

OSKA study of COVID-19 impact on the need for labour force and skills

Key findings

In 2021, unemployment might increase

- Due to the COVID-19 crisis, the number of jobs has decreased in 2020. Compared to the year before, 25,000 people less were employed in the third quarter.
- Job losses were the biggest in the fields where mainly young people are employed, such as service sector, accommodation, catering and tourism.
 - The employment of 15-24-year-olds decreased by about 8000 workers.
 - The crisis will have a negative impact on the employment of youth because no fast recovery in the number of jobs is predicted in those fields.
 - Distance education does not enable young people obtain new skills in the best way and this could affect their future work life.
- The employment of older age groups might start to decline from 2021.
 - Digitalisation and automatisisation require adaptability and immediate additional training.
- The number of employees with contractor agreements increased in a year.
 - Employers are cautious of long-term responsibilities.
 - However, due to this, there is less stability for employees.
- The number of employees increased in information and communication technology (ICT), financial sector, health care, social affairs, and education.
- There might be a decline of employment in construction and industrial sector this year.

The corona crisis created a big demand for continuous training of employees

- Employees needed to acquire digital technology, risk management and analysis, product development and marketing, management, communication and collaboration skills.
- Knowledge about safe work environment and protecting employees' physical and mental health became more important.
- The crisis accelerated the expansion and diversification of job duties and employees had to take up different responsibilities or work in different environments than usual.
- More than ever, employees were offered retraining opportunities in the workplace.
- In the near future, skills that are needed for the transition to environmentally friendly management are becoming increasingly valued.
 - European Union supports digital and green transition while recovering from economic crisis.

Despite the growth of unemployment, it is complicated to find suitable employees in certain fields

- Industrial sector, ICT, social affairs, health care and education continue to struggle with hiring employees with needed skillsets.

- Unemployed are often not ready to change their occupation or field of work because of, for instance, psychological reasons, place of residence, income or reputation.
- The technical training needed to start the work in the industrial sector is time-consuming and expensive.
- One of the biggest challenges is to offer retraining to oil shale industry employees, if cutbacks in mining, oil industry and power plants continue.
- The employees of accommodation, catering and tourism could do retraining to work, for example, in social affairs, health care or real estate.
- Creative persons could find work as a teacher or trainer in their field of expertise.
- Service workers could consider retraining to work, for instance, as customer support specialists in other fields, IT help desk support specialists, spa attendants or care workers.
- Accountants could switch working to ICT sector after upskilling or retraining.

Background

- The study analysed the impact of economic crisis caused by COVID-19 on the need for labour force and skills in different fields in Estonia.
- The study also presents where training is most needed to give input to the planning of retraining and continuing education courses.
- Estonian Qualifications Authority carried out the study from June to November 2020.
- The study was conducted in collaboration with the Foresight Centre.
- The OSKA forecasting system produces projections of the need for labour force and skills in all fields of the Estonian economy and compares these to the education and training offered by higher education institutions, VET institutions and continuing education courses.
- OSKA studies of the labour force and skills demand help to make smarter career choices and shape the employment and education policies with a view to the future.
- OSKA studies are conducted by the Estonian Qualifications Authority (*Kutsekoda*) and funded by the European Social Fund.