

## Chapter 1. Overview: Reforms and challenges in the Estonian vocational education and training system

*Estonia's education system has many impressive achievements: the Programme for International Student Assessment (PISA) results are outstanding and participation in upper secondary education is near-universal. But challenges remain in particular in the country's vocational education and training (VET) system. This chapter gives an overview of Estonia's education system, as well as developments in the economy and in the labour market. Against this background, it analyses the VET system, and assesses both its strengths and challenges, which provides the structure for the rest of the report.*

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The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

## Introduction

### *Reforms of the VET system in Estonia are impressive, but challenges remain*

Recent years have witnessed extensive reform of the Estonian vocational education and training (VET) system. The qualifications system has been transformed, and occupational standards, agreed with employers, now underpin vocational qualifications. The VET school network has been re-organised, and facilities modernised. The mix of provision is now increasingly guided by the OSKA system for identifying labour force needs. A new level 5 VET qualification has been introduced. An apprenticeship system was established in 2006 and, most recently, a strategy for lifelong learning has been developed in which VET provision is nested. These, alongside a wide range of further reforms, are impressive achievements. But challenges remain in improving the status of the VET system, so that it can play a fuller part in meeting the needs of a fast-growing and changing economy, and helping to overcome the equity challenges that Estonia still faces.

### *This report assesses the Estonian VET system*

This report assesses the strengths of the Estonian VET system, the challenges it faces, and makes proposals for how those challenges might be addressed. The report rests on a background report provided by Estonia describing the VET system, and two study missions to Estonia in April and June 2017 by OECD teams, involving discussions with a wide variety of stakeholders. It also draws extensively on the OECD's range of data, knowledge and experience of the vocational education and training systems of other countries as well as in Estonia (Box 1.1).

### *This first chapter aims to set the scene*

This chapter briefly summarises developments in the economy and labour market of Estonia, and describes the education system. Against that background, it looks at the VET system, assessing its strengths, the challenges that remain, and summarises the suggestions for policy advanced in later chapters of the report. The three chapters which follow look at the main challenges in different areas, advance policy recommendations and set out arguments in support. Chapter 2 looks at the foundations of the VET system in initial VET programmes, mainly for young people. Chapter 3 examines subsequent pathways for VET graduates. Chapter 4 looks at how young people choose their preferred pathways, and whether they have enough information and guidance to make good choices.

#### **Box 1.1. OECD reviews of vocational education and training**

In a sequence of more than 50 country studies, the OECD has been reviewing vocational education systems around the world since 2007. Two major reports drawing together the policy lessons from this very large range of international experience – these are *Learning for Jobs*, published in (2010<sub>[1]</sub>), and *Skills beyond School* published in (2014<sub>[2]</sub>).

The country studies cover Australia, Austria, Belgium (Flanders), Canada, Chile, China (People's Republic of), Costa Rica, the Czech Republic, Denmark, Egypt, Germany, Hungary, Iceland, Ireland, Israel, Kazakhstan, Korea, Mexico, the Netherlands, Norway, Romania, Slovak Republic, Spain, Sweden, South Africa, Switzerland, the United Kingdom, and the United States.

The country studies are available online: [www.oecd.org/education/innovation-education/vet.htm](http://www.oecd.org/education/innovation-education/vet.htm).

## The wider economic context

### *The economy is doing well*

The global recession following the financial crisis had severe effects on Estonia, inducing sharp declines in employment and high rates of youth unemployment. Estonia has now recovered well as its economy and income levels are converging on the European and OECD average (OECD, 2017<sup>[3]</sup>). Labour market participation has regained high levels, and public finances are solid. Economic growth is increasing, and as a result, skill shortages are increasingly a challenge (see below). The unemployment rate at the end of 2017 at about 5%, was slightly below the OECD average, with a youth unemployment rate of 12%, again below the OECD average of 13% (OECD, 2018<sup>[4]</sup>).

### *But Estonia faces some significant equity challenges*

High income inequality in Estonia stems from both inequality in labour market income and a tax-benefit system which has a limited redistributive effect. It leaves a considerable proportion of the population at risk of poverty, with risks significantly higher for the unemployed, and those with disabilities or little education, as in most OECD countries (OECD, 2017<sup>[3]</sup>). There are also specific issues facing the Russian-speaking minority and women.

### *The Russian-speaking minority face difficulties*

Integration of the Russian-speaking minority (around 25% of the total population) in the labour market remains a challenge, particularly in the eastern regions of the country (OECD, 2015<sup>[5]</sup>). The unemployment rate of this minority is three percentage points higher than for all Estonians, partly explained by regional economic disparities. The most recent OECD economic survey recommends a whole-of-government approach to tackle the obstacles encountered by this minority, which include limited Estonian language skills and weaker social contacts and networks (OECD, 2017<sup>[3]</sup>).

### *Gender disparities are greater in Estonia than in many OECD countries*

In Estonia, women have high employment rates and outperform men in the education system. However women earn on average 30% less than men, one of the largest wage gaps in the OECD, explained mostly by the difference in the distribution of employment across occupations and sectors between men and women (Anspa and Rõõm, 2007<sup>[6]</sup>; EU Skills Panorama, 2014<sup>[7]</sup>; Anspal, 2015<sup>[8]</sup>). Mothers with a child under three have relatively low employment rates by the standards of other OECD countries, reflecting the very long periods of parental leave available to Estonian mothers (OECD, 2017<sup>[3]</sup>).

### *Some migrant workers are starting to return*

Emigration from Estonia has been significant in previous years, and it has put pressure on the labour market, especially as the working age population is declining. Since 2015, an increase in return migration has taken place, reflecting Estonia's strong labour market (OECD, 2017<sup>[3]</sup>). It is estimated that 23 000 Estonian residents, or nearly 4% of employed persons, have previously worked abroad; two-thirds of which in Finland. Middle-aged men, usually with vocational secondary education and working in construction and transportation, form the largest group of cross-border workers (EU Skills Panorama, 2014<sup>[7]</sup>; Ministry of Education and Research, 2017<sup>[9]</sup>). Cross-border working has important benefits for the workers concerned, including wage gains as well as valuable

experience and training abroad. Migrants' remittances also boost Estonian household incomes (OECD, 2015<sup>[5]</sup>).

*Firms have recruitment difficulties, and Estonian workers are looking to upskill*

While the economy is growing, Estonia's working-age population is declining. Despite fast-increasing wages, businesses complain about difficulties in recruiting skilled employees, particularly in certain sectors (World Economic Forum, 2016<sup>[10]</sup>; Eesti Pank, 2017<sup>[11]</sup>). Alongside the objective evidence, Estonian workers tend to see themselves as lacking skills. In 2014, around 40% of employees said in the European Working Conditions Survey that they had insufficient skills for their job at the time of hiring, one of the highest shares in the European Union. 30% of Estonian respondents said that they need more training to cope well with the duties at the job (Eurofound, 2015<sup>[12]</sup>). This is the highest level among the European countries participating in this survey.<sup>1</sup>

## The education system of Estonia

*The organisation of the education system*

*The strength of the Estonian education system has deep historical roots*

In the late nineteenth century, census data shows that Estonia's literacy rate, at 94%, was the highest in the Tsardom of Russia – an indicator of the deep roots of modern education achievements (Estonica, 2018<sup>[13]</sup>). Estonia's current education system now reflects a long programme of reform since the end of the Soviet era (Lees, 2016<sup>[14]</sup>) and Estonia displays some of the highest rates of education attainment, and performance by 15-year-olds in the PISA tests of numeracy, literacy and scientific literacy, in the OECD.

*Basic education links primary and lower secondary education in a single phase*

Pre-school education is not compulsory and is generally provided at childcare institutions for one-and-a-half to seven-year-olds. Compulsory education, from age seven, includes nine years of basic education or until a learner reaches age 17. Usually primary and lower secondary education are grouped together in a single phase of education in basic schools, but primary education (grades 1 to 6) is sometimes also offered in separate schools, usually to ensure better accessibility for learners in rural areas.

*Upper secondary education includes both a general education and a VET track*

Although upper secondary education is not compulsory, nearly all students continue to that level, and Estonia has one of the highest rates of participation at this level in the OECD. In grade 9, students make a choice over whether to enter the vocational or general track, and three-quarters continue in general education. In some cases this involves no change of school because the students are in full-cycle schools offering all school grades, including the final three upper secondary grades as well as basic schooling. There were 149 such full-cycle schools in 2017. (The potential biases in decision-making created by such schools are further discussed in Chapter 2). Increasingly, partly because of the creation of new free-standing upper secondary general education schools, students have to change schools for this phase of education (Ministry of Education and Research, 2017<sup>[9]</sup>; CEDEFOP, 2017<sup>[15]</sup>).

*Central government owns and manages most upper secondary schools*

Most, but not all basic schools are owned and managed by municipalities. Some basic schools are also owned by private entities and some basic schools for Special Educational Needs (SEN) students are owned by central government. Most but not all upper secondary schools, both general (free-standing ones) and vocational, are owned and managed by central government.<sup>2</sup> There are a few exceptions where upper secondary VET institutions are managed by municipalities, or by private sector providers (CEDEFOP, 2017<sub>[15]</sub>).

*There are both professional higher education institutions and universities*

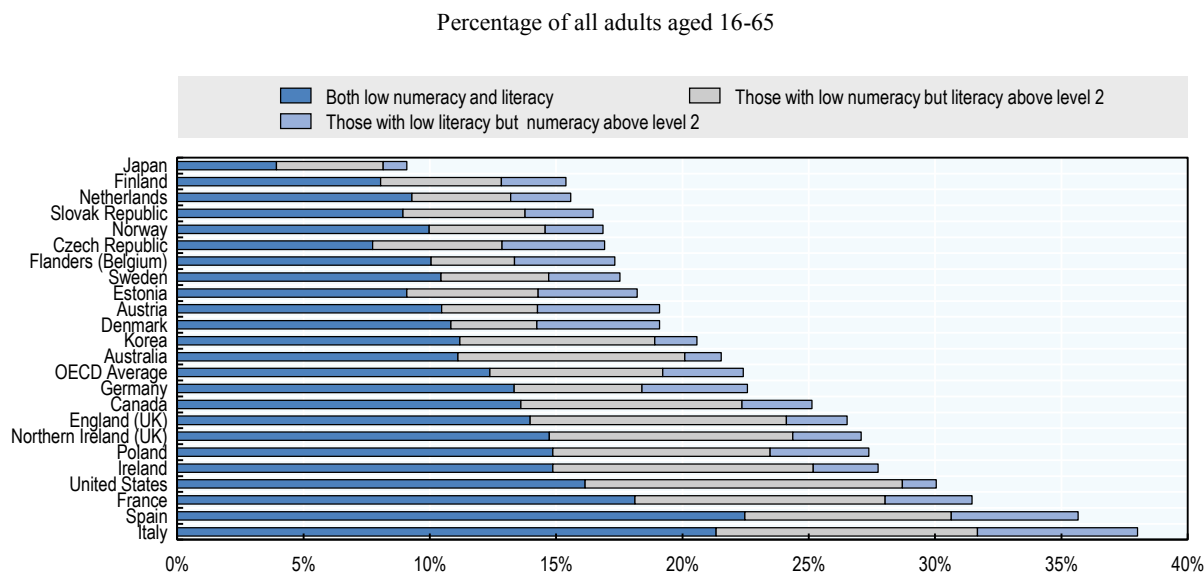
General upper secondary education completes with the state examination (mother tongue, mathematics and foreign language) which, although not a formal requirement, is used by most higher education institutions as a means of choosing entrants. Higher education is divided between professional higher education institutions and universities. They are accessible in principle to graduates of upper secondary education from both general and vocational tracks, but in practice entrants are overwhelmingly from general education (an issue considered in Chapter 3). A programme of consolidation has reduced the number of higher education institutions from 44 in 2005 to 21 in 2016. These include six state and one private universities, and eight state and six private professional higher education institutions (Lees, 2016<sub>[14]</sub>).

*Attainment and basic skills**Only 12% of young adults have less than upper secondary qualifications*

Looking at young adults, in 2016, only 12% of those aged 25-34 have less than upper secondary qualifications, well under the OECD average of 16%. 41% of these young adults have tertiary qualifications, only slightly less than the OECD average. Attainment rates in Estonia have been high for many years, so that unlike most OECD countries, tertiary attainment in the older generation is quite similar to that among young adults (OECD, 2018<sub>[16]</sub>).

*Learning outcomes from basic school, in literacy, numeracy and science are outstanding*

The most outstanding feature of Estonian education is not the attainment rates, but the evidence on learning outcomes. Estonia's performance on the PISA tests, is outstanding in reading, maths and science, with the best results in the whole of Europe, and among the best in world. It also scores very well in terms of equity, which means that socio-economic background has a smaller impact on performance than in other OECD countries (OECD, 2016<sub>[17]</sub>). But one outstanding equity challenge is the gap between Estonian and Russian speaking schools – the performance difference is estimated at one school year on the PISA test (Ministry of Education and Research, 2018<sub>[18]</sub>).

**Figure 1.1. Only 18% of Estonian adults lack basic skills**

Source: Calculations based on OECD (2015<sup>[19]</sup>), OECD Survey of Adult Skills (PIAAC) (Database 2012, 2015), [www.oecd.org/skills/piaac/publicdataandanalysis/](http://www.oecd.org/skills/piaac/publicdataandanalysis/).

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### *Skills of adults are also impressive*

The Survey of Adult Skills, a product of the Programme for the International Assessment of Adult Competencies (PIAAC), shows that Estonian adults (16-65 year-olds) have very good literacy and numeracy skills, significantly above those in many other participating OECD countries and young adults (16-24 year-olds) do even better. Among adults as a whole, Estonia is ranked 7th for literacy and 11th for numeracy. Estonia is the OECD country with the lowest difference in literacy proficiency between adults with high and low educated parents. And at the lower end of the distribution the proportion of low-skilled adults (scoring under level 2) is relatively small at 18% (against an average of 22%) (Figure 1.1). About half of the low skilled are over 55.

### *11% of young people are neither employed nor in education or training (NEET)*

Both educational attainment and basic skills influence the likelihood of becoming a NEET. In Estonia, 11% of 16-29 year-olds are NEET as are 24% of low-skilled 16-29 year-olds. Many NEETs are low skilled, and although Estonia compared relatively well to other countries; the situation is still worrying. Many NEETs also have low educational attainment, but not always (OECD, 2017<sup>[20]</sup>).

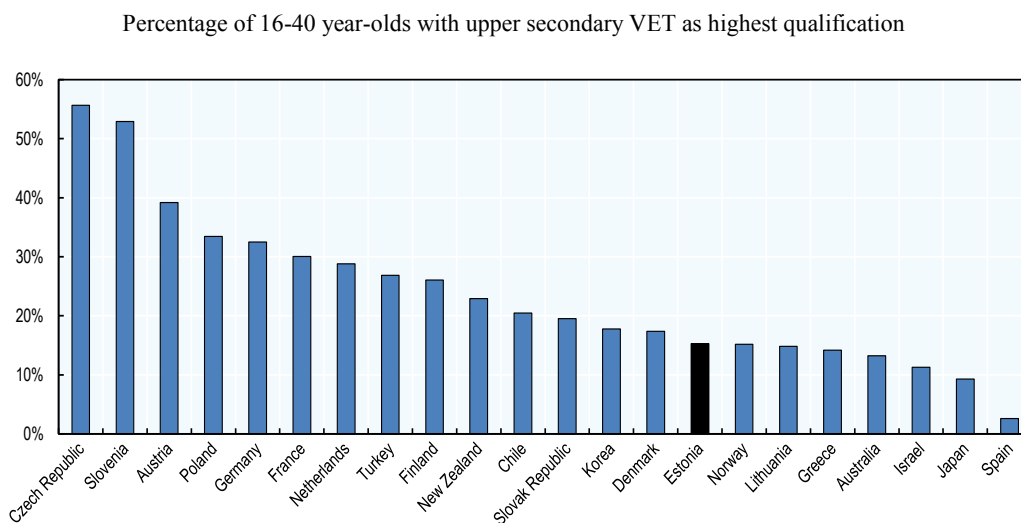
## **Estonia's vocational education and training system**

### ***While nearly all students continue in upper secondary education, only one-quarter choose VET***

After completing basic school, about one-quarter (26%) of students enter VET programmes, while 70% of students enter upper secondary general education, proportions

which have barely changed over recent years (Ministry of Education and Research, 2017<sup>[9]</sup>). This means that rather fewer young adults have vocational qualifications than in a number of other OECD countries where entry into the vocational track is more usual (Figure 1.2).

**Figure 1.2. Relative to other countries, a smaller proportion of young Estonians have upper secondary VET as their highest qualification**



*Note:* Canada, England (United Kingdom), Flanders, Ireland, Italy, Northern Ireland (United Kingdom), Sweden and the United States were excluded from the analysis because of data issues.

*Source:* Calculations based on OECD (2015<sup>[19]</sup>), OECD Survey of Adult Skills (PIAAC) (Database 2012, 2015), [www.oecd.org/skills/piaac/publicdataandanalysis/](http://www.oecd.org/skills/piaac/publicdataandanalysis/).

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### *Upper secondary VET programmes provide skills in a target occupation*

Most students entering VET after basic education pursue an upper secondary VET programme at European Qualifications Framework (EQF) level 4, which includes both general and vocational education (ISCED 354). These programmes are mostly 3 years in length, some are 4, and typically lead to an occupational examination. State examinations, used by higher education institutions as a means to choosing entrants, are also available for upper secondary VET graduates as an option (CEDEFOP, 2017<sup>[15]</sup>), and can be taken the same year as completing the VET programme, or following an additional year of general education studies. Few students choose this latter option (Ministry of Education and Research, 2017<sup>[9]</sup>). A major reform of the Estonian VET system took place in 2013 and this is described in Box 1.2.

### Box 1.2. The 2013 Vocational Educational Institutions Act

This legislation launched several reforms of vocational education and training in Estonia. The legislation:

- Defined some new categories of vocational training, directly linked to the Estonian qualifications framework. These included level 5 programmes for post-secondary vocational education and training.
- Re-established a framework for the right to provide vocational instruction, including the creation and closure of vocational schools, and their financing arrangements.
- Defined vocational training at levels 2-5 in relation to the requirements for commencing studies, study volumes in Estonian credit points, the proportion of practical work and assignments in the programme, the opportunities for further study to which each level leads, and the corresponding labour market requirements.

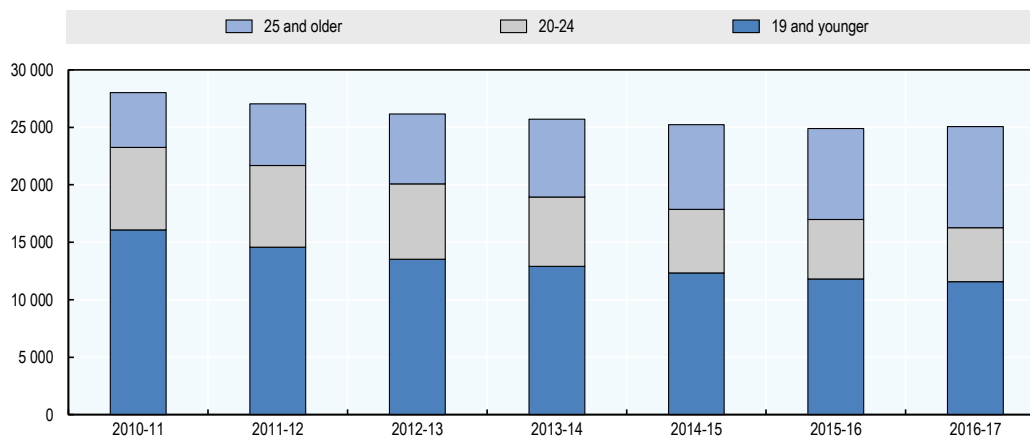
Source: Ministry of Education and Research (2018<sub>[21]</sub>), *Vocational Education*, <https://www.hm.ee/en/activities/vocational-education>.

*There is also provision for adults*

A second type of upper secondary VET at EQF level 4 excludes general education, and is usually pursued by adults seeking a particular occupational skill. Many of them already have a general upper secondary education qualification. Partly, but not entirely because of demographic change, adults are increasingly prominent among VET students, while the number of young learners is decreasing (Ministry of Education and Research, 2017<sub>[9]</sub>) (Figure 1.3).

**Figure 1.3. The proportion of older VET students is increasing**

Number of students in all VET programmes, by age



Source: Adapted from Ministry of Education and Research (2017<sub>[9]</sub>), *Background Report for OECD on Vocational Education and Training (VET) in Estonia*, [www.hm.ee/sites/default/files/uuringud/oecd\\_vet\\_background.pdf](http://www.hm.ee/sites/default/files/uuringud/oecd_vet_background.pdf)

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*VET schools are under different governance arrangements*

Twenty-six VET institutions are under state administration, three under municipalities, and four are private. Municipalities and private schools can also fund education offers that they consider important and that have not been covered by state funding. Although largely government-owned, VET institutions have extensive autonomy. Funding is given to a broad curriculum group, rather than a single programme, and the school decides, within that broad heading, which programmes at which levels they will teach (Ministry of Education and Research, 2017<sup>[9]</sup>).

*Post-secondary programmes are also available*

Since 2013, students have been able to pursue VET EQF level 5 qualifications. These may be taken either as part of initial VET, or through continuous VET, with differences in the way the coursework is organised. The share of work-based learning (practical workshops at school and work practice at enterprises) is at least 50%. Professional higher education programmes (professional bachelors, level 6) can be pursued in one of the eight professional higher education institutions mentioned above. In the Estonian system, these programmes are considered as “higher education” and not “VET” (Ministry of Education and Research, 2017<sup>[9]</sup>).

*Work-based learning is required as part of VET programmes*

Work-based learning, which includes both practical training in school workshops and experience with employers, is required in VET programmes, with specified percentage of minimum proportions of work-based learning in each programme – usually 50%, except for the upper secondary VET programmes that also include general education and therefore (in principle) give access to higher education, where the share is 35%. Within these totals, attention is given to the proportion of time spent with employers, as opposed to school workshops (Ministry of Education and Research, 2017<sup>[9]</sup>). This issue is further addressed in Chapter 2.

*A small proportion of adult VET students pursue apprenticeships*

Apprenticeships were established in 2006 as a specialised form of vocational education where the ratio of practical assignments undertaken in companies or institutions encompasses at least two-thirds of the curriculum. The student achieves the learning outcomes described in the curriculum by fulfilling working tasks at the company. The remainder of the studies will be undertaken at school. A contract between the school, student and employee is signed, setting out the rights and obligations of parties and the details of the learning programme. Wages are established at or above the statutory minimum wage established by the government. But it has proved very difficult to encourage employers to take on young apprentices, so the programme involves adults entirely (see Box 2.1 and the discussion in Chapter 2).

*Russian language programmes are available in VET*

Reforms currently in the course of implementation aim to deliver upper secondary education primarily in the Estonian language, but these reforms have proved slow to implement particularly in upper secondary VET schools. This may have led to an over-representation of Russian-speaking students in VET courses, but not because these students are interested in pursuing these programmes, but rather because they are in Russian.<sup>3</sup> To illustrate this point, 60% of boys who were in Russian language basic

education in the north-eastern part of the country entered a VET programme at the upper secondary level, whereas only 10% of girls having studied in Estonian language in cities did so (Ministry of Education and Research, 2017<sup>[9]</sup>).

## Assessment: Strengths, challenges and recommendations

### *Strengths*

#### *The context is favourable*

Estonia has an exceptionally strong foundation and context for its VET system. The economy is strong, with high growth and relatively low unemployment. Both PISA and the Survey of Adults Skills, a product of the Programme for the International Assessment of Adult Competencies (PIAAC) results are very good by international standards, so that most young people have good basic skills, while even in the older generation, basic skills are relatively strong.

#### *There is a strong system of occupational qualifications and examinations*

Many countries have complex sets of overlapping and sometimes conflicting vocational qualifications. In Estonia, occupational qualification standards are defined and updated regularly with employer groups in sector skills councils. The standards are linked to a set of occupational examinations, which form the end point of different routes of preparation, including VET programmes, apprenticeships, and in some cases no formal programme, where the examinations are used to recognise prior learning, sometimes augmented by more informal preparatory courses. This provides a clear coherent foundation for the entire VET system, rooted in employer needs.

#### *VET teachers are well-prepared*

Countries often wrestle with the twin challenge of ensuring that on the one hand VET teachers are pedagogically effective, and on the other that they have relevant and up-to-date industry experience and knowledge. In Estonia, qualification requirements for VET teachers are less demanding than for teachers of general education subjects, allowing more flexibility for professionals who want to teach. There are three qualification levels for vocational teachers. To reach the highest level, the person should have at least EQF level 6 qualification in a tertiary vocational teacher programmes. Some vocational teachers work part time and have no pedagogical qualification, but a VET provider cannot employ more than 20% of staff with the lowest level qualification. Since 2015 professional development requirements for VET teachers have been made more flexible (CEDEFOP, 2017<sup>[15]</sup>).

#### *VET schools and the school network have been overhauled*

In the context of demographic change, much work has gone into an overhaul and consolidation of the VET school network. In 1990, there were over 90 VET schools. In 2016/17, 26 of 34 VET institutions were state-owned and run by the Ministry of Education and Research. Municipalities ran three VET schools and five were private. (A further five professional higher education institutions provided VET programmes at post-secondary level [ISCED 4] along with higher education [ISCED 6]). School facilities were extensively modernised between 2008 and 2015, using resources allocated

by the European Regional Development Fund (Ministry of Education and Research, 2018<sub>[21]</sub>).

### *Employer-based learning is built into VET programmes*

As discussed above, VET programmes in Estonia include minimum requirements for work-based learning, and these are augmented by expectations about the component of work-based learning that is genuinely employer-based. While more could be achieved in this area (see Chapter 2), this provides a good foundation of employer engagement for upper secondary vocational programmes.

### *Well-designed level 5 programmes have been developed*

In some countries, because of the leading role of universities in post-secondary education, shorter vocational post-secondary programmes are squeezed out of the picture. In Estonia, for those who have completed upper secondary education, a relatively new EQF level 5 programme offers a post-secondary vocational programme in fields such as accountancy and business administration. Programmes last between six months and two and a half years, with work practice representing half of the course, divided equally between time with an employer and practice in the school environment. Nearly one-quarter of all VET learners are enrolled in these programmes (Ministry of Education and Research, 2017<sub>[9]</sub>).

### *An apprenticeship system has been introduced*

Apprenticeship has proved its worth as an effective means of vocational education and training. As discussed above, in Estonia, apprenticeships, introduced in 2006, have gradually increased in number and they can now be pursued in multiple fields and at various qualification levels. While many challenges remain in further expanding apprenticeships and demonstrating their value for young people as well as adults, this represents a very promising initiative. This issue is further discussed in Chapter 2.

### *Recognition of prior learning is systematic*

While many countries have recognised the potential of recognising prior learning (RPL), and many have systems in place, it is too often little used. In Estonia, general principles were set out in 2013 legislation, while the new lifelong learning strategy has further encouraged its development. Prior learning may be taken into account by education institutions when admitting learners to programmes and in exempting learners from a part of a curriculum. VET providers offering recognition of prior learning make public the terms that apply, and provide counselling to candidates. Multiple assessment techniques can be used to recognise prior learning (CEDEFOP, 2017<sub>[15]</sub>).

### *There is good provision for adults*

Systematically, VET provision is designed not only to provide for the needs of young people after basic school, but also for adults at different stages in their life. VET programmes are therefore offered either in the form of an initial VET curriculum or in the form of continuous VET curriculum more suitable to adults, and often part-time study. The professional examinations can also be taken by adults, even if they have not pursued a formal programme of study (although this possibility might be developed further – see Chapter 3). As noted above, recognition of prior learning is widely available. Provision for adults is now underpinned by a new strategy on lifelong learning.

### *Career guidance is well-organised*

Since 2009, the career counsellor network in the labour market sector has been co-ordinated by the public employment service. It offers career guidance services to the adult population. Since 2015, the service also provides workshops for young people in schools – students of grades 8 to 12 – to introduce them to the labour market and working life. These workshops are mostly financed from the EU budget. Career information specialists and counsellors work in every public employment service department. All guidance services for young people provided by *Rajaleidja* centres and the public employment service are free of charge. They are offered in individual and group settings, often accompanied by computer-based activities. There are professional standards for career counsellors, career information specialists and career co-ordinators at schools (Ministry of Education and Research, 2017<sup>[9]</sup>). Options for further developing career guidance in Estonia are set out in Chapter 4.

### *Challenges and recommendations*

#### *Many challenges remain*

Despite these multiple achievements, there remain significant challenges in the VET system. Estonia now has a target of 35% of participation in upper secondary VET by 2020, increasing from the 26% of students who entered such programmes in 2016 (Ministry of Education and Research, 2017<sup>[9]</sup>). While this target of 35% is lower than some previous targets, it remains extremely demanding. Overall, modernisation of the VET system has not yet translated into an offer which graduates of basic education see as sufficiently attractive. Drop out rates have fallen, but remain too high for comfort. While apprenticeship has been launched, the development of youth apprenticeship, despite all its promise, has proved elusive. Upper secondary vocational programmes are still too often seen, and turn out to be, routes to the labour market, but not to further learning opportunities, including higher education. Perhaps reflecting wider factors in Estonia, the very large differences in career and education choices between women and men give cause for concern when placed alongside the evidence of a large gender pay gap by international standards. Again linked to wider factors, the position of the Russian-speaking minority, and language issues in the VET and other schools, raise significant challenges. While career guidance and counselling are well-developed in a formal sense, there are too few opportunities for young people in basic school to become familiar with the world of working life and different jobs.

#### *The chapters that follow address these challenges*

The three chapters that follow address these and other challenges, and advance policy recommendations. Here, those recommendations will simply be summarised, as follows:

#### Developing the foundations of the VET system (Chapter 2)

- Recommendation 2.1. Remove the risk of bias in the student's decision on whether to pursue general education or VET by continuing measures to separate upper secondary institutions from basic schools. Take advantage of local synergies to pursue collaboration between upper secondary general schools and VET schools, and merge general and VET schools where it is useful to do so.

- Recommendation 2.2. Tackle drop out by improving the financial incentives on schools to discourage drop out, and share wisdom on measures to encourage retention. To improve retention, and to support progression to higher level programmes, increase the attention given to the numeracy and literacy of students.
- Recommendation 2.3. Recognising its value, continue to develop work-based learning in enterprises as an essential part of the VET system. Building on existing quality assurance measures, set targets for employer-based work-based learning within VET programmes so that this element is formalised and made transparent through effective measurement. Explore options to overcome the barriers to youth apprenticeships.
- Recommendation 2.4. In the interests of equity, continue to monitor by gender/language spoken at home/region access and drop out. Use the evidence of monitoring to launch a policy development initiative to respond to disparities, developing appropriate responses through stakeholder consultation.

### Pathways and progression (Chapter 3)

- Recommendation 3.1. Develop a multi-dimensional strategy to facilitate progression from initial VET. This strategy would recognise the need to work with different institutions and programmes across the education system, including career guidance within basic school as well as in VET institutions; building a dialogue with higher education institutions to establish the credentials of VET graduates as potential entrants to higher education; and addressing equity to ensure fair access to post-secondary and higher education by gender, region and mother tongue.
- Recommendation 3.2. Establish, within upper secondary VET, a hybrid programme to prepare students for the state examination offering access to higher education, as well as training them in their VET speciality. This approach would be designed to attract into VET more students with good school performance, and raise the status of VET in general.
- Recommendation 3.3. Building on the existing system of occupational examinations, further develop a higher-level examination system. This would follow the model of the dual system countries in providing higher level VET qualifications, particularly for working adults, for graduates of the initial VET system.
- Recommendation 3.4. Consider the option of a central fund, designed to target areas of specific skills shortage, and groups and regions with particular needs for reskilling, involving partnerships between employers and training providers, using the model of Swedish higher VET.

### Strengthening career guidance (Chapter 4)

- Recommendation 4. Make some of the elements of the career guidance provision mandatory, in particular before grade 9, in all schools and in all classrooms, and monitor student participation to ensure that this goal is reached.
- Recommendation 4.2. Enhance use of data in career guidance, introducing destination surveys.
- Recommendation 4.3. Make sure that students get multiple opportunities to interact with people in work and workplaces.

## Notes

<sup>1</sup> The Survey of Adult Skills (PIAAC) shows that 35% of Estonians are over-educated for their current jobs, and 17% are over-skilled (Flisi et al., 2016<sup>[22]</sup>).

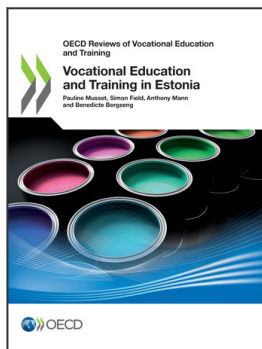
<sup>2</sup> There is a state gymnasium reform going on – this means that there is going to be at least one high quality state-run gymnasium in each county by 2023 (there are 15 counties, the total number of institutions planned is 24). In the past, most of general upper secondary schools were owned by municipalities.

<sup>3</sup> Approximately one-third of year 9 in schools with Russian-speaking language of instruction do not reach the required B1 in Estonian at the end of basic education, which may point to ineffective teaching of Estonian in basic schools with Russian language of instruction.

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