Estonians are one of the European nations that have inhabited longest in their current land. Estonians’ ancestry is associated with the comb ceramic culture, the bearers of which inhabited the Estonian area already more than 5,000 years ago.

During centuries, local tribes, Russians, German knights as well as Denmark, Sweden and Poland have fought for the control of the territory of the present-day Republic of Estonia. From 1918 to 1940 and from 1991 to the present day, Estonia has functioned as an independent state.

The first book in Estonian was published in 1525. The Swedish era in the 17th century was marked by economic and cultural prosperity of the whole country. During that period, a publishing house was founded; in 1631, the first upper secondary school and in 1632, the University of Tartu were founded. By the end of the century, there was a school in almost every parish, and approximately 70% of Estonians were literate. In 1710, Estonia came under the control of Russia and during the following two hundred years of tsarist rule, Estonian peasants lived in the same conditions of near-slavery as serfs of Russia.

The 19th century was a period of economic development and the beginning of urbanisation. During the period 1856–1863, Tsar Alexander II gradually granted Estonian peasants the right to education, property and liberty to move both within Estonia and abroad. The spread of literacy began – newspapers and other literature in Estonian were published; by the end of the century, 96% of Estonians were literate. In the second half of the 19th century, the period of national awakening began. The first public event to demonstrate the Estonian national identity was the first Song Festival held in Tartu in 1869, which started a tradition that is alive and vigorous up to the present day. Tsar Alexander III, who came to the throne in 1881, terminated the period of national awakening and initiated an intense process of Russification; Russian became the language of instruction.

In the 20th century, Estonia could take advantage of the chaos in Russia, caused by the First World War and the Bolshevist Revolution, and declared independence on 24 February 1918. After the capitulation of Germany in November of 1918, the Red army invaded Estonia. A War for Independence lasted for 13 months and ended by signing the Tartu Peace Treaty on 2 February 1920, whereby the Soviet Russia gave up for ever any claims regarding the territory of Estonia. In 1921, the Republic of Estonia became a member of the League of Nations. Reforms progressed quickly and social welfare acts were passed in a similar way as in other European states. The first independence period (1920–1940) was a time of economic growth. The standard of living improved, democratic institutions were established. In the middle of the 1930s, President Konstantin Päts banned political parties and restricted civil rights and a political crisis took Estonia to the brink of authoritarianism.

On 23 August 1939, the Soviet Union and Germany entered into a secret Molotov-Ribbentrop Pact, dividing Eastern Europe into spheres of influence. In the Baltic States, Soviet military bases were built and in 1940, the Soviet control was established. 16 June marks the beginning of the occupation of Estonia by troops of the Soviet army and Estonia officially came under the rule of the Soviet Union.
This was followed by the Nazi invasion in 1941 and the German occupation that lasted until the last months of the Second World War, when the Soviet Union regained control over the Baltic States. During the intermittent Soviet and German occupations, thousands of Latvians, Lithuanians and Estonians were either assassinated or deported to Siberia, and hundreds of thousands fled to other countries.

During the first years of re-establishment of the Soviet power, 36,000 Estonians were arrested, accused of co-operating with the Nazis. At the same time, 30,000–35,000 people fled into the forests with the view of resisting the regime. Organised resistance continued until the 1950s. Approximately 200,000 Estonian people were killed in the War for Independence and during the German and Soviet occupations. In the process of the violent collectivisation at the end of the 1940s, the rural life that had been the basis of economy was destroyed; urbanisation was growing fast. The migratory labour force in the large-scale industries and kolkhozes (collective farms) and sovkhozes (state farms) was imported from other regions of the Soviet Union to inhabit the region of Estonia with a Russian-speaking population. Large regions were created where Estonians became a minority. Despite all this, the Estonian national self-consciousness was preserved throughout the 50 years of Soviet occupation.

The second half of the 1980s, the time of glasnost and perestroika, was marked by a more vigorous striving for independence and the beginning of a new national awakening culminating in the "singing revolution". Protests against the Soviet regime became more frequent and open. On 24 February 1988, on the anniversary of the first Estonian Republic, a demonstration of 3,000 Estonians was held. On 16 November, the Supreme Council of the Estonian SSR passed a declaration of independence. In 1989, on the anniversary of the Molotov-Ribbentrop pact, millions of people, Estonians, Latvians and Lithuanians participating in the "Baltic Chain" demanded independence.

In March 1990, the Estonian Communist Party declared independence from the central party and in May, the ESSR was officially renamed the Republic of Estonia. On 3 March 1991, 78% of voters cast their votes for independence. At the time of the failed coup d'état in Moscow, in August 1991, Soviet military forces entered Estonia and blocked the buildings of most important strategic institutions. Nevertheless, on 20 August, Estonia declared independence, which Russia recognised on 24 August. The United States of America renewed diplomatic relations with Estonia on 2 September 1990; the Baltic States were accepted by the UN on 17 September. On 21 December 1991, the Soviet Union ceased to exist.

At the referendum held on 28 June 1992, the constitution of the Republic of Estonia was passed, according to which Estonia is a sovereign and independent democratic republic wherein the supreme power is vested in the people and the head of the state is the President.

After the restoration of independence, joining the European Union and the NATO became a goal for Estonia. In 1993, Estonia became a full member of the Council of Europe and in 1995, the Free Trade Agreement with the European Union came into effect. In 1997, Estonia was invited to participate in the negotiations with the European Union that began in April 1998. Estonia became a member of the NATO on 29 March 2004 and a member of the European Union on 1 May 2004. Estonia has also been a member of OECD since 9 December 2010. The government's EU policies have supported stronger economic integration. 21 December 2007, Estonia joined the so-called Schengen area together with the other Baltic States and Poland. This step is regarded as a factor increasing the region's attractiveness and economic integration. Since the beginning of the economic crisis in 2008, joining the European single currency has been seen as a major economic policy goal, set in order to guarantee the state's appeal to foreign investors. Since 1 January 2011, the Euro has been the currency of Estonia.