

## EDUCATION AT A GLANCE 2013

# ESTONIA

### **Estonia was hit hard by the global economic recession but there are recent signs of recovery**

In 2011, Estonia reported a 8% GDP growth. After ranking first among the OECD countries for GDP decrease between 2008 and 2009 with almost a 14% drop, the Estonian situation improved between 2009 and 2010 with a GDP increase of 2.8% similar to the OECD average. Obviously this improvement did not allow it to catch up to the level of 2008; Estonia still ranks first among the OECD countries for GDP decrease between 2008 and 2010 with a fall of 12% compared with a fall of 1.1% on average across the OECD countries. Nonetheless the strong recent recovery is exposed to considerable volatility (OECD Economic Survey of Estonia, 2012).

### **Soaring unemployment stopped at all levels of education**

Unemployment rates rocketed between 2008 and 2010 but in 2011, compared with 2010, unemployment at all levels of education decreased. Unemployment rate for tertiary-educated people remained lower than in Greece, Portugal and Spain on average for 25-64 year-olds.

The consequences of worsening labour market conditions vary, however, depending on educational attainment. On the one hand, 25-64 year-olds who had not attained upper secondary education were by far the hardest hit. The unemployment rate for this group increased by 18 percentage points between 2008 and 2010. While in 2008, the unemployment rate for this group was 9.7% (below the average for the EU21<sup>1</sup> countries of 10.4%) by 2010 it had reached 27.7% of the population, more than 10 percentage points above the EU21 average of 15.2%. In 2011, unemployment rates for this group fell to 26.4%, while the EU21 average kept increasing to reach 15.6%.

On the other hand, 25-64 year-olds with a university degree were less affected by the economic recession. The unemployment rate for this group increased by 5 percentage points, from 2.8% in 2008 (below the average for the EU21 countries of 3.3%) to 9.1% in 2010 (EU21 average: 5.0%). In 2011, unemployment rates for this group fell to 7.9%, while the EU21 average kept increasing to reach 5.2%.

### **The older generation is the most affected by poor labour market conditions**

Among tertiary-educated adults, the unemployment rates were higher in 2011 for the older generation than the younger. The unemployment rate for 55-64 year-olds was 11.4%, almost three times the EU21 average of 4.4%, whereas among 25-34 year-olds it was 7.6%, on par with the EU21 average.

Estonia is well known for being the most wired and technologically advanced country in Europe, which may explain why young people with tertiary education are doing better during the crisis than

<sup>1</sup> For many indicators, an EU21 average is also presented. It is calculated as the unweighted mean of the data values of the 21 OECD countries that are members of the European Union for which data are available or can be estimated. These 21 countries are Austria, Belgium, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Luxembourg, the Netherlands, Poland, Portugal, Slovenia, the Slovak Republic, Spain, Sweden and the United Kingdom.

their older counterparts. Furthermore, participation in non formal education in Estonia is above the OECD average, and 25-34 year-olds had double the participation rates of their 55-64 year-old counterparts. The time devoted to teaching mathematics and science in Estonia at the lower secondary level accounts for 38% of compulsory instruction (15% for mathematics and 23% for science) which is well above the OECD average of 25% (13% and 12% respectively).

### Using efficiency savings to cut education spending

In Estonia, unlike most European countries, expenditure on education fell by 10% between 2008 and 2010. However, the budget for primary, secondary and post-secondary non-tertiary education remained largely unchanged between 2005 and 2010, while the budget devoted to tertiary education actually increased during the same period. In fact, Estonia has succeeded in cutting education expenditure, operating a shift in priorities towards a more efficient use of resources.

Expenditure per tertiary-level student in Estonia remains low compared with the OECD average: USD 6 500 versus USD 14 000. Nonetheless expenditure dedicated to research and development in 2010 was relatively significant: USD 2 600 per student, or 40% of the total expenditure at tertiary level. The OECD average is just over USD 4 000, or 30% of the total expenditure at tertiary level.

### Teachers' salaries increase is among the highest across the OECD countries

Teachers' salaries were 62% higher in 2011 than in 2000, having grown faster than the average 20% increase seen across OECD countries. Nonetheless, salaries are low in Estonia and current average teachers' salaries were 64% of the average earnings for full-time, full-year workers with tertiary education aged 25 to 64, lower than the average for the OECD of more than 80%. Furthermore, recent inflation in Estonia allowed real wages to fall even if nominal wages were kept constant. Teachers' salaries fell by 8% in real terms at all educational levels, to reach almost the levels of 2008. The attractiveness of the teaching profession is undoubtedly not related to salaries but to work conditions as Estonia reports the lowest class size at lower secondary level of education and among the lowest (bottom three) at the primary level of education.

### Other findings:

- Estonia has high levels of educational attainment: 89% of 25-64 year-olds have at least completed upper secondary education against an OECD average of 75%.
- The proportion of 25-64 year-olds with a tertiary qualification also compares well with the OECD average (37% against 32%). However, Estonia has a particularly large difference between women's and men's tertiary attainments (45% and 28%, respectively).
- In Estonia, 11% of 15-24 year-old students have earnings from employment compared to 46% on average across OECD countries. Among 25-29 year-old students, 47% have earnings from employment compared to 70% on average across OECD countries.
- Among the youngest cohort (15-29 year-olds), employment rates are showing some signs of recovery. Between 2010 and 2011, the employment rate increased by almost 5 percentage points (from 32% to 37%) while the EU21 average remained constant around 36.5%.

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Key Facts for Estonia in Education at a Glance 2013

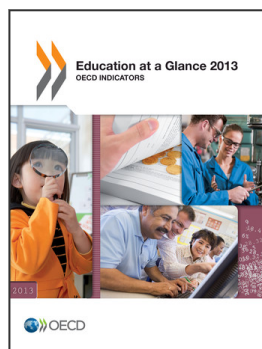
Table	Indicator	Estonia		OECD average		EU21 average		Rank among OECD countries and other G20 countries*
Educational Access and Output								
	Enrolment rates	2011	2005	2011	2005	2011	2005	
C2.1	3-year-olds (in early childhood education)	86%	81%	67%	64%	77%	73%	12 of 36
	4-year-olds (in early childhood and primary education)	90%	84%	84%	79%	90%	84%	20 of 36
C1.1a	5-14 year-olds (all levels)	96%		99%		98%		30 of 38
	Percentage of population that has attained below upper secondary education	2011	2000	2011	2000	2011	2000	
A1.4a	25-64 year-olds	11%	15%	26%	34%	25%	34%	30 of 35
	Percentage of population that has attained upper secondary education	2011	2000	2011	2000	2011	2000	
A1.4a	25-64 year-olds	52%	56%	44%	44%	48%	46%	9 of 36
	Percentage of population that has attained tertiary education	2011	2000	2011	2000	2011	2000	
A1.3a A1.4a	25-64 year-olds	37%	29%	31%	22%	28%	20%	14 of 36
	30-34 year-olds	40%		39%		37%		21 of 34
	25-34 year-olds	39%	21%	39%	26%	36%	24%	23 of 36
	55-64 year-olds	35%	27%	24%	15%	21%	14%	5 of 36
	Entry rates into tertiary education	2011	2000	2011	2000	2011	2000	
C3.1a	Vocational programmes (Tertiary-type B)	28%	m	19%	16%	15%	11%	8 of 32
	University programmes (Tertiary-type A)	43%	m	60%	48%	59%	46%	29 of 36
	Graduation rates	2011	2000	2011	2000	2011	2000	
A2.1a	Percentage of today's young people expected to complete upper secondary education in their lifetime	m	m	83%	76%	83%	77%	m
A3.1a	Percentage of today's young people expected to complete university education (tertiary-type A) in their lifetime	m	m	39%	28%	41%	27%	m
Economic and Labour Market Outcomes								
	Unemployment rate of 25-64 year-olds - Men and Women	2011	2008	2011	2008	2011	2008	
A5.4b	Below upper secondary	26.4%	9.7%	12.6%	8.8%	15.6%	10.4%	3 of 35
	Upper secondary and post-secondary non-tertiary	11.9%	5.2%	7.3%	4.9%	8.5%	5.2%	4 of 36
	Tertiary	7.9%	2.8%	4.8%	3.3%	5.2%	3.2%	4 of 36
	Unemployment rate of 25-64 year-olds - Women	2011	2008	2011	2008	2011	2008	
A5.4d	Below upper secondary	23.4%	9.8%	12.2%	9.5%	15.1%	11.0%	4 of 35
	Upper secondary and post-secondary non-tertiary	12.5%	5.5%	8.0%	5.7%	9.1%	6.1%	4 of 35
	Tertiary	8.5%	2.8%	5.1%	3.6%	5.5%	3.6%	4 of 36
	Average earnings premium for 25-64 year-olds with tertiary education**	2011 or latest year available		2011		2011		
A6.1	Men and women	135		157		158		28 of 33
	Men	146		162		164		22 of 33
	Women	148		161		161		25 of 33
	Average earnings penalty for 25-64 year-olds who have not attained upper secondary education**	2011 or latest year available		2011		2011		
A6.1	Men and women	87		76		77		3 of 33
	Men	81		77		78		9 of 33
	Women	81		74		75		7 of 33
	Percentage of people not in employment, education or training for 15-29 year-olds, by level of education attained	2011	2008	2011	2008	2011	2008	
C5.4d	Below upper secondary	14.4%	9.7%	15.8%	14.4%	15.3%	13.5%	17 of 34
	Upper secondary	16.0%	13.3%	16.2%	13.6%	15.1%	11.8%	16 of 34
	Tertiary	14.5%	10.2%	13.3%	10.6%	12.3%	9.6%	12 of 34

Key Facts for Estonia in Education at a Glance 2013

Table	Indicator	Estonia		OECD average		EU21 average		Rank among OECD countries and other G20 countries*
Financial Investment in Education								
	Annual expenditure per student (in equivalent USD, using PPPs)	2010		2010		2010		
B1.1a	Pre-primary education	2533 USD		6762 USD		7085 USD		28 of 32
	Primary education	5140 USD		7974 USD		8277 USD		27 of 34
	Secondary education	6444 USD		9014 USD		9471 USD		24 of 34
	Tertiary education	6501 USD		13528 USD		12856 USD		32 of 33
	Total expenditure on educational institutions as a percentage of GDP	2010	2000	2010	2000	2010	2000	
B2.1	As a percentage of GDP	6.0%	6.2%	6.3%	5.4%	5.9%	5.2%	20 of 33
	Total public expenditure on education	2010	2000	2010	2000	2010	2000	
B4.1	As a percentage of total public expenditure	14.0%	14.8%	13.0%	12.6%	11.4%	11.4%	11 of 32
	Share of private expenditure on educational institutions	2010	2000	2010	2000	2010	2000	
B3.2a	Pre-primary education	1.5%		17.9%		11.3%		26 of 28
B3.2a	Primary, secondary and post-secondary non-tertiary education	1.3%	m	8.5%	7.1%	6.1%	5.6%	28 of 31
B3.2b	Tertiary education	24.6%	m	31.6%	22.6%	22.7%	14.3%	17 of 30
B3.1	All levels of education	7.0%	m	16.4%	12.1%	10.7%	7.9%	25 of 29
Schools and Teachers								
	Ratio of students to teaching staff	2011		2011		2011		
D2.2	Pre-primary education	7 students per teacher		14 students per teacher		13 students per teacher		29 of 31
	Primary education	13 students per teacher		15 students per teacher		14 students per teacher		23 of 35
	Secondary education	12 students per teacher		14 students per teacher		12 students per teacher		23 of 36
	Total intended instruction time for students (hours)	2011		2011		2011		
D1.1	Primary education	3898 hours		4717 hours		m		24 of 31
	Lower secondary education	2310 hours		3034 hours		m		29 of 31
	Number of hours of teaching time per year (for teachers in public institutions)	2011	2000	2011	2000	2011	2000	
D4.2	Pre-primary education	1320 hours		994 hours		977 hours		4 of 29
	Primary education	619 hours	630 hours	790 hours	780 hours	777 hours	776 hours	27 of 31
	Lower secondary education	619 hours	630 hours	709 hours	697 hours	669 hours	658 hours	22 of 30
	Upper secondary education	568 hours	578 hours	664 hours	628 hours	651 hours	635 hours	21 of 31
	Index of change in statutory teachers' salaries for teachers with 15 years of experience/minimum training (2000 = 100)	2011	2008	2011	2008	2011	2008	
D3.4	Primary school teachers	162	164	120	120	121	122	3 of 23
	Lower secondary school teachers	162	164	116	116	121	121	2 of 22
	Upper secondary school teachers	162	164	117	118	118	119	3 of 22
	Ratio of teachers' salaries to earnings for full-time, full-year adult workers with tertiary education	2011		2011		2011		
D3.2	Pre-primary school teachers	m		0.80		0.77		m
	Primary school teachers	0.64		0.82		0.80		21 of 27
	Lower secondary school teachers	0.64		0.85		0.84		21 of 27
	Upper secondary school teachers	0.64		0.89		0.89		24 of 27

\* Countries are ranked in descending order of values.

\*\* Compared to people with upper secondary education; upper secondary = 100.



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