

Estonia

Recent policy developments

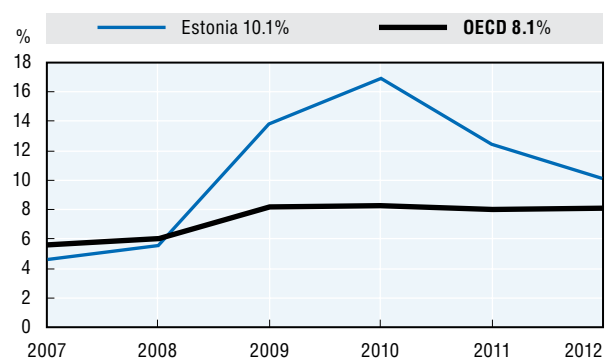
- A new National Spatial Plan “Estonia 2030+” was enacted in August 2012. The plan aims to improve the quality of the environment both in cities and in sparsely populated areas, ensuring the functioning and accessibility of the daily activity spaces, supported by multimodal mobility solutions, good external connections, wider use of renewable energy and energy-saving measures, and balanced by the vitality of the green networks.
- The former Minister for Regional Affairs¹ proposed a new territorial administrative organisational model based on hubs, and which will merge the current 215 municipalities into a total of 30-50 municipalities. The expectation is that the local elections in 2017 will be held within the context of this new administrative division based on a hub model.
- Besides plans for national territorial administrative reform, greater co-operation between municipalities in service provision and development planning is also promoted.

Government structure	Municipal-level governments	Intermediate-level governments	Regional or state-level governments
Unitary	215 ²		
Regional development policy			
Lead ministry(ies) or committees	Ministry of the Interior (Regional Development Department)		
Regional development framework	Regional development is governed by the National Regional Development Policy Strategy 2014-2020.		
Urban development policy			
Lead ministry(ies) or committees	No distinctive urban development policy at the national level. A strategy and incentives for urban development are handled by the national regional development policy in Estonia, which is under the jurisdiction of the Ministry of the Interior.		
Urban policy framework or strategy			
Rural development policy			
Lead ministry(ies) or committees	Ministry of the Interior; Ministry of Agriculture		
Rural policy framework or strategy	Estonian National Regional Development Strategy 2014-2020; Estonian Rural Development Strategy 2014-2020 (focused on the development of agriculture, rural economies and rural life in Estonia, for utilisation of the European Agricultural Fund for Rural Development, EAFRD).		

1. Since the change in national government in March 2014, a new Minister of Internal and Regional Affairs acquired the responsibilities of the former Minister of Regional Affairs.

2. As of October 2013.

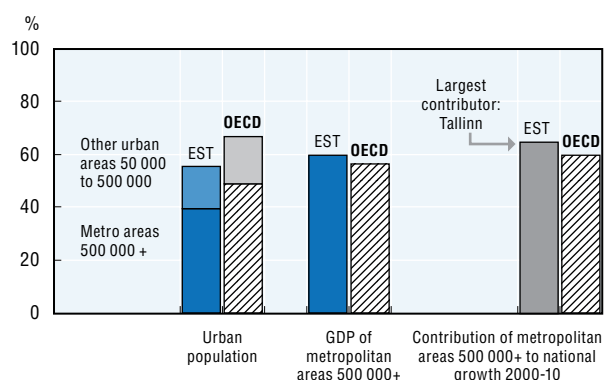
Regional disparities in unemployment trends



Compared to the other OECD regions, Estonia had a higher unemployment rate (10.1%) than that observed on average in the OECD area (8.1%). In 2012, the youth unemployment rate in Estonia was 20.9%, slightly below the OECD average.

StatLink <http://dx.doi.org/10.1787/888933107636>

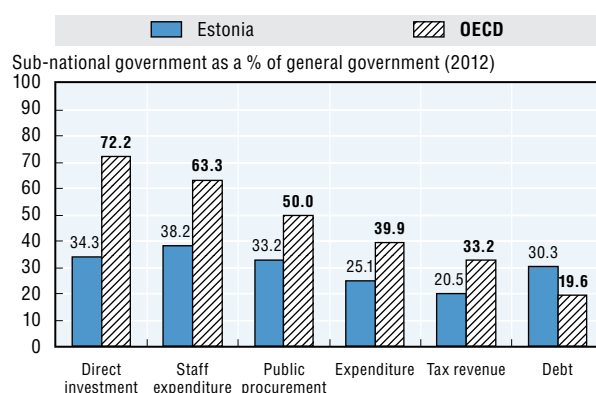
The importance of urban areas



In Estonia, 55% of the population lives in cities of different sizes. The share of population in the metropolitan area of Tallinn (the only urban area with more than 500 000 inhabitants) is 40%, compared to 49% in the OECD area.

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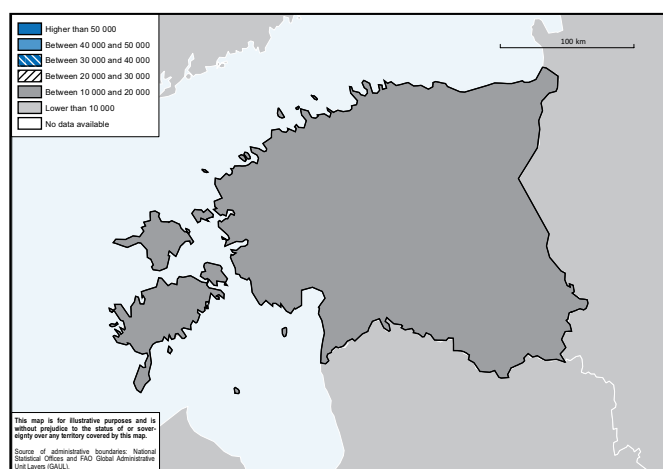
The role of sub-national governments in public finance



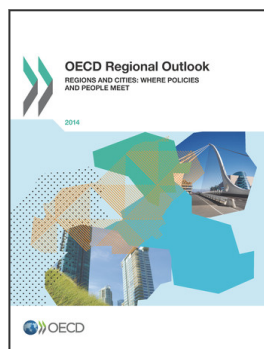
Education and health are the two largest spending items for SNGs in Estonia: together they represent 54% of sub-national expenditure, compared to 44% in the OECD area.

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Regional differences in GDP per capita levels



In the years 2000-10, the growth rate of GDP per capita in Estonia was 3.6%, higher than the average growth rate in OECD regions.



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