

# LABOR & TALENT:

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## Developing the full potential of Estonia's human capital and making the country an attractive destination for international talent:

AmCham welcomes Estonia's tangible progress in attracting and retaining foreign talent and making it easier for companies to attract top-tier professionals worldwide to Estonia. Changes to the Foreigners Act which came to force in 2013 and 2015 have already demonstrated a positive impact on Estonia's potential as a global player in the innovative industries of the future.

Added value of the global economy is increasingly generated in the services sector. In Estonia, the share of services in GDP in 2013 was 67.5% while the respective EU average was 73.5%. This trend continues and Estonia faces new challenges in the global community. In these circumstances, education needs to be set as the highest long term priority with clear short and mid-terms goals that could be progressively measured and adjusted. AmCham members stand ready to work together with the Estonian society and authorities to make sure the trends of knowledge-based growth and smart businesses continue and intensify. To achieve those goals, two focus areas and related challenges deserve special attention and careful consideration.

In those focus areas the following issues were raised by our members and outlined by the AmCham Estonia Talent & Labor Committee:

- Immigration Policy and Procedures
  - Apostil verification for educational credentials is required to launch residence permit application proceedings. Enabling these proceedings to begin while the applicant is still acquiring the apostil could streamline the process further;
  - The requirement that a residence permit applicant needs to have a permanent address in Estonia at the time of applying for the permit adds an unnecessary burden to the process.
  
- Flexible and modern labor environment, promoting growth and investment
  - There is an urgent need to further improve the availability of competitive, English-language international education in Estonia at affordable price range and quality level both in terms of curriculum as well as infrastructure.
  - Estonian labor legislation is still fundamentally designed for industry-centric environment, while the economy is increasingly focused on services. Adapting to this reality must come with increased flexibility of the labor market and the way labor relations are regulated.

List of Action Items and Corresponding Recommendations:

- Foreigners Act should stipulate the possibility of submitting educational credentials without apostil as part of the residence permit application package. The applicant would then be

given additional time to get the required apostils. At the same time processing of the residence permit application by the Estonian authorities would begin;

- The requirement for a residence permit applicant to have a permanent address in Estonia at the time of submitting the application should be abolished;
- Special consideration should be given to the student-based state support or “head-money” for students studying in international programs, given the higher costs related to offering the curriculum;
- Estonia should prioritize using funds made available in the EU financial framework 2014-2020 to invest in competitive international education facilities and customized infrastructure;
- Amend Art 9 of the Employment Contract Act should be amended to expressly indicate project-based work as sufficient cause to conclude a temporary employment contract.

**Estonia must firmly continue on the track of enabling smart jobs and attracting talent. Modern labor legislation and competitive immigration procedures effectively support those goals**

