



SPOTLIGHT ON JOBS AND SKILLS ESTONIA

2026

Introduction

Drawing on its rich country-level skills intelligence, Cedefop develops its Spotlights on jobs and skills for EU-27 Member States, Iceland and Norway. The Spotlights provide insights into the current labour market landscape, future trends, and skills anticipation in each country. The analysis is based on Cedefop's skills intelligence online tool, its skills forecast, the European Skills Index (ESI), online job advertisements, sectoral and occupational skills intelligence, and country-specific skills anticipation reports.

Recent employment developments

Estonia's unemployment rate has remained close to the EU average in recent years. In 2020, it reached 7 %, in line with the average unemployment rate in the EU. By 2023, unemployment in both Estonia and the EU had declined to 6 %. Unemployment among young people aged 15-24 in Estonia has been on a downward path similar to the EU-27. It decreased from 19 % in 2020 to 17 % in 2023 (17 % and 15 % in the EU-27 respectively). Unemployment among adults aged 25-49 fell from 6 % to 5 %, while the unemployment rate for older workers aged 50-64 remained stable at around 6 %. There is no significant gap between the unemployment rates for men (6 %) and women (7 %).

Over the past few years, Estonia's labour market has experienced moderate growth. Similar to developments in the EU-27 as a whole, between 2015 and 2019, employment grew annually by 1 %. It declined by 1 % in 2019-2020, and in the years that followed employment recovered, growing by 1 % annually up to 2023.

In 2023, the employed population was distributed across a broad range of sectors ⁽¹⁾. Employment shares were highest for manufacturing (17 % compared with 16 % in the EU-27), wholesale and retail trade (13 % on a par with the EU-27), and education (10 % versus 8 %). With shares

below 1 %, employment was lowest in mining and quarrying, water and waste treatment, and energy supply (Figure 1).

Professionals, who typically have a high-level qualification, represent the largest occupational group in the country. They held one in four jobs in 2023 (22 % in the EU-27). For professionals, the top three sectors in terms of employment are non-market services (45 %), business services (39 %), and distribution and transport (6 %). Within non-market services, education (25 %) and health and social care (12 %) jointly represent the lion's share of employment, while ICT services (14 %) and professional services (13 %) account for the majority of employment of professionals in business services.

Estonia's employed population predominantly has medium- to high-level qualifications. In 2023, nearly half of workers held a medium-level qualification (48 % compared with 46 % in the EU-27). A total of 43 % had a high-level qualification (38 % in the EU-27), while approximately 10 % were low-qualified or without a formal qualification (16 % in the EU-27). Men and women each accounted for around half of the employed population. The age distribution of the workforce is strongly concentrated in the 25-49 age group, which, as in the EU on average, represents 57 % of employment. Workers aged 50-64 accounted for 29 % of employment (32 % in the EU-27), while those aged 15-24 and those aged 65 and over each represented 7 % (8 % and 3 % in the EU-27).

In 2023, the share of young people aged 15-24 not in employment, education or training (NEET) in Estonia was 10 %, slightly above the EU average of 9 %. The NEET rate among young men was 12 %, much higher than the 7 % among young women. This contrasts with the EU situation, where both genders had similar NEET rates of 9 %.

Recent skills and learning developments

Analysis of Cedefop's [online job advertisements](#) (OJAs) shows that in 2023 most job advertisements

⁽¹⁾ To learn more about the classification of sectors, occupations, and qualification levels discussed in this report, see Annex 2 of [Cedefop's skills forecast methodological framework](#) (April 2023).

collected from job portals in Estonia were for professionals (28 %) and service and sales workers (16 %). Online job advertisements for trades workers accounted for 13 %, elementary workers for 11 %, associate professionals for 10 %, and managers for 9 %. A total of 7 % of jobs posted online were for operators and assemblers and 6 % for clerks (6 % in the EU-27). The demand for farm and related workers was negligible. The occupational structure of employment translates in OJA shares for different types of professionals. Demand was highest for ICT professionals (23 % of OJAs), followed by researchers and engineers (22 %), and by office and teaching professionals (both 20 %). The vast majority of jobs advertised online for ICT professionals were for software and applications developers and analysts (83 %). OJAs for database and network professionals accounted for just 17 % of jobs for ICT professionals advertised online.

According to [Cedefop's European Skills Index](#) (ESI), Estonia ranked seventh out of 31 countries in 2024, up from the 10th position in 2017. Skills development (Figure 2) was the driver of skills system performance in 2024 (ranked third up from eighth in 2017). The reading, maths and science scores among 15-year-olds were particularly favourable, although the 2024 score was lower than in 2017 (from 524.3 to 515.6, ranked first). In contrast, Estonia has a relatively weak performance in terms of the share of low-wage workers (ISCED 5-8), which increased from 14 % in 2017 to 17 % in 2024 (ranked 30th) in the ESI skills matching pillar, and the share of recent graduates in employment (ranked 28th) in the ESI skills activation pillar. Between 2017 and 2024, the most notable improvements were in the participation rate in recent training (from 12 % to 21 %) and the activity rate of young people aged 20-24 (from 63 % to 75 %).

In 2023, 35 % of the population had above-basic digital skills, surpassing the EU average of 27 %. The availability of such skills was even higher among the employed population and the people aged 25-34, where the shares were 40 % and 54 % respectively (33 % and 39 % in the EU). The wide availability of digital skills supports the provision of public services through digital technologies and the expansion of a highly digitalised economy.

In 2023, 25 % of the employed population took

part in learning, well above the EU average of 14 %. Participation was higher among women (30 % compared with 16 % in the EU-27) than men (19 % versus 12 %). A total of 28 % of those aged 25-49 participated in learning (16 % in the EU-27), compared with 19 % among those aged 50-64 (11 % in the EU-27).

Future employment trends

Looking ahead, employment is expected to grow by 5 % between 2022 and 2035 on a par with EU-level projections. Employment growth is concentrated in business and other services (17 % compared with 10 % in the EU-27) and construction (5 % versus 1 %).

[Cedefop's Skills Forecast](#) shows that employment between 2022 and 2035 is expected to grow most strongly in information and communication (+58 %), in mining and quarrying (+22 %), and in real estate, professional, scientific and technical activities (+19 %). Notable employment growth is also projected in water supply, sewerage, waste management and remediation activities (+13 %), human health and social work activities (+10 %), and accommodation and food service activities (+10 %). Financial and insurance activities (+9 %), transportation and storage (+7 %), and construction (+5 %) are also expected to add jobs, albeit at a slower pace. An employment decline is projected in the agriculture, forestry and fishing sector (-11 %), in arts, recreation and other service activities (-8 %), and in public administration and defence (-8 %).

In the years up to 2035, employment is projected to grow for professionals (+25 %), who are expected to remain the largest occupation group and to account for 31 % of all job openings. Technicians and associate professionals follow, accounting for 15 % and 18 % of job openings. Employment for legislators, senior officials and chief executives is expected to grow (+10 %), accounting for 7 % of openings. At the other end of the labour market, employment is expected to decline most sharply among craft and related trades workers (-13 %), plant and machine operators and assemblers (-12 %), and elementary occupations (-9 %).

The labour force is expected to become increasingly highly qualified, with the respective group growing by 1 % annually (EU average of 2 %). The medium-qualified labour force is expected to shrink modestly, while the low-qualified group of the labour force is projected to remain stable (a 3 % decline is anticipated in the EU). In contrast to the EU average trend, male labour force participation is forecast to grow faster than female participation (annual rate of 0.8 % versus 0.3 %). Population ageing means that labour force growth will be strongest among those aged 65+ (+3 %, below the EU average annual rate of +6 %). Labour force growth is also positive among those aged 20-24 and 45-49 (+2 %), 55-59 (+1 %), and 50-54 (+1 %), while participation will decline in the 30-34 and 35-39 age groups (-3 % and -2 % respectively).

Future skills and learning trends

Between 2022 and 2035, Estonia's labour market is projected to undergo moderate structural changes in skills demand. By 2035, high-skilled non-manual occupations are expected to account for over half of total employment, up by 19 percentage points since 2022. Employment in skilled manual occupations will decline by -13 % and will represent 22 % of employment in 2035. Skilled non-manual occupations are projected to account for 18 % of employment in 2035, with employment falling slightly by -3 %. The employment share of elementary occupations will be 7 % in 2035, because of a rapid employment decline of -9 %. These trends reflect Estonia's ongoing shift towards higher-skilled roles and a gradual rebalancing of its occupational structure, and accompany the educational expansion driven by education and skills policy reforms.

[Estonia's high-tech occupations](#) are projected to grow by +13 % between 2030 and 2035, substantially above the EU-27 average of 7 %. This expansion spans several sectors beyond ICT, which boasts the greatest expected growth (+24 %), with particularly notable growth in finance and insurance (+21 %), transport and storage (+15 %), and wholesale and retail trade (+14 %). At the other end, employment in high-tech roles is projected to decline in the public

sector and defence (-11 %) and in education (-6 %).

Employment in the broader [high-tech economy](#) is projected to grow by +14 % during the same period, far above the EU-27 average of +5 %. Reflecting the economic structure of the country, high-technology knowledge-intensive services account for the lion's share of employment growth (+21 % compared with +9 % in the EU), while high-tech manufacturing is expected to grow more modestly by +3 %, but still exceeding the EU average of +2 %.

Expected skill shortages

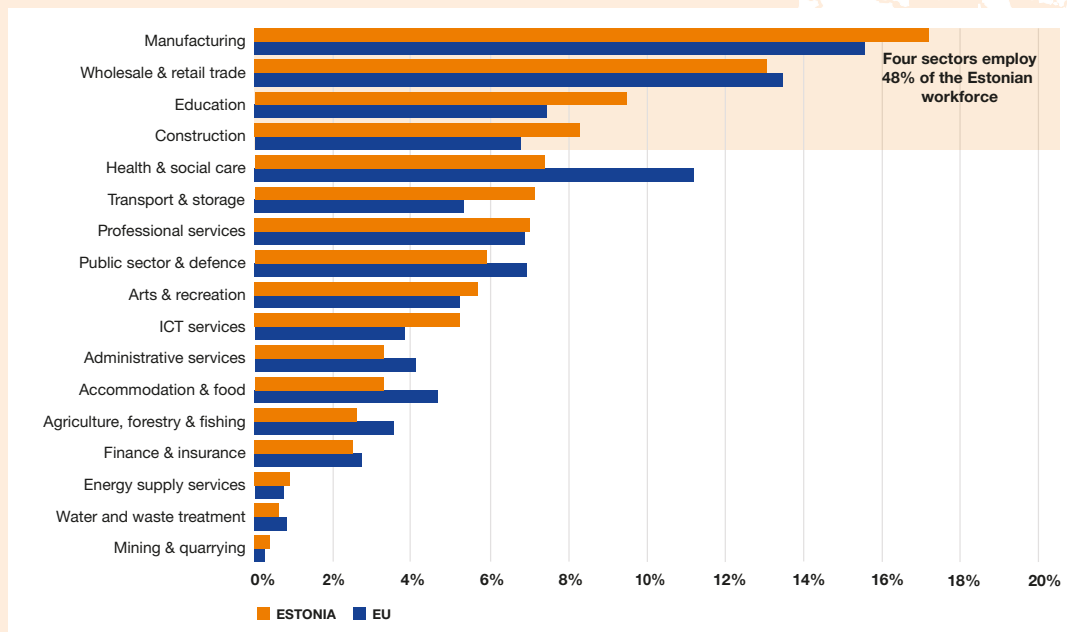
[Cedefop's Labour and Skills Shortage Index](#) shows that Estonia is expected to face the highest shortages for technicians and associate professionals, elementary occupations, professionals, and plant and machine operators and assemblers (Figure 3). These shortages will be persistent due to shrinking labour supply. Shortages are also expected for high-skilled, non-manual occupations, specifically for ICT technicians, health professionals and health associate professionals. These shortages are mainly driven by employment growth and high replacement demand. Expanding employment and high replacement needs are also driving relatively high shortages projected for food preparation assistants, and cleaners and helpers.



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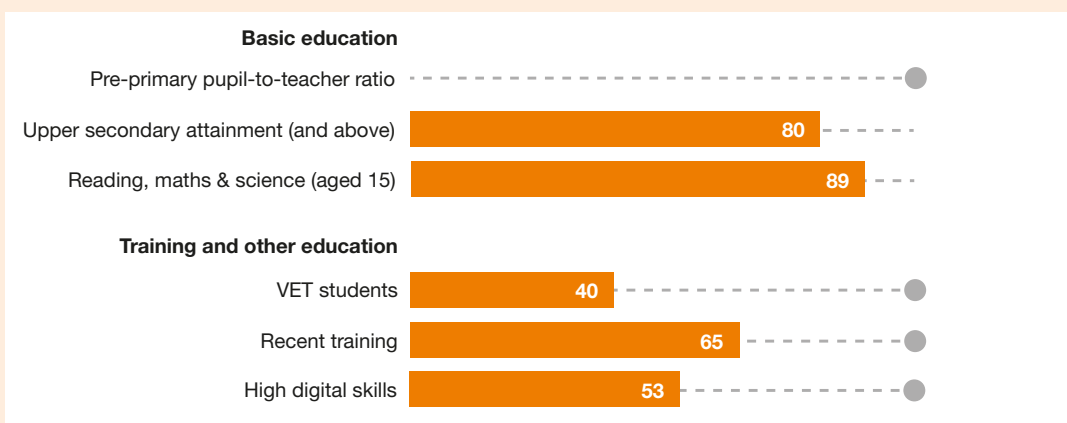
Jobs and skills in figures

Distribution of employment across sectors in Estonia and the EU, 2023 (%)



Source: [Cedefop Skills Intelligence tool](#).

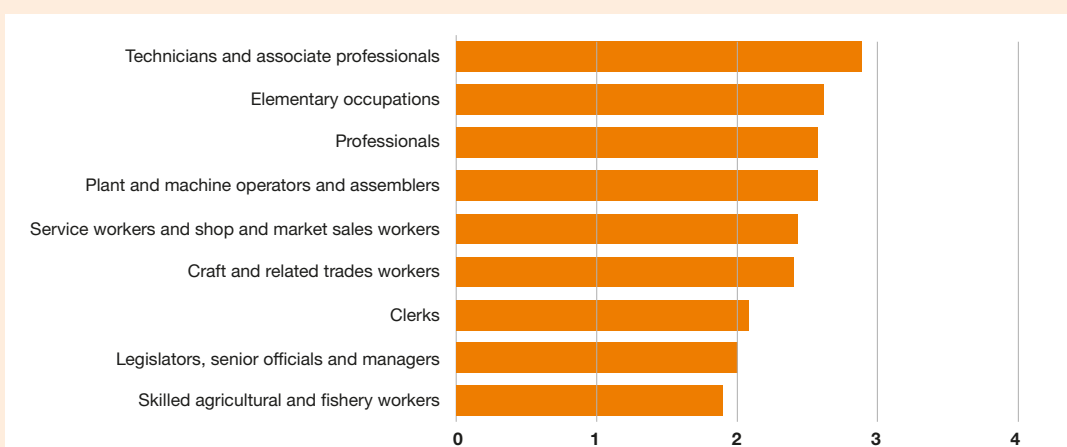
ESI skills activation pillar in Estonia, 2024



NB: The ESI measures countries' 'distance to the ideal' performance, i.e. the highest achieved by any country over a period of seven years. The ideal performance is scaled to 100, with national scores computed and compared to that. Example: a score of 65 suggests that the country has reached 65 % of the ideal performance, with 35 % (100-65) room for improvement.

Source: [Cedefop ESI](#).

Cedefop Labour and Skills Shortage Index, 2022-35, Estonia



NB: The Labour and Skills Shortage Index is the simple average of the quartiles in each of the three pillars: (1) employment growth; (2) replacement demand; (3) supply/demand imbalance (IFOD). A score of 4 indicates a higher level of shortage, and 1 no shortage. The outcome of the pillars is based on the relative evaluation in quartiles of the occupation (here for all EU-27).

Source: [Cedefop Labour and Skills Shortage Index](#).



Further information

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- Kukk, I. (2024). [Implementing European priorities in VET: making national VET agile, flexible, innovative, attractive, inclusive and quality assured: Estonia](#). Cedefop ReferNet thematic perspectives.
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[Cedefop Skills intelligence tool](#)[Cedefop Skills forecast](#)[Cedefop Skills OVATE](#)[Cedefop European Skills Index](#)[Cedefop Labour and Skills Shortage Index](#)

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