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REPUBLIC OF ESTONIA
MINISTRY OF EDUCATION
AND RESEARCH



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OSKA general forecast 2022-2031

Key findings

The forecasted labour demand for 2022-2031 is higher than the generation entering the labour market can cover. Maintaining the current level of employment is going to be a challenge for the Estonian economy.

The natural population growth rate in Estonia has been negative for decades, and the ratio between births and deaths is increasing. In recent years, Estonia's population has grown as a result of positive net migration.

During the forecast period, 18,000 people are needed per year to replace retirees and fill new occupations, while only about 16,000 new graduates are entering the labour market. The shortage has to be covered by an increase in employment of the inactive and unemployed and by migration, including the remigration of Estonian residents.

According to the forecast, jobs will be created mainly in the service sector between 2022 to 2031.

- The primary sector (agriculture, forestry and fishing) will see a slight decline in jobs, while the number of jobs in industry as a whole will stay the same.
- The number of jobs will decline in the transportation and storage, real estate, administrative and ancillary activities and wholesale and retail trade sectors.
- Although the number of jobs in manufacturing as a whole will remain relatively stable, changes may vary across industries and depend on international competitiveness.
- The most substantial increase in the number of jobs is forecast to be in the sectors of information and communication, financial and insurance activities and healthcare and social work. Employment will also increase in technical specialities: industrial and mechatronic engineers, electricians, civil engineers and technicians.
- The greatest increase is expected among high- and mid-level specialist occupations. Office workers, customer service representatives and unskilled workers will see the greatest relative decline in jobs. Labour demand is greatly affected by the age and turnover of the workforce.
- There is a significant demand for new workforce to replace retirees in the sectors of administrative and ancillary activities, real estate, education, energy, water and waste management, agriculture and forestry and healthcare and social work.
- In terms of occupations, the largest number of retirees in the next decade will be among salespeople, teachers and lecturers, accountants, construction workers, healthcare workers, machinery and equipment technicians, cleaners, vehicle drivers, security workers, agricultural workers and unskilled workers.

- High turnover has the greatest impact on labour demand in the sectors of accommodation and catering, administrative and ancillary activities, real estate, construction, trade and manufacturing.

While the number of jobs requiring higher education is growing at a faster rate, many workers are also needed for jobs requiring vocational education.

- To meet the new labour demands, 9500 people with higher education and 5700 people with vocational education are needed each year. The role of further education and retraining, including microdegrees, will increase.

- The shortage is higher in occupations requiring higher education. The demand for high-level specialists is almost 50% higher than their corresponding supply from higher education. The demand for training skilled and manual workers and equipment and machine operators is also higher than their supply.

- By sector, the greatest shortages are in specialist education (in particular science teachers, vocational teachers and educational support specialists such as special education teachers, speech therapists and school psychologists), IT (in particular software developers), healthcare and social work, industry and construction.

The integration of foreign labour into the Estonian labour market has increased year-by-year. In 2021, the majority of foreign workers were employed in administrative and ancillary activities, construction and manufacturing, transport and storage, trade, agriculture and forestry.

Trends such as population ageing, migration, digitalisation and automation and the green transition will have a major impact on labour market developments between 2022 and 2031. Key labour market issues in the coming years will be the impact of the Russo-Ukrainian War and the integration of war refugees into the labour market. The labour market is affected by changing values and people's expectations for employment.