



Tallinn, Estonia. Photo from Envato Elements



ESTONIA

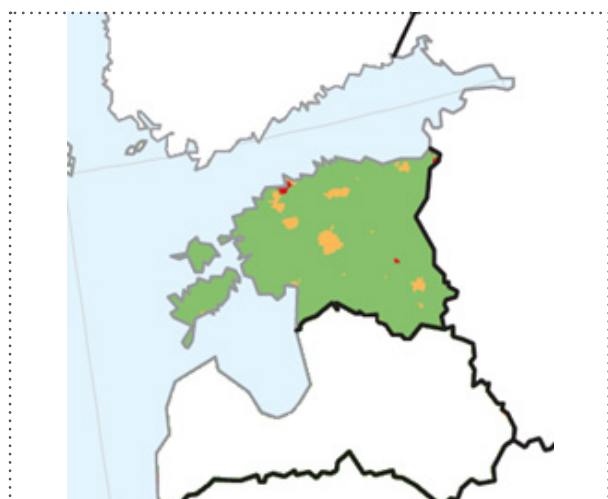
INSIGHT PAPER

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RURALITY (1)

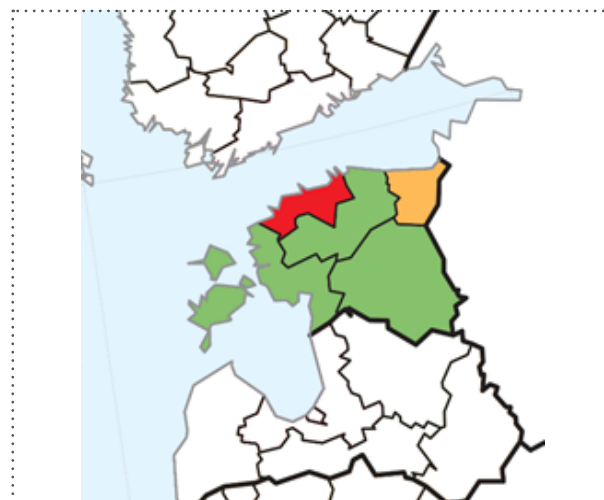
Degree of urbanisation for local administrative units level 2 (LAU2)



- Cities
- Towns and suburbs
- Rural Areas

Source: Eurostat, JRC and European Commission Directorate-General for Regional Policy, May 2016

Urban-rural typology for NUTS level 3 regions



- **Predominantly urban regions**
(rural population is less than 20% of the total population)
- **Intermediate regions**
(rural population is between 20% and 50% of the total population)
- **Predominantly rural regions**
(rural population is 50% or more of the total population)

Source: Eurostat, JRC, EFGS, REGIO-GIS, December 2016

DISTRIBUTION OF POPULATION

40,8%

Share of people living in cities

15,3%

Share of people living in towns and suburbs

39,1%

Share of people living in rural areas

Source: Eurostat, 2017

GEOGRAPHY

Estonia is a unitary country with a population of 1.3 million and area 43.432 km². Average density: 30 inhabitants/km². About 50% of the country is covered by forest. There are total of 15 counties and 79 municipalities, 14 of which are urban and 65 rural.

44.3% of the population live in cities or densely populated areas, 36.0% live in rural areas and 19.7% of population live in towns and suburbs. Capital city: Tallinn (30.5% of national population).

Estonia's predominantly urban regions are producing 61% of Estonia's GDP. The region of North Estonia (which contains Tallinn) performs better than the rest of the country.

Estonia's largest inter-regional disparities are found in jobs (employment and unemployment), access to services (access to broadband) and civic engagement (voter turnout). Estonia has the third largest inter-regional disparities among OECD countries in terms of health (mortality rates and life expectancy).



Photo by Silver Hinno on Unsplash

RURALITY (2)

26.9%

Share of people at risk of poverty or social exclusion in rural areas, **2017**

9.3%

Share of people aged 16 and over who reported unmet needs for health care in the previous 12 months due to expense, distance to travel or length of waiting list in rural areas, **2017**

5.8%

Unemployment rate, persons aged 15–64, in rural areas, **2017**

12.3%

Share of young people aged 18–24 neither in employment nor in education or training (NEETs) in rural areas, **2017**

Source: Eurostat

NATIONAL POLICIES RELATING TO RURAL MOBILITY AND PUBLIC TRANSPORT

There are some specific policies on mobility in rural areas, for example the LEADER programme as well as agricultural and rural development programmes allocate funds for this purpose, supporting entrepreneurship and diversification.

With regard to transport supply in rural areas, there are regional subsidies available for public transport, allocated from the state budget, for example, through improving urban-rural mobility systems, through constructions of cycle and pedestrian roads.

There are several policies in place regarding rural development:

Estonian Rural Development Plan (ERDP) for 2014–2020. Agriculture and rural economies, strong support for environmental sustainability and direct support to agricultural production.

In this event, mobility-related costs must remain affordable in rural areas, where there is inadequate public transport and the utilisation of a passenger vehicle is indispensable. At the same time, the quality of public transport may also be improved in sparsely populated areas. Depending on demand, efficiency can be increased, too: by using the appropriate type of bus (replacing large buses with smaller ones on routes with fewer passengers) or adjusting the service schedule, applying alternative solutions (altering the route, schedule or vehicle of a bus service) in case of rapidly changing demand, preferring flexible (pre-bookable public transport) instead of scheduled services or other smart solutions.

For those in rural areas, structural reforms in the 1990s reformed policies on access to healthcare and other services.



Photo from Envato Elements

National Regional development strategy (RDS) 2014–2020. The strategy focuses on the developmental needs of all of Estonia's regions and is investing more than previously in the improvement of work availability and services in areas which have been adversely affected by urbanization by emphasizing the strengths and unique aspects of each region.

National Spatial Plan Estonia 2030+. In an area with low-density settlement, choosing appropriate transport solutions is very important. If possible, preference should be given to the combined use of passenger and public vehicles. Inevitably, private transport (including travel by car) will remain the main transport mode for low-density settlements in the future, which will impose requirements of its own on the quality of local road networks, traffic safety and organisation. The EU climate and energy policies may necessitate changes in the taxation of transport (polluter/user pays principle).

They established primary care provided by family physicians at the centre of the **health service delivery system**. Family physicians serve as the first level of contact both in urban and rural areas. Secondary and tertiary care is provided in hospitals and outpatient centres. There are currently about 65 public and private hospitals in Estonia, including 35 nursing and rehabilitation hospitals. The Estonian Health Insurance Fund has contracts with the 19 public hospitals that are included in the Hospital Network Development Plan (HNDP). HNDP hospitals are divided into regional, central, general, and local. **Regional hospitals** deliver the full range of services, central hospitals deliver most services with the exception of a few procedures, general hospitals provide 24/7 emergency care, intensive care and some surgical and medical specialties, while **local hospitals** deliver 24/7 emergency and some general surgery procedures.

INSTITUTIONAL FRAMEWORK

From the side of the Government, the Ministry of Economic Affairs and Communications (MKM) is responsible for the basic orientation.

According to the **Public Transport Act**, public transport is planned and managed by rural municipalities and city councils, rural municipalities and city governments, the **Estonian Road Administration**, the MKM and the Government of Estonia, thereby involving, where necessary, local authority associations, transport operators and associations of transport operators as well as establishing regional public transport centres.

Estonian Road Administration (centralised) advises rural municipalities, county governments and regional transport centres in matters concerning the drafting and implementing of public bus and coach service contracts as well as establishing route networks. They are responsible for the route network, traffic volumes, ticket prices and bypasses.

Decentralised **regional transport centres** (ÜTK) are responsible for public service contracts awarded for county and rural regular bus and coach services. Since 2018, there are 11 regional transport centres in Estonia: 9 on the mainland and 2 on the islands

ORGANISATIONAL FRAMEWORK

The rural area is characterised by a high level of **individual motorisation**. For example, the number of private cars in the biggest county (Harjumaa) has increased by 66% in the last 5 years.

At the same time, the country (including the biggest islands) is covered by a **public transport** (PT) route network (there are about 50 commercial lines in Harju County, with routes drawn by HÜTK and then given to different operators). The main issue is in sparsely populated areas, which makes the managing cost of PT quite high. In densely populated regions the situation is better and there are many commercial lines which operate without any subsidy from government.

As of 1 November 2008, a zone system was introduced for public suburban routes. Harju County is divided to 4 zones, with the first one being Tallinn, second the surroundings of Tallinn and the rest are determined by the distance from Tallinn.

However, as of July 2018, travel on all buses across the whole of Estonia is now free for Estonians.

Demand responsive transport and shared-mobility services are not provided yet. Therefore, the main goal of ÜTK-s is to use more demanding lines in the future and optimise the route network.

REGULATORY FRAMEWORK

The main regulatory instrument for passenger transport services relevant to rural areas is the **Public Transport Act (2015)**.

Public transport services in rural areas are regulated under the same instrument as urban and intercity public transport through the Public Transport Act.

This act defines that the local authority bodies are responsible for the coordination of rural public transport services, for financing streams and for determining demand for the services and their feasibility.

There is freedom of entry to the market for mobility services relevant to rural areas for everyone.

FINANCIAL FRAMEWORK

Regional public transport centres apply for funds and other resources from the State budget after submitting an application to the Estonian Road Administration or applying for funds from the EU.

Funding for rural mobility is included in the general budget that regional public transport centres apply for.

Starting from July 2018, **Ministry of Economic Affairs and Communications** launched the free public transport project, which covers all county lines that are provided with public service contracts and is entirely financed from state budget. One of the most important aims is to make rural mobility more accessible for the users. Therefore, free public transport could be considered as financial support to mobility services in rural areas, which is included in more general provisions.

Ministry of Social Affairs is financing pilot projects for social transport. The aim is to rearrange the system of how social transport is organised today. The objective is to connect it with the public transport system as much as possible. It also contains a demand responsive transport component in rural areas.

One of these pilot projects is a demand-responsive bus service, to improve accessibility and mobility for people living in sparsely populated rural areas. This will be the first project of its kind in Estonia, with a private initiative working closely with the municipality.

OTHER INFORMATION

Best practice example 1: Fare-free public transport

As of 1 July 2018, fare-free public bus transport for everyone is in force in 11 counties for everyone and in other 4 counties for pupils (up to 19 years old) and elderly people (62+). Passengers are required to validate their Transport Card upon boarding the bus. If you fail to validate your Transport Card, you may be fined for travelling without a valid ticket. In case there are no validation devices on the bus, the bus driver shall issue a corresponding ticket to the passenger, thus registering their travel. The transport card costs 2 euros. One transport card is valid in all counties. Transport Cards can be purchased from driver or marked sales points. Money can be loaded onto the Transport Card account and used for purchasing an e-ticket in many cities (Tallinn, Tartu, Pärnu, Kohtla-Järve etc.) and on some inter-city bus lines (GoBus). The results of the first month (July 2018 vs July 2017): in 11 counties 37.5% more passengers, and in 4 counties 15.5% more passengers.

Best practice example 2: Public Transportation Information Service

The Road Administration is working on the creation of the Public Transportation Information Service (PTIS) with the aim of concentrating reliable information on the planning, organizing, monitoring and use of the public transportation service in one place. For that purpose, a national information system for

organising public transportation will be created with the help of the European Economic Community and the Norwegian Financial Mechanism. The system includes the timetables of public transportation lines, information about the providers of passenger transport services, the public transportation permits issued to the service providers, international passenger transport law records, vehicle maps, line permits and public transportation stops in a general database, and allows keeping track of this information.

Best practice example 3: On demand public transport service on Saaremaa island

In February 2018, it was announced that a pilot project on demand-based bus service would be launched on Saaremaa island within a year. The geographical conditions of the island and its clearly bounded line network provide a good location for a pilot area. The aim of the project is to improve access and mobility in a smart and cost-efficient way for people living in sparsely populated rural areas. The plan is to provide the service based on an online platform. Postal services and delivery companies are seen as potential partners and some have already expressed their interest to participate. Currently, the working group is dealing with tackling legal issues regarding carriage of passengers. When launched, the project will be the first of a kind in Estonia, a private initiative implemented in close cooperation with the municipality.

KEY STAKEHOLDERS AND MINISTRIES ADDRESSING RURAL AREAS

TITLE	ROLE
RM	Rahandusministeerium (Ministry of Finance), Minister of Public Administration - regional development framework
SM	Siseministeerium (Ministry of the Interior) - rural policy framework and strategy
MEM	Maaeluministeerium (Ministry of Rural Affairs) - rural policy framework and strategy
MKM	Majandus- ja Kommunikatsiooniministeerium (Ministry of Economic Affairs and Communications) – economic strategies, efficient and safe transport system
MA	Maanteeamet (Road Administration) – managing road traffic and public transport
HÜTK	MTÜ Põhja-Eesti Ühistranspordikeskus - public transport centre of North-Estonia
PÜTK	MTÜ Pärnumaa Ühistranspordikeskus - public transport centre of Pärnu County
ViÜTK	MTÜ Viljandimaa Ühistranspordikeskus - public transport centre of Viljandi County
JöÜTK	MTÜ Jõgeva Ühistranspordikeskus - public transport centre of Jõgeva County
TÜTK	MTÜ Tartumaa Ühistranspordikeskus - public transport centre of Tartu County
KÜTK	MTÜ Kagu Ühistranspordikeskus - public transport centre of Põlva and Võru County
IVÜTK	MTÜ Ida-Viru Ühistranspordikeskus - public transport centre of Ida-Viru County
JäÜTK	MTÜ Järvamaa Ühistranspordikeskus - public transport centre of Järva County
VaÜTK	MTÜ Valgamaa Ühistranspordikeskus - public transport centre of Valga County
HV	Hiiu Vald – rural municipality responsible for public transport in Hiiu Municipality
SV	Saaremaa Vald – rural municipality responsible for public transport in Saaremaa County

LINKS TO WEBSITES

- Ministry of Finance, www.rahendusministeerium.ee/en
- Ministry of the Interior, www.siseministeerium.ee/en
- Ministry of Rural Affairs, www.agri.ee/en
- Ministry of Economic Affairs and Communications, www.mkm.ee/en
- Estonian Road Administration, www.mnt.ee/eng
- Regional / Rural transport routes with maps and schedules, <http://peatas.ee/#region/eng>
- Estonian Road Safety Programme 2016-2025 www.mnt.ee/eng/node/257
- National Transport Development Plan 2014-2020 www.riigiteataja.ee/aktalisa/3210/2201/4001/arengukava.pdf
- Estonia 2020 Action Plan 2017-2020 <https://ec.europa.eu/info/sites/info/files/2017-european-semester-national-reform-programme-estonia-en.pdf>

REFERENCES

- Statistics Estonia, www.stat.ee/en
- Eurostat, <http://ec.europa.eu/eurostat>
- Ministry of Finances, www.rahendusministeerium.ee/en/local-governments-and-administrative-territorial-reform
- Public Transport Act, www.riigiteataja.ee/en/eli/526032015005/consolide
- Estonian Rural Development Plan (ERDP) for 2014–2020, www.agri.ee/en/objectives-activities/estonian-rural-development-plan-erdp-2014-2020
- Estonian's Regional Development Strategy (RDS) 2014-2020, www.siseministeerium.ee/en/regional-affairs/regional-development
- The National Spatial Plan "Estonia 2030+", <https://eesti2030.wordpress.com>
- Managing of public transport from 01.01.2018, www.mnt.ee/sites/.../muudatused_uhistranspordi_korraldamisel_2018.pdf
- Estonian Road Administration www.mnt.ee/eng