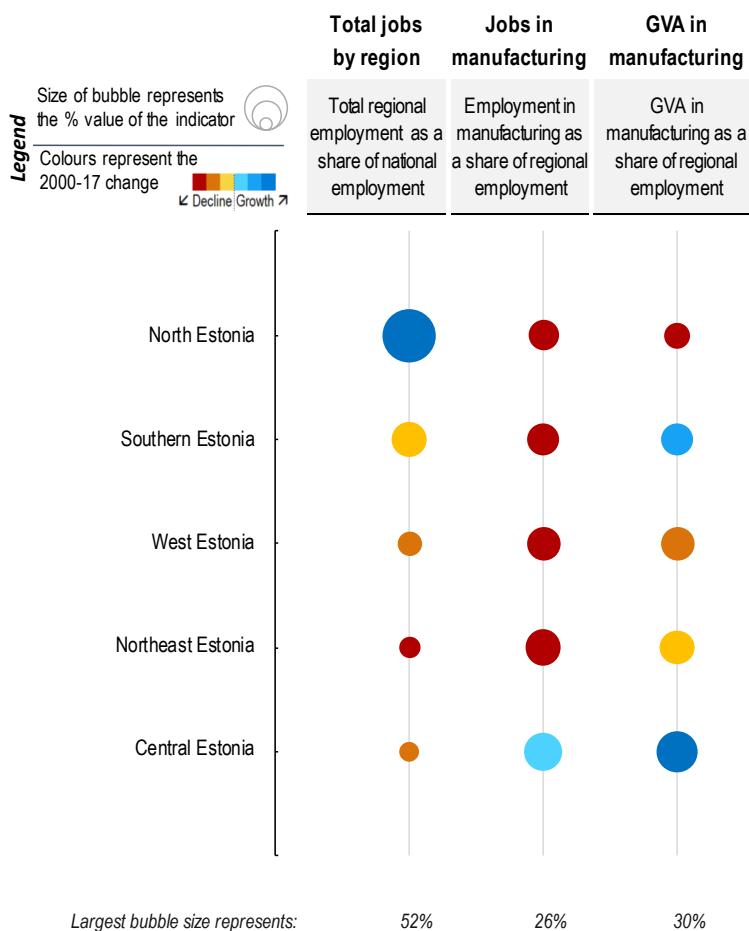


Figure [D.2]: Regions are ordered by regional employment as a share of national employment. Colour of the bubbles represents the evolution of the share over the period 2000-17 in percentage points: red: below -2 pp; orange: between -2 pp and -1 pp; yellow: between -1 pp and 0; light blue: between 0 and +1 pp; medium blue: between +1 pp and +2 pp; dark blue: above +2 pp over the period.

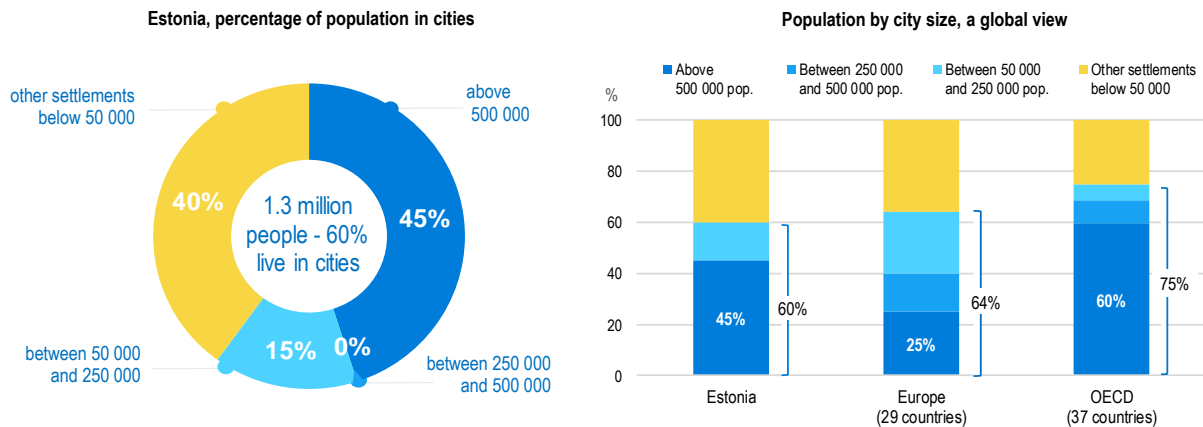


E. Metropolitan trends in growth and sustainability

Metropolitan areas of at least half a million people account 45% of the national population, 20-percentage points more than in Europe, but below OECD average.

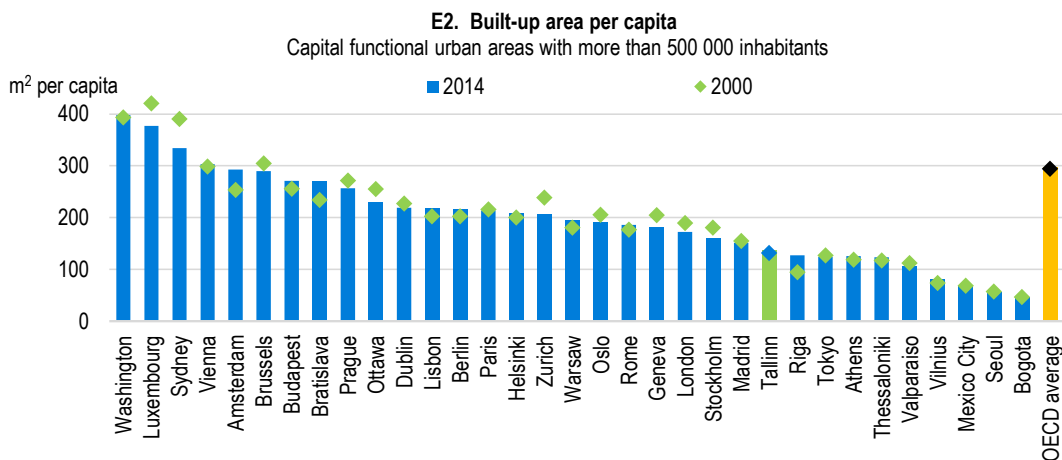
In Latvia, 60% of the population lives in cities of more than 50 000 inhabitants and their respective commuting areas (functional urban areas, FUAs). The share of population in FUAs with more than 500 000 people is 45%, significantly lower than the OECD average of 60% (Figure F1).

E1. Distribution of population in cities by city size
Functional urban areas, 2018



Built-up area per capita has remained stable in the metropolitan area of Tallinn since 2000 and below the OECD average

Built-up area per capita in the metropolitan area of Tallinn has remained stable in at lower levels than OECD average since 2000. Compared to other capital metropolitan areas of the OECD, Tallinn had a level of built-up area per capita close to Riga and Tokyo (Figure E2).



Source: OECD Metropolitan Database. Number of metropolitan areas with a population of over 500 000: one in Estonia compared to 349 in the OECD.

Tallinn metropolitan area ranks below Riga and Vilnius in terms of GDP per capita growth since 2001

Tallinn metropolitan area ranks below Riga and Vilnius both in terms of GDP per capita levels and growth since 2001 (Figure E3). Between 2001 and 2018, GDP per capita in the metropolitan area of Tallin grew at a rate of 3.4% per year.

E3. Trends in GDP per capita in metropolitan areas
Functional urban areas above 500 000 people

