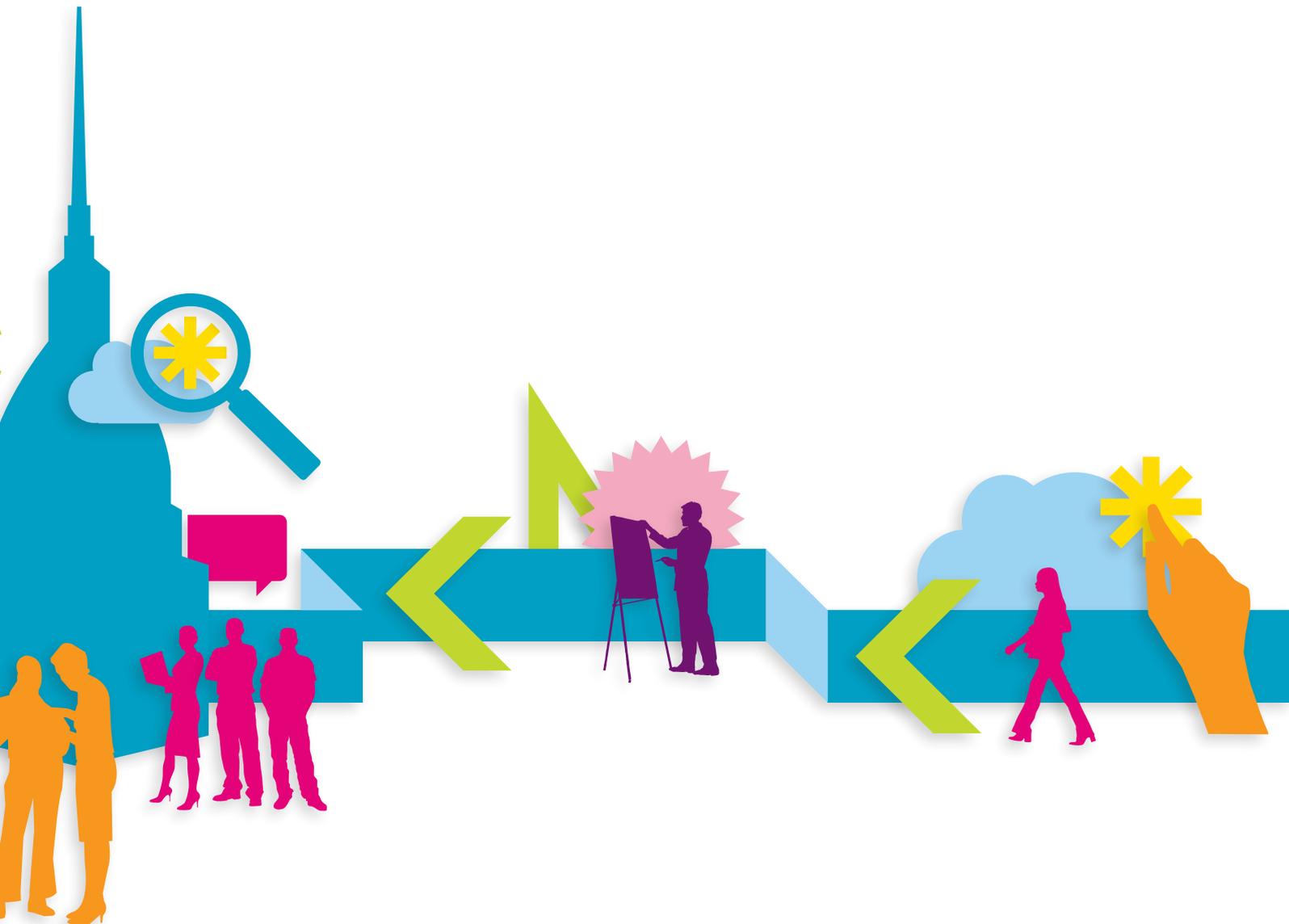


TORINO PROCESS REGIONAL REPORT

CENTRAL ASIA
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TORINO PROCESS

CENTRAL ASIA: DRAFT REGIONAL REPORT

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Introduction

The Torino Process is a participatory process leading to an evidence-based analysis of vocational education and training (VET) policies in a given country. In 2010 the European Training Foundation (ETF) launched the first round of the Torino Process, in which 22 of its 29 partner countries participated. In May 2011, the ETF organised a conference entitled “The Torino Process – Learning from Evidence”, which brought together over 250 stakeholders from all ETF partner countries, EU institutions, EU Member States and the international community. In the final declaration of this conference, the participants welcomed the Torino Process approach, endorsed the findings of the first exercise and encouraged the ETF to build capacity in evidence-based policy making. In addition, partner countries confirmed their interest in taking part in the next round of the Torino Process, which is being carried out in 2012.

The Torino Process was launched in order to build consensus on the possible ways forward for VET policy and system development. This includes the determination of the state of the art and vision for VET in each country and an assessment of the progress that countries are making in achieving the desired results. The Torino Process embeds VET within the socio-economic context and ensures that the analysis is informed by relevant evidence and takes place through a structured policy dialogue leading in all participating countries to a Torino Process country report 2012.

This regional chapter analyses key trends for further VET system development in four countries of Central Asia. The countries are covered by the European Union’s (EU) instrument Development co-operation (DCI) and comprise Tajikistan, Kazakhstan, the Kyrgyz Republic and Uzbekistan. The chapter draws on one finalised country report (Tajikistan) and advanced draft reports from the other countries. Each of the four countries of the region who participated in the 2012 Torino Process underwent an ETF led assessment using the five building blocks of the analytical framework, comprising, the vision for vocational education and training; its efficiency in terms of addressing demographic, economic and labour market needs; how vocational education addresses social demands, including social inclusion; the quality and efficiency of initial and continuing vocational education and training delivery; and how initial and continuing vocational education and training system are financed and governed, including their institutional capacities for change.

Executive Summary

The region has enjoyed a strong growth trend in recent years as it has recovered from the economic recession and the loss of traditional markets experienced following independence. Although growth has been high in 2010/11, e.g., above 7% in all countries in 2011 and in the range 6.5-8.5% in 2010¹, the return to pre-independence per capita GDP levels has been uneven in the region, with Tajikistan and the Kyrgyz Republic, having respectively per capita GDP levels in 2010 of approximately 87% and 72% of their 1991 levels, as against comparable figures of 142% and 174% in Kazakhstan. When referenced against the experience of the Russian Federation and Turkmenistan where the corresponding GDP per capita growth has been 118% and 213%, the indication is that raw materials have been a key driver of growth in the region².

Whereas the region has experienced growth, the labour market is a challenge in all countries as most of Central Asia is characterized by growth in the share of the population of prime age and a high youth population which presents challenges and opportunities. For Tajikistan, 60% of the population is below 25, for Uzbekistan and the Kyrgyz Republic, 60% are below the age of 30 and for Kazakhstan, 50% of the population is below 29. The opportunities relate to the future potential of the countries by having a large population of working age in the coming decades. The challenge is to ensure that this potential is not constrained through lack of employment opportunities and the absence of relevant skills that will enable the population to progress in the labour force.

The pattern of unemployment in the region is mixed and difficult to discern mainly due to differences in national collection methodologies. The available figures, however, indicate that youth unemployment is higher in Tajikistan and the Kyrgyz Republic than in Uzbekistan and Kazakhstan, but that in all countries vocational education does have a positive impact on employment with initial vocational education contributing to better outcomes in the labour market than general education, approximately 1.5% lower unemployment among VET graduates in Tajikistan, 9% in the Kyrgyz Republic and 2.8% in Kazakhstan. Comparable figures are not available in Uzbekistan which in 2011 is estimated to have had a 91% employment rate among VET graduates.

Agriculture, although falling in all countries in terms of its contribution to GDP remains an important feature of employment, comprising 31% of employment in the Kyrgyz Republic, 53% in Tajikistan, 34% in Uzbekistan, and 30% in Kazakhstan³. Informal employment represents a significant and largely unmeasured issue in the region. In the Kyrgyz, approximately 75% of employment is informal while in Tajikistan, the Labour Force Survey (LFS) 2009 found a continuing trend of the increase of informal employment (51% excluding the agricultural sector). Migration remains an important labour force characteristic of the region with employment abroad – frequently to Russia (93% of Tajik migrants) or Kazakhstan.

¹ The Kyrgyz Republic was an exception to this trend in 2010, when political developments caused a downturn in growth.

² World Bank, World Development Indicators (<http://databank.worldbank.org>)

³ ETF Torino Process Country reports 2012. .

The VET systems of the region differ in terms of structure and capacity. All systems are undergoing reform with a view to expanding the number of students in VET and the contribution the sector is able to make to development.

In Kazakhstan, a key development has been the growth in the number of vocational education and training institutions, which have increased by 49% in the last 10 years. Similarly, in the Kyrgyz Republic, there has been a strong growth in the secondary vocational component of the national system, where the number of colleges has increased from 90 to 122 since 2008/09. In Uzbekistan, the sector has continued to grow by a further 100 professional colleges since 2010, while in Tajikistan, growth has been mainly in the introduction of a target for short vocational courses (frequently lasting 1-6 months) for adults – with an aim to expand VET provision and to increase the number of people trained to 100,000 during the 2012/13 period.

Since 2010, the larger systems have benefitted from economic developments which raised the awareness and attention for VET as a potential contributor to economic growth. Uzbekistan continues to develop vocational education as a main feature of its system and Kazakhstan is investing in education and business cooperation and improving the basis for work-based learning in economic growth sectors. Also in the Kyrgyz Republic and Tajikistan VET has seen a growing attention for VET as shown in new strategy documents and political statements. After a strong reduction of VET provision and participation in the 90's, their VET systems are starting to grow, but VET investments are still low.

The main progress achieved since 2010 can be grouped as follows:

Legislation and strategic documents:

All countries have developed new legislation or new education and employment strategies up to 2015 or 2020. Strategic documents are clear in directions, priorities, targets and mostly also with an action plan and identified budget for reform implementation. The consultation processes have been widened and have included social partners. Also education budgets have increased.

Governance and stakeholder involvement:

National, regional and or local skills councils have been set up in most countries. Social partners are represented. The challenge will be to increase the ownership of the different partners and to make their work relevant and effective. All countries have now VET agencies or other VET support institutions which play an important role in the policy implementation.

Education and Business cooperation:

The engagement of employers in the policy dialogue and development of standards has improved. Also at local level more partnerships between school and enterprises have been set up. In the Kyrgyz Republic enterprises are represented in the school board. In particular in Uzbekistan and in Kazakhstan it has become a key policy priority where the setup of Kaspikor Holding is an important development. In Uzbekistan and Kazakhstan progress has been made with creating training placements in companies.

Teacher's salaries and training:

All countries have valued the importance of teachers by awarding them substantial salary increases. Also the opportunities for pre- and in-service teacher training have been improved.

VET Financing:

Per capita financing has been introduced in all four countries. Its effectiveness cannot be judged yet.

Standards development:

All countries have developed new occupational and education standards and are discussing the development of national qualification frameworks.

In addition to these areas there are other challenges in VET:

Quality and quality assurance:

Although the picture is quite diverse, quality is an important issue in all countries. The Kyrgyz Republic and Tajikistan have introduced quality assurance mechanisms through quality units in schools or the development of an Education Quality Management Centre. Business involvement, teacher training and infrastructural investments will impact on the overall quality, but quality would also benefit from a more systemic quality assurance approach and mechanisms.

Attractiveness of VET and pathways:

Except for Uzbekistan, VET is in most cases still a second choice of students. Especially in the Kyrgyz Republic and Tajikistan there are concerns about the drop-out rates. Growing VET participation and the rise of private VET schools may be an indicator of an improving status. There is little information on the opportunities for graduates to continue studying at universities or other post-secondary VET options, or to find a job. In practice only few VET graduates continue studying at universities. In general there is little information about the labour market and career guidance is an area for development.

School development:

There are opportunities for increasing the performance of schools. Giving incentives for school development and removing barriers can contribute to quality improvements.

Collection and use of policy indicators:

There is an increase in information and statistics on education. Traditionally there are few specific data for VET available. Combining the collection of quantitative and qualitative information for policy monitoring and evaluation can support the policy cycle.

The structural adjustment process is on-going for all countries and there are common specific challenges found in each system. To respond to employment challenges there is a need to focus on updating vocational content to reflect

business and labour market needs and on building co-operation between business and the VET sector and between VET authorities in each country.

The following table indicates the list of priorities identified in the national Torino process reports in 2012

Priorities for each country identified in the country Torino Process Reports 2012

Country	Topic			
Kazakhstan	Improving the attractiveness of VET	'Down-up'⁴ policy approach in policy making, policy implementation and governance Business-Education co-operation	Professional development of VET staff from education and business side	
The Kyrgyz Republic	Co-operation between Ministries of Labour and Education on Secondary and Initial VET	Capacity Development for Teachers, Trainers and Education Managers, including school management	Targeting of VET as a social assistance measure	Performance Management and Quality Assurance
Tajikistan	Integration of VET sectors, including adult learning, and secondary and initial education	Quality Assurance	Professional development of VET staff, including technical capacities for management	
Uzbekistan	Business and VET co-operation, including small business	Post-secondary VET and Continuing vocational training	Financing	National Qualifications Framework

⁴ Cited in the 2012 Torino Process Country Report for Kazakhstan

A. Vision and state of the art in vocational education and training

All countries of the region demonstrate commitment towards a vision for vocational education and training (VET) which is seen as an active policy priority, rather than a neglected area or an issue which is diminishing in importance. All countries have clearly formulated statements that suggest that VET is intended to be a major contributor to economic and social development. It is not possible to say that there is a common vision for VET for the region, but is it possible to say that having a vision for VET is common to all countries.

Table 1: Selected policy documents related to the development of VET in the national systems of Central Asia

Country	Policy statements			
Tajikistan	National Strategy for Education 2020, including VET	Labour Market Strategy 2020	Programme on development of Adult Vocational Education System 2015	Reforming and Developing Initial and Secondary VET
Kazakhstan	State programme for the development of Education 2020	State Programme of Accelerated Industrial and Innovative Development of Kazakhstan 2010-2014	State Programme for Employment 2020	
Uzbekistan	National Programme for Personal Training and updates for 2011-2015	Measures to improve the system of student training, and the quality of teachers. (2012)		
Kyrgyz Republic	Education Development Strategy 2012-2020			

The direction of the vision or perspectives for VET all tend towards economic and social objectives related to the structural adjustment in the economy and towards social inclusion and effective participation in society. In the two years since the last Torino Process report of 2010, these perspectives have generally become more elaborated and consolidated in the policy framework of the countries of the region. In terms of economic objectives, the dominant theme of the vision relates to improving the vocational sector through renovations to curricula content, teaching and training capacities as well as closer links between the education sector and the business community.

From the perspective of social objectives, the strongest themes relate to the re-skilling of workers as a means of avoiding unemployment, improving equity through participation in VET and training, and reducing marginalisation in some key areas of the economy, particularly the rural sector.

National Approaches

While the visions have similarities in terms of their general references to VET, there are differences in degree and in form that reflect the local circumstances of each country. However, neither the similarities nor the differences suggest that, during the past two years, since 2010, there have been trends towards significant divergence or convergence of policies in VET.

In large part this reflects the distinctiveness of each country in terms of industry, access to markets, geography, population, resources and economic development. The vision for Uzbekistan is outlined by the sustained implementation of the National Programme for Personnel Training introduced in 1997 and updated progressively through Government decrees since 2010, while Tajikistan and the Kyrgyz Republic have set their agenda for vocational education and training through Education Development and Employment Strategies that target major developments by 2020, and Kazakhstan is also steering its system development through a 2020 strategy with an emphasis on business and education co-operation.

There are no articulated ambitions for a convergent system of VET for the region. The potential influences on convergence that do exist emanate mainly from a common past and the dissemination of European co-operative initiatives related to 'spill-overs' from the Bologna⁵ and the Copenhagen Process⁶, particularly in the area of qualification frameworks. Other influences on policy visions in the region are derived from initiatives from international organisations and donors such as the World Bank, the Asian Development Bank, the ILO and the OECD.

Lifelong Learning

The trend in the region is not to see VET as an isolated sector of education defined only by offering education with a simple correspondence to occupations in the labour force or employment. This was never the perspective of any of the systems of the region in the past as the 'legacy' systems of the former Soviet Union provided a system of on-going learning through initial VET often connected to secondary VET and higher education and subsequently a 5-yearly retraining as employee. The move to market based economies has diminished the strength of these pathways and their effectiveness has been weakened over the past twenty years as the economic structures on which they depended, e.g., occupational structures, major industrial enterprises have adjusted to new contexts.

The trend is towards developing these links anew through the maintenance and renovation of VET to fit with occupations demanded from the labour market or by providing opportunities to access higher education from VET at the level of secondary education and post-secondary education. However, in no national system is a framework of pathways fully articulated and there are differences in degree in the extent of pathways that offer progression to on-going education and training.

⁵ The Bologna Process is an intergovernmental process of members of the Council of Europe initiated in 1999 to create a European Higher Education Area (EHEA) based on international cooperation and academic exchange that is attractive to European students and staff as well as to students and staff from other parts of the world <http://www.ond.vlaanderen.be/hogeronderwijs/bologna/about/>

⁶ The Copenhagen process is a co-operative initiative between member states of the EU commenced in 2002 which aims to improve the quality of vocational training and to encourage more individuals to make wider use of vocational learning opportunities, whether at school, in higher education, in the workplace, or through private courses http://ec.europa.eu/education/vocational-education/copenhagen_en.htm

Shared Institutional Development

A further difference in relation to the visions of VET in the region is related to the degree of shared development with institutional partners outside the education sector, e.g., with Departments of Labour, and the extent to which the business community is involved in shaping the development and operation of key elements of the VET systems.

Across the region there are divisions of policy or programme responsibilities between Ministries of Labour and Education, with separate but thematically related functions being undertaken by different organisational structures within Ministries of Education and Vocational Education, e.g., specialised agencies or centres of VET and within Ministries of Labour in the case of labour market training or adult learning.

Differences also exist however, that reflect national practices in policy development. In this respect the Kyrgyz Republic has an extensive contribution from public consultation and although all national approaches reflect advice from the business community there are differences in degree of business involvement. This may affect the fitness of VET policy and its overall effectiveness in supplying business with the skill needs it requires. However, throughout the region and in all national systems, business organisations do not appear to operate fully as a single voice which inhibits the articulation of a clear consistent message to governments.

All visions are also affected by resource constraints which provide limits to the realisation of the policy objectives in the short term. These constraints are not uniform, e.g. Uzbekistan and Kazakhstan invest more in VET than the Kyrgyz Republic and Tajikistan and have much bigger systems⁷. This reflects not only their population size but also the relative share of vocational education and training in education as a whole. In Tajikistan and the Kyrgyz Republic, the vocational education and training sector covers a small part of the education sector and has limited resources. In Uzbekistan and Kazakhstan visions are being shaped from much larger vocational sectors. This has a significant impact on how VET is developing, e.g., Kazakhstan is demonstrating a strong willingness to experiment with different models (e.g., Germany, Norway, and Singapore), and similarly, the size of the VET sector in Uzbekistan, makes it viable to invest in an extensive building program for professional colleges. Differences between the countries in terms of the resources available to them will mean that those with greater resources – either in terms of population or natural or economic assets – will adapt their systems more rapidly than those without. This may lead to growing disparities between the systems of the region over time.

⁷ See Table 9 below

B. External efficiency: Addressing demographic, economic and labour market needs

Most of Central Asia is characterized by growth in the share of the population of prime age, providing an opportunity for greater economic growth. The four countries that fall into this category are the Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan. Kazakhstan has likewise experienced significant population growth in the last decades. These countries are moving rapidly from a 'population explosion' phase, with a proportionately large share of children, to a 'window of opportunity' phase, with more working-age persons. The proportion of the population between 20 and 40 years of age will rise from 30 to 33% between 2000 and 2025. Consequently, the demands on key public services such as maternal and child health, as well as the continued demand for education services at all levels will continue. The working population between 40 and 60 years of age will more than double among men (110 %) and women (114 %) during 2000–25.

A high youth population presents challenges and opportunities. For Tajikistan, 60% of the population is below 25, for Uzbekistan and the Kyrgyz Republic, 60% are below the age of 30 and for Kazakhstan, 50% of the population is below 29. The opportunities relate to the future potential of the countries by having a large population of working age in the coming decades. The challenge is to ensure that this potential is not constrained through lack of employment opportunities and the absence of relevant skills that will enable the population to progress in the labour force.

Economic growth rates⁸

The region has enjoyed strong growth in recent years as it recovered from the economic recession and the loss of traditional markets following independence. The high rates have been associated with growth in the services and industry sectors and moves away from agriculture.

Table 2: Growth rates in Central Asia 2008-2011

GDP growth (Annual %)	2008	2009	2010	2011
Country				
Kazakhstan	3.3	1.8	7.3	7.5
Kyrgyz Republic	8	3	-1	7
Tajikistan	7.8	7.9	6.5	7.4
Uzbekistan	9	8.1	8.5	8.3

⁸ Source: World Bank, World Development Indicators (<http://databank.worldbank.org>)

Table 3: Per capita GDP trends⁹

GDP per Capita¹⁰	Kyrgyz Republic	Tajikistan	Uzbekistan	Turkmenistan	Kazakhstan	Russian Federation
1991	2,288	2,692	1,950	3,474	6,270	11,962
2000	1,507	969	1,632	2,322	5,406	8,613
2005	1,721	1,500	2,001	4,762	8,699	11,953
2006	1,756	1,583	2,121	5,245	9,529	12,878
2007	1,888	1,674	2,290	5,795	10,259	14,016
2008	2,027	1,781	2,456	6,567	10,469	14,767
2009	2,060	1,895	2,611	6,881	10,318	13,623
2010	2,008	1,940	2,786	7,422	10,916	14,183

The table above shows how the Central Asia countries have recovered after the independence and only those rich in raw materials could exceed the 1991 level.

The patterns of economic development are difficult to discern in employment trends. Agriculture, although falling in all countries in terms of its contribution to GDP remains an important feature of employment, comprising 31% of employment in the Kyrgyz Republic, 34% in Uzbekistan, and 30% in Kazakhstan¹¹.

Whereas the region has experienced growth, the labour market is a challenge in all countries as each country has large youth populations and requires economic growth that is sufficient to absorb the continuing rapid increase in labour supply. This has continued to place pressure on both the VET sector and job seekers.

Vocational Education and Unemployment

The pattern of unemployment in the region is mixed. The trend in unemployment in Kazakhstan is falling, declining from 8.1% in 2005 to 6.6% in 2009 and then to 5.4% in 2011. For young people aged 15-24, the corresponding rates of unemployment have been following this trend – declining from 5.5% to 4.2% for males and from 8.2% to 5% for females. Overall, the rate of youth unemployment fell from 6.7 % in 2009 to 4.6% in 2011.

In Tajikistan, the official figures suggest that the aggregate unemployment rate has been stable at 2% for the past five years. The rate for youth unemployment is higher, however – 12.9% in 2009 for the 15-29 year old age group. In the Kyrgyz Republic, the aggregate rate of unemployment was 8.6% in 2010 with a higher rate for the youth cohort at aged 15-29 at 13.7%. In Uzbekistan, the official figures suggest that the unemployment rate is low at 0.2%, and stable.

Across the region, there is a relationship between levels of education and unemployment rates.

⁹ Source: World Bank, World Development Indicators (<http://databank.worldbank.org>).

¹⁰ (PPP, constant 2005 international \$)

¹¹ ETF Torino Process Country reports 2012. Comparable figures not available for Tajikistan.

Table 4: Tajikistan: (15-29 year olds Unemployment rate by education level. %)

Level of Education	Unemployment Rate
	2009
Higher Education - incomplete	9.2
VET (initial and secondary)	11.5
General secondary	12.9
Basic Secondary	9.2
Less than or equal to Primary education	9.8

For Tajikistan, in terms of unemployment, vocational education appears to perform well in comparison with other forms of education. The figures for Tajikistan appear to indicate a deteriorating situation in the labour market for all education groups, e.g., between 2004 and 2009, the unemployment rate for vocational education and general education graduates increased by 2.2% and 4.6 respectively. However, although illustrative, the figures are not conclusive and further research and analysis is necessary to confirm the trend in Tajikistan.

For Kazakhstan, there also seems to be an inverse relationship between the level of education and the rate of unemployment.

Table 5: Kazakhstan – (2011) ¹²16-64

Level of Education	Unemployment rate
Higher Education – Incomplete	7.1
Higher Education	4.1
Secondary VET	4.9
Initial VET	4.1
Secondary General Education	6.9
Basic general education	9.5
Less than or equal to Primary Education	11.4

For Kazakhstan, the figures – as with Tajikistan – indicate that as a form of skill development VET, whether in initial or secondary VET, performs better than general education.

For the Kyrgyz Republic, a relationship between education level and unemployment is not so clear from the official data.

Table 6: Kyrgyz Republic: 15-29 year olds in 2010

Level of Education	Unemployment rate
Higher Education	9.9
Higher Education – Incomplete	26
Secondary VET	17
Initial VET	8.6
Secondary General Education	13.9
Basic general education	13.2
Less than or equal to Primary Education	10.2

¹² Agency of Statistics of Kazakhstan (2011). Key labour market indicators in the Republic of Kazakhstan, Astana

Although higher education seems associated with lower levels of unemployment, its level is broadly equivalent to primary education and the unemployment rate for young people with initial VET is significantly lower than all other forms of education – in particular, 8.6% as against 17% for secondary VET and 13.9% for completed general secondary education. An ETF transition survey commenced in 2010 on the experiences of young people making their way from education into the labour market, found that while there was some relationship between education and employment, there were differences with the official data, e.g., initial VET in the ETF transition survey, which according to the official data had the strongest relationship, seemed in fact to have the a much weaker relationship with employment¹³

As with Tajikistan, the data results are indicative. Despite drawing on different data sources and diverse national collection methodologies, they suggest, however, that for these three countries of the region, there is a likely relationship between level of education and unemployment, i.e., the higher the level of education, the lower the level of the unemployment rate. As the pattern can be observed in both Tajikistan – which seems to have had a deteriorating labour market – and Kazakhstan – which has a stronger labour market – VET seems to be efficient as a form of human capital for the region in terms of supporting employment in the labour market and that has been stable over the past two years.

For Uzbekistan, the low level of unemployment and a high employment rate of 91% of VET graduates reflects a specific approach to labour market policy with stronger government intervention and co-ordination in the allocation of labour than is found in the other countries of the region.

Table 7: Uzbekistan: Employment rate of vocational college graduates 2001-2011¹⁴

Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Employment rate of graduating cohort	83.9	79.7	74.1	76.3	74.7	78.1	72.5	79.4	80.7	79.9	91

Beyond the aggregate figures, the data in the national reports suggest differences with countries across the region in terms of unemployment, with some areas having higher unemployment than others. For example, in Tajikistan in the Gorno-Badakhshan (GBOA) region, the employment rate fell from 60.4% in 2004 to 34.4% in 2009 with a corresponding increase of overall unemployment rate in the region from 18% to 23.3%. Similarly, the employment rate for the Sughd region of the country fell from 62.3% to 43.8% over the same period with the unemployment rate rising from 5% to 14.1%. In Kazakhstan, the data in the national reports also reflect significant differences between urban and rural rates of unemployment, e.g., in 2009, the unemployment rates for urban and rural males (respectively 6.2% and 4.9%) were higher than the corresponding rates for females (respectively 9.8% and 6.8%). Although falling between 2009 and 2011, the urban rates for males remained lower than those of females – 5.1% for males as compared to 6.1% for females. This is also consistent with the official figures for Uzbekistan, which also

¹³ The ETF Transition Study in the Kyrgyz Republic 2011/2012 (ETF, forthcoming 2012)

¹⁴ data provided by SSPE 2012

found differences among oblasts (regional districts): Fergana 15.1%, Samarkand 12.9 %), and the city of Tashkent 12.6 %.¹⁵

Regional differences are also evident in the Kyrgyz Republic where the data indicate some of the complexities of labour market trends in the region. While the unemployment rate for the overall working population in the republic is higher in urban areas than rural areas (8.6% as against 7.4%), the inverse is true for the young cohort, in which case the share of unemployed is higher in rural areas than in urban areas - 15% as against 18.6%. This difference may reflect initial, but eventually unsuccessful employment search of young school graduates in rural areas, and internal migration to urban areas in search for employment opportunities. While young school graduates in rural areas may at first look for employment close to home, they may accept household work, or move into inactivity or to internal or external migration after some time of trying unsuccessfully to secure employment. As a result, lower unemployment is likely to be found in rural areas for the working age population as a whole than for young school graduates.

Informal employment also represents a significant and largely unmeasured issue in the region. In the Kyrgyz, almost three quarters of all employment took place in the informal sector and in urban areas every second job was informal, while in rural areas four out of five jobs were informal. For men three out of four jobs were in the informal sector. For women it was a less, with only two out of three jobs being organised informally. In Tajikistan, the increasing working-age population influences informal sector, which is mainly made up of household-based enterprises or corporate enterprises owned by households producing goods and services. The results of the Labour Force Survey (LFS) 2009 found a continuing trend of the increase of informal employment (51% excluding the agricultural sector). In the 2010 Torino Process report, the informal economy and informal employment were identified as challenges for the Uzbek economy with estimates suggesting 35% were in employment in the informal sector. This was not verified however in the 2012 report and the issue requires further analyses to assess its impact and extent in the region.

Efficiency tends to be clearer in areas where there is strong government co-ordination or close relationships between enterprises and education providers. The region exhibits examples of both, (e.g., Kazakhstan business-education co-operation is growing and Uzbekistan, where government support for job placement and labour recruitment is strong) and instances of where both are largely, or partially, absent, (e.g., Kyrgyz Republic and Tajikistan). The region is still in the process of achieving a balance between the outputs of education and the needs of industry. All governments are cognizant of the challenge and programmes and initiatives have been introduced or are being introduced.

One of the most visible challenges is in the transition process for students between VET and employment which remains a persistent problem in the region and largely unresolved since the creation of the national economies of the region in the 1990's. The trend is likely to include extended durations between learning and work as a consequence of the decline of traditional occupational structures and large enterprises with internal labour markets capable of absorbing new labour entrants. This has generated extended periods of job search for young people, periods of

¹⁵ The actual numbers of registered unemployed in Uzbekistan are quite low and may not reflect regional dimensions of unemployment fully.

intermittent employment, and changes in jobs, occupations, and industry. Uzbekistan to a large extent offers an exception to this trend as does Kazakhstan, which, with the largest economy of the region, maintains a lower level of youth unemployment.

The evidence on the experience of transition in the region is drawn from various data sources and can only present an indicative picture, which while incomplete, suggests that in different forms, the issue of transition will continue to be a key priority in the region in the short to medium term.

Small Business

The small business sector represents a dynamic area of development across the region, accounting for 97% of enterprises in Kazakhstan and 74.2% of employment in Uzbekistan, but only 25% of the employment in Tajikistan. Its growth stems from both positive and negative trends in the adjustment of the economies. The positive trends are generated from the shift from large scale and publically coordinated enterprises and reflect the growth of a diverse range of business, commercial, personal, tourist, and retail as well as information technology, services across the region. Small and medium sized enterprises account for the majority of employment in all countries and have grown throughout the decade. This sector, although making large contributions to GDP in all countries is not systematically catered for by VET in the region and its growth has not generally been reflected in reform strategies. Some developments have occurred and small business training and support services are available to some degree in all countries. These include both initiatives in the formal sector, e.g., curricula content measures related to running a small business, and, measures in the non-formal sector, e.g., community based initiatives, and many diverse programmes conducted by Chambers of Commerce and industry associations, and internship developed between schools and enterprises.

Alternatively, the small business sector is also growing because of some negative effects of the limited opportunities for employment, e.g., many small businesses are initiated less as business opportunity, but more as a survival mechanism. Both forms of small business although qualitatively different do not appear to being served comprehensively by the vocational sectors of the region.

Migration

International trends in the region are well documented migration towards Kazakhstan and Russia and consequent remittance transfers to the originating regions as key contributions to local incomes. Domestic migration tends to be towards urban areas with the aim of improved job opportunities and access to better services.

Table 8: Migration patterns from the region

Country¹⁶	Kazakhstan	Uzbekistan	Kyrgyz	Tajikistan
Origins of labour migrants residing in Russia (% of migrants)	14.8	16.3	8.9	10.3

¹⁶ 2010 figures published in 2012 – Global Employment Report: International Labor Organisation

The World Bank suggests that ‘those who could not find employment at home, many from rural communities, migrated to find employment abroad. The number of Uzbek migrants in Russia and Kazakhstan is currently estimated at about 2 million, or about 12 % of the country’s working age population.

In Tajikistan, labour migration has two main aspects: internal, mainly from rural to urban areas; and external, mainly to Russia (99.3% of migrants). Dushanbe attracts people from the Districts of Republican Subordination (DRS) and Khatlon Region. According to 2009 Labour Force Survey (LFS), the number of daily commuters going to Dushanbe is 46,800 people against 4,200 coming from Dushanbe to other districts. In the Kyrgyz Republic, a general lack of employment opportunities in rural areas, the comparatively dynamic labour markets of urban areas may function as magnets, attracting the labour force of the entire country, not just the urban one. This will lead to a higher unemployment rate in urban areas compared to rural ones if the urban labour demand is not able to take up the incoming supply of internal migrants, and if internal migrants prefer urban unemployment. In such scenarios, rather than focusing on combating urban unemployment in the urban context only, an alternative (and eventually more sustainable) solution may be to focus on economic development in rural areas¹⁷. This would present internal labour migrants with viable economic options at home and, by reducing migration flows to urban areas, reduce unemployment in urban areas at the same time.

¹⁷ (Harris/Todaro, 1970) cited in 2012 Torino Process report for Kyrgyz Republic

C. External efficiency: Addressing social demands for vocational education and training and promoting social inclusion

All countries have policy strategies and commitments to equal opportunity and social equity. In each country, the formal initiatives include a range of programmes, both in employment policy and VET that seek to ameliorate problems of social disadvantage. The role of VET is in some respects ambiguous in that it is used as an instrument to respond to the social demand for skills development, but in other respects its performance as a sector, may also be a cause of social disadvantage. Dropout rates, the low status of VET, e.g., in Tajikistan and the Kyrgyz Republic, relative to general and higher education, together with the absence of employment opportunities for vocational profiles that have not been renovated contribute to demand of VET as a means of social support.

A key area where vulnerabilities exist relates to the agricultural sector which maintains a key pool of the region's population. The region has been declining in its share of employment and in its contribution to GDP. Without employment opportunities there are limited opportunities for skills development outside the vocational sector, i.e., there are relatively few jobs in which graduates can develop and enhance their skills and vocational expertise.

In Tajikistan, the national education development strategy, incorporates an approach to expand the number of people involved in VET and is explicitly presented as a measure to promote equity and participation. This includes aims to increase the number of vocational schools and to introduce incentives and improvements of conditions in education, specifically in relation to young girls and in rural areas. Additional measures include the improvement of boarding schools for students with special needs (as in the National Concept on Inclusive Education approved in 2001). The boarding schools in Tajikistan are critical for social inclusion. To improve the operation of boarding schools (84 in total), the Ministry of Education has opened a specific unit for their management with the aim to establish new curricula and enable children enrolled in boarding schools to conclude the secondary general education. Teachers and specialists for boarding schools, special pre-school institutions¹⁸ (13 in total; almost 9000 children and 939 teachers, in 2010) and at home-study schools (6 in total, covering 740 children in 2010) study at the Faculty of Education Science and Psychology and are specialised in working with students with learning difficulties. Education for drop outs – estimated at 17% of the general education school population - is provided by 78 centres (funded by state budget) to 32,046 children outside the normal school time. The rate of school enrolment significantly falls for all levels above the basic level of education. Mostly girls drop out of school after achieving basic education. Children from low income families have the highest level of school dropout rates¹⁹.

In all the countries of the region, education is free of charge which provides a platform for participation. In Kazakhstan, education subsidies are provided to the majority of VET students – approximately 93% of students. However, many rural schools are recognised as lacking facilities, equipment and coverage e.g., in Kazakhstan, in 2011, out of 894 VET colleges, approximately 20%, were in rural

¹⁸ 2012 Torino Process Report for Tajikistan

¹⁹ The ETF survey conducted in 2010 by Sharq shows that 15% of students of secondary education do not attend classes (Olimova, 2010).

areas with only 8.7% of vocational education and training students studying in rural institutions. Initiatives since 2010 to enhance the use of VET as a social assistance contribution include a range of measures introduced under the ‘State Programme of Accelerated Industrial and Innovative Development of Kazakhstan 2010-2014’, which aims to create 96,000 social jobs for target groups with public co-financing, including practical training for 34,000 young people in youth practice in enterprises. The programme also aims to encourage development of various forms of flexible employment and aims to integrate 65,000 self-employed, unemployed and low-income persons in productive employment, by training, retraining and advanced training.

VET is recognised as an instrument of social assistance, particularly in the Kyrgyz Republic where initial vocational education and training is defined as having a social role towards vulnerable groups, such as prisoners, school drop-outs, and people with special needs, such as the disabled. Estimates for the Kyrgyz Republic suggest that only about 50% of the disabled below the age of 18 obtain training. In the Kyrgyz Republic, 30% of students in initial VET are female representing a decline since 2010, but are the majority in secondary VET.

In the Kyrgyz Republic, difficulties in accessing services are compounded by the lack of trained teachers to support children with special needs. The initial VET system, includes 17 rehabilitation colleges, and offers financial support through various measures such as hostel places, stipends (approximately 15-18% of the budget). Between 2008 and 2012 the funding of vulnerable groups has been stable. However, as a means of social assistance the sector has potential, e.g., the dropout rate from school is estimated at 15.6% yet, only approximately 1500 out of a pool of 100,000 potential students attend VET as a pathway back into education. Similarly, there is a large gap (estimated to be 100,000) between the number of working and non-working disabled persons.

Some prevention measures such as improved career guidance services in the Kyrgyz Republic (17% of students are estimated as having received career advice) are an emerging trend and could reduce the number of students entering the labour force seeking employment where there are fewer jobs or low wages or limited opportunities for continuing education and training. Likewise there is a small but developing trend towards validating informal learning in Tajikistan which offers some assistance to returning migrants in having competencies and experiences obtained in other countries recognised in the national labour market.

Uzbekistan achieved gender equality in primary and general basic secondary and secondary VET in 2005. The growth of women’s involvement in upper secondary education has been an important objective of the reform and offers greater potential for increasing the depth and breadth of women’s participation in the labour force and general position in life²⁰. In higher education male enrolments are greater than female enrolments (40.5% during 2005-2010) which are lower than the trend in Central Asia.²¹ However, gender balance is expected to improve in higher education by 2015.²²

The region faces key challenges in using VET as an assistance measure. A remediation measure in Uzbekistan, the Kyrgyz Republic and Tajikistan is the

²⁰ Presidential address at the International conference on ‘Fostering a well-educated and intellectually advanced generation’, Tashkent, February, 2012

²¹ Opportunities for Men and Women in Emerging Europe and Central Asia, World Bank 2012

²² World Bank Country Partnership Strategy for the Republic of Uzbekistan, November 2011

delivery of short vocational courses through department of labour adult learning programmes. These offer short term training opportunities to provide skills perceived to be in demand. While potentially successful, these courses, although certificated, do not facilitate on-going learning or progression into continuing VET. The main trend in the region in this respect is to maintain these courses separately from VET programmes conducted by the Ministry of Education.

D. Internal quality and efficiency of initial and continuing vocational education and training delivery

The VET systems of the region differ in terms of structure and capacity. All systems are undergoing reform with a view to expanding the number of students in VET and the contribution the sector is able to make to development.

System Size

For Uzbekistan, VET has been a main instrument of reform since the 1990s and has received considerable policy support and investment since then, whereas for Kazakhstan, the sector found itself in policy competition with higher education and the sector has received policy attention mainly since the beginning of the 2000s. For contextual reasons²³, in the Kyrgyz republic and Tajikistan, the sector appears to have received policy attention with a view to its expansion only more recently. These differences in emphasis in policy impact on the relative capacities of the different national systems, with those receiving later attention having the greatest distances yet to travel in terms of development.

In terms of system size, the differences are important. Uzbekistan and Kazakhstan have the largest systems of the region, followed by the Kyrgyz Republic and Tajikistan. Size impacts on the smaller systems because they are unable to obtain benefits from economies of scale in infrastructure and teaching programmes that are available from larger systems.

Table 9: Selected variables on size of the VET sectors in Central Asia

Country	Number of VET Students			Number of Vocational Institutions			Number of Teachers/Trainer		
	Initial	Secondary	Total	Initial	Secondary	Total	Initial	Secondary	Total
Tajikistan ²⁴	22,316	37,550	59,866	66	49	117	2287	3710	6997
Kazakhstan ²⁵	n/a		604,000	n/a		894	n/a		45700
Kyrgyz Republic ²⁶	42,018 ²⁷	72323	114,341	109	122	231	3647	5590	9237
Uzbekistan ²⁸	n/a		1,724,000	n/a		1430	n/a		75,480

Structure of VET

The systems of the Kyrgyz Republic and Tajikistan have similarities. In both countries, VET has an “initial” sector and a “secondary” sector. Both sectors in each country have some links to compulsory or basic secondary education (generally secondary education until the end of year 9) and with complete secondary general education (generally secondary education until the end of year 11). In addition, initial and secondary VET are linked with the former offering a pathway to the latter.

²³ See 2012 National Torino Process Reports for Tajikistan and the Kyrgyz Republic

²⁴ 2010 figures

²⁵ Separate figures for IVET and SVET not available. See below for more information on the structure of the Kazakhstan VET system. Figures are from 2011.

²⁶ 2012 figures

²⁷ Includes 13189 part-time students

²⁸ In Uzbekistan, there is no distinction between initial and secondary vocational education.

In the Kyrgyz Republic, initial VET comprises a 1-3 year programme of study. The duration is not fixed as there are several possible entry points at first, second or third year, with entry point being mainly at the first or third year – corresponding to completion of basic secondary general education at the end of year 9 or secondary education at end of year 11. The three year programme is intended to combine general education with a “strong” professional component. Completion of the three year programme leads to a secondary education diploma with a professional qualification with possible access to secondary VET or to higher professional education.

Secondary VET is a four year programme targeted at developing technicians or middle managers. In general, secondary VET is more “academic” than the initial vocational programme. As with the initial vocational programme, secondary VET can be entered after completion of year 9 or year 11. From year 9, the secondary vocational programme lasts 4 years and from year 11, it lasts 2 years. The secondary vocational programme offers completing students the possibility of entrance to higher professional education with the possibility – depending on institutional examinations and the specializations – of direct entrance to the second and sometimes third year of study in the higher professional programme.

Tajikistan has a similar structure of initial and secondary VET. Students are able to enter an initial VET programme after completion of compulsory (basic) secondary education following year 9. After one year of study, students can obtain a diploma of technical and vocational education. Students can also combine VET with general secondary education to receive both the diploma of VET and a diploma of completed secondary general education. The system of secondary VET also follows a similar pattern to that of the Kyrgyz Republic, i.e., after compulsory education students can complete 4 years of study to receive a diploma of secondary VET or, after completing general secondary education students can enter a two year programme of study to receive a diploma combined with secondary VET. Students who have completed a one year programme of initial VET can also progress to the secondary vocational programme.

In Uzbekistan, a defining characteristic of the national model of education is the division of the secondary education system at the conclusion of year 9 (approximately 16 years old) into professional and academic tracks. The professional (vocational) track accounts for a large part of the students and comprises a three year programme leading to a Diploma of secondary specialised professional education, which provides the graduating student with the title of “junior specialist”. The curricula is broad based in that it combines general, core professional, and specialist content which aims to make the student relevant to a range of positions. The Uzbek system is distinguished from the systems of the Kyrgyz Republic and Tajikistan in that not only does it account for the majority of students, but that it does not include a division of VET into initial and secondary streams. In Kazakhstan since 2011 there is no distinction between initial and secondary VET with the system now called “vocational and technical education and all VET institutions are now referred to as “colleges”²⁹. In Uzbekistan, the vocational system accounts for 91% of students, compared to that of Tajikistan which (including both initial and secondary sectors) accounts for approximately 3.5% of students and that of the Kyrgyz Republic where the proportion of students in initial VET is approximately 3% of the number of the students in grades 9-11 in

²⁹ A system description was not included in the Kazakhstan national report

general education, and the proportion of secondary vocational students is approximately 30% of those in higher professional education³⁰.

All national systems provide, to a greater or lesser extent, some form of pathway between education sectors. In Kazakhstan, Tajikistan and the Kyrgyz, there are pathways between upper secondary general education and VET and between VET and higher education either directly or by progressing from initial VET to secondary VET and thence to higher education. In Uzbekistan there is a pathway between VET and higher education. In all these cases, however, these pathways are limited or, in terms of student preference, strongly influenced by the traditional route between general education and university education or by obstacles such as limited number of student places or entrance examinations. In all countries except Uzbekistan, VET is not perceived as high status and an attractive option and their systems have a trend towards higher education as the preferred destination of students.

In all countries of the region VET is growing with different depending on the policy context or the demand from business and students.

In Kazakhstan, a key development has been the growth in the number of vocational education and training institutions, which have increased by 49% in the last 10 years, mostly due to the growth of private colleges which increased by 79% , as against 15% for public colleges. Similarly, in the Kyrgyz Republic, there has been a strong growth in the secondary vocational component of the national system, where the number of colleges has increased from 90 to 122 since 2008/09. Among these colleges, 53 were state owned, 23 private and 46 integrated into Higher education institutions. In Uzbekistan, the sector has continued to grow by a further 100 professional colleges since 2010. In Tajikistan, the growth has been mainly in the introduction of a target for short vocational courses (frequently lasting 1-6 months) for adults, but the President announced in April 2012 the aim to expand VET provision and to increase the number of people trained to 100,000 during the 2012/13 period.

Teacher Training and Quality Assurance

An on-going development in the region is a move to support teacher training and the overall quality assurance of VET. The national reports highlight a range of challenges related to teaching and school capacities, including management and professional status, but also suggest that the vocational schools are sensitive to innovations and that vocational student enrolments increase where there is a perception of improvement³¹. All countries in the region have sought to improve the attractiveness of the teaching profession through salary increases in recent years.

The national report for Kazakhstan highlights the training of 1600 teachers since 2011/12 and that the issue is a key priority with developments encompassing professional development of teachers and improvements to infrastructure (computers, buildings, facilities). In 2012 six new regional training centres have been established with a new programme for in-service teacher training. In the Kyrgyz Republic, in service teacher training is being strengthened in the initial VET system by the renovation of methodological support to the overall initial VET

³⁰ Based on figures in ETF Torino Report – Kyrgyz Republic 2012

³¹ Tajikistan Torino Process Report 2012

system and to schools on the development of VET education standards, curricula and teaching approaches. No similar initiatives are underway in the secondary vocational sector notwithstanding its stronger growth relative to the initial VET sector.

In Uzbekistan, the rapid growth of the system has led the Government to review aspects of its operation to maintain the momentum of the implementation of the reform, e.g., in 2012, the Government introduced a series of measures to improve the system of student training, and the quality of teacher training.

For Tajikistan, the issues in quality assurance in VET are being addressed by the Education Development Strategy for 2020, in particular through the creation of a new national centre for quality assurance.

Table 10: Initiatives by country.

Country	Initiatives and Programmes for the professional development of VET teachers and trainers	Quality Assurance Initiatives
Tajikistan	National education strategy plans for the restructuring of in service teacher and re-organisation of pedagogical colleges and higher educational institutions	Development of processes of monitoring and evaluation; National processes for assessing achievement of learning outcomes
Kazakhstan	Development of regional centres and 4 year modular system of in service training Increases in teacher salaries and new career steps for teachers	Social Partnership Engagements Updating of VET structure and content Development of training infrastructure Improving VET system management Introduction of e-learning
Uzbekistan	Salary increases and performance based management, Directors fund and teacher training initiatives to increase proportion of teachers with higher education	Measures to improve the system of student training, and the quality of teachers. (2012)
Kyrgyz Republic	Establishment of methodological centre focussed on in service training for IVET Moves towards performance management	No major developments in Quality Assurance since 2010 in secondary VET

Some initiatives appear more advanced than others, e.g., Tajikistan and the Kyrgyz Republic are only commencing the implementation of their professional development programmes. Likewise, infrastructure development in terms of school building and maintenance is uneven with the larger systems of the region with Uzbekistan having invested heavily in the development of new schools and colleges and Kazakhstan establishing new regional centres.

Continuing Vocational Training

Short courses are growing in the region, generally as part of Ministry of Labour operations for the training of unemployed workers or the requalification of adults and employees. In all cases, these short courses “stand alone” and provide course participants with specific occupationally relevant skills for positions or jobs identified as being available in the labour market. The courses, while generally certificated, do not link to other diplomas and cannot be used by participants to build up or contribute to new or higher level qualifications. In this respect the

growth of short courses although increasing do not, with the exception of Tajikistan, reflect a strategic direction of vocational training policy for the region, but rather an initiative based on the necessity to provide skills to match the needs to employment opportunities.

In the Kyrgyz Republic, adult education covers a wide spectrum of diverse provision, including evening classes, language and computer classes and short programmes with labour market relevance. Provision covers both public and private providers. Provision by public bodies is linked to the system of initial VET and has increased significantly in recent years to represent 31% of the enrolled students in 2012 – twice the proportion of students in 2006. Similarly, the number of short term places financed directly by employers has been increasing as has the number of students (7,000) that enrol at their own expense.

In Tajikistan, short term courses are offered by the Ministry of Education and by the Ministry of Labour in co-ordination with its National Adult Training Centre to all people over the age of 15. In 2011, the Centre initiated a process of for the certification of knowledge and skills which boosted the number of graduates from 11,000 to 44,500. In Tajikistan, this system is still to establish a legal framework to consolidate and underpin this form of certification and bring it into line with the vocational sector as a whole. In Uzbekistan, short courses are provided through Ministry of Labour programmes, often using the professional college infrastructure and curricula of the Ministry of Education. The courses last 1-6 months and in 2011 50% of students were aged between 20 and 30. In Kazakhstan vocational retraining for the unemployed is limited to employers that request it and who are able to provide guarantee employment, or as part of under entrepreneurship promotion initiatives for self-employment. To provide an in-service training, education institutions have to pass a competitive selection. Costs are often paid by the state or shared with the enterprises.

Short courses offer scope to contribute to the overall efficiency of the systems and provide focuses training in skill areas relevant to industry and to individual needs and can be useful to people who are in employment and who wish to upgrade their skills, or to people that are unemployed and seeing to add to their skill sets to become more relevant to job offers. The growing interest in short courses has implications for certification and quality assurance arrangements which may need to consider how they link with the programmes provided by Ministries of Education. Presently, in no country of the region is there a link between vocational training certificates provided through short courses and the certificated programmes provided by the Ministry of Education. Similarly, there are only a few initiatives for the validation of non-formal or informal learning with the single example, being the programme for the assessment of the skills in Tajikistan for returning migrants.

Uzbekistan, Tajikistan and Kazakhstan and the Kyrgyz Republic are to different degrees working on the development of national qualification frameworks. These could support many of the initiatives underway in the region. A framework may help improve the capacities of each system by enabling the different parts of the system – initial, secondary VET and continuing vocational training– to associate together and thereby find possible efficiencies, e.g., through pathways from short courses to longer qualifications and by sharing of quality assurance arrangements across the sectors.

E. Governance and financing of the initial and continuing vocational education and training system and institutional capacities for change

Management and co-ordination of vocation education in the region is based mainly on government departments and agencies with some differences in how these are organized with respect to continuing vocational training, initial and secondary VET.

Governance

In Tajikistan, since 2008 initial and secondary VET is under the overall responsibility of the Ministry of Education. All 66 schools providing initial vocational education and training are under the competence of the Ministry of Education. For secondary VET the responsibility of the 49 schools is shared between the Ministry of Education (20 schools), Ministry of Culture (6), Ministry of Agriculture (2), Ministry of Health (15), Ministry of Energy (3), Tajik Aluminium Plant (1), Hydropower Station of Roghun (1), Committee for Youth, Sports and Tourism (1).

The Ministry of Education has a Department of initial and secondary vocational education responsible for developing and implementing vocational education and training policy and strategies, divided into two units, one for initial and the other one for secondary VET. Co-ordination of the work of the schools is shared with regional, district and city authorities with some exceptions, e.g., Dushanbe, the Districts of Republican Subordination, Khatlon region and GBAO are directly under the Ministry of Education. The Sughd region provides a further exception by having a VET Unit within the Education Department in the executive branch of the Regional Government, which directly manages the 23 initial and secondary VET schools (7,000 students, 36 professions).

Direct management within initial and secondary VET institutions is performed by Directors, who are appointed and dismissed by the Ministry of Education upon recommendation from local authorities. A Pedagogical Council is present in each vocational education and training school, dealing with educational activities and acting according to the Charter on Pedagogical Council of vocational education and training schools.

Responsibility for the development of standards, content of subjects, curricula, textbooks, and training material is with the Academy of Education which was created in 2009 from the Academy of Pedagogical Sciences. The Academy of Education has the direct responsibility of two institutions:

- The Institute of Education Development and
- The National Institute of Professional Development and Re-Training.

The Institute of Education Development is a research centre dealing with all the aspects related to the content of education, developing programs, producing textbooks, organizing conferences and researches, etc. The National Institute of Professional Development and Re-Training is responsible for teacher training and monitoring education quality.

The Continuing Vocational Training system is under the competence of the Ministry of Labour managed by the State Agency for Social Protection and Employment. The Ministry of Labour has a Department for policy development for adult education and the Agency has a Unit for developing training for unemployed.

Methodological expertise is provided by the National Adult Training Centre (NATCT).

In the Kyrgyz Republic a key development since 2010 has been the creation of the Ministry of Employment, Youth and Labour which shares governance of VET with the Ministry of Education. The Ministry of Education holds the responsibility for licensing all education providers, including those in initial VET. The Ministry of Education also holds the responsibility for secondary VET and adult and informal education. There are approximately over 1000 organisations which hold licenses for adult and informal education provision.

The Ministry of Youth, Labour and Employment holds the responsibility for Employment (including also active labour market policies) and initial VET, which is administered by the Agency for Professional Education and Technical Education (VET Agency). All 109 initial VET schools are state owned and funded.³² In March 2012, the government announced the establishment of a National Skills Council with the VET Agency given the task to act as a secretariat for the Council.

In Uzbekistan, management of the education system is distributed between the Ministry of Higher and Specialised Secondary Education (MHSSE) and the Ministry of Public Education (MPE). The Ministry of Higher and Specialised Secondary Education covers higher education and specialised secondary education – which includes VET. Other Ministries which have responsibility for specialist training institutions associated with their specific industry areas, inter alia, Railways, Tourism, and Water co-operate with both the Ministry of Public Education and the MHSSE. The Ministry of Labour and Social Security manages and co- training for adult learners.

An additional body is the Republic Testing Centre, which is an autonomous institution that manages the development and implementation of test for both specialised and general education for the certification of students.

Day to day operation management for general and primary education, i.e., pre-16 year olds is managed by provincial and district boards. The principal governing agency for VET is the Centre of Secondary-Specialized and Professional Education (SSPE Centre) under the MHSSE. It is responsible for managing the academic, methodological and organizational activities of academic lyceums and professional colleges. It provides services related to secondary special professional education for the leaders of governance bodies (agreed with the local authorities), and also for providing qualified professors, teachers and technical trainers.

National education standards which are prepared for all curriculum fields act as a key organising instrument in the system as they shape curricula content, assessment objectives as well as teaching schedules. The SSPE Centre co-operates with regional (local) bodies particularly in relation to the completion of year 9 students in the general curriculum and their subsequent enrolment in academic and professional colleges.

For Kazakhstan, there is a centralised structure with standardized regulation. Internal matters of vocational education and training schools (objectives, content, methodologies, and organisation of vocational education and training) are the responsibility of the national government while external matters (finance,

³². The legal framework provides the possibility of private provision at all education levels.

maintenance, resources) are under the remit of local executive authorities. The VET Department within Ministry of Education and Science is responsible for VET policy and development.

In terms of governance, the national report for Kazakhstan finds that the legal basis for decision making through ‘cooperative responsibility’ between the state and the economy is absent. Steps have been taken to establish “Councils at national, regional, local and sectoral levels to implement a vertical management structure” with a need to “connect active labour market policy and the process of industrialisation with vocational education and training”.

In 2011 the Prime Minister established the National Council for Vocational and Technical Education involving sectoral Ministries, employer and branch representatives, as well as the regions and local administrations. Furthermore, 16 regional councils, 14 sectoral councils, 162 local councils and institutional councils were established in 2012. With the implementation of the Council based structure, beginning of 2011 a diversified system of vertical vocational education and training quality management came into force. A key challenge is to make the councils relevant and interact with a balanced information stream both downwards and upwards.

In large part, the systems of VET are adapting to changing contexts. The most stable of the region appears to be that of Uzbekistan, while in other countries the management arrangements are changing – either because of regional development and business education co-operation initiatives, such as Kazakhstan, or because of the introduction of new capacity development processes, e.g., the Kyrgyz Republic and Tajikistan which, over the short to medium term as part of their development strategies are moving towards the greater use of indicators and performance assessment measures. Important progress has been made in including the business community in policy consultation at various levels, but business is more contributing rather than driving.

Business Partnership

A key institutional trend in the region is a growing need for engagement between business and education. There are various forms of these co-operation in the region, ranging from simple local or regional partnerships between enterprises and educational institutions, (e.g., initial vocational schools, secondary vocational colleges); loosely or tightly formed administrative collaborations, between regional and local authorities and schools and enterprises or chambers of commerce; and incipient sector or regional organisations that provide advice on skills required by industry needs. In general, government co-ordination is strong in Uzbekistan, while also in Kazakhstan there is an emerging network of councils that may evolve to provide intermediary co-operation function between education and business. Industry engagement is weakest in the Kyrgyz Republic and Tajikistan.

At the end of 2011, the Kazakh Government established an organisation called Kasipkor Holding, a National Joint Stock Company financed by the Government with shares of State and Economy, has been set up as an inter-sectoral and inter-institutional centre. The objective is threefold: to study global best practices and incorporate them into the Kazakh VET system, to create a network of world class colleges in partnership with leading educational institutions and the business, and to strengthen the national and international cooperation in VET at all management levels.

A characteristic of these forms is their apparent diversity. Kazakhstan is engaging business in the development of cooperative learning and in establishing modern VET sectors in a number of key economic sectors. Uzbekistan aims at strengthening existing cooperation with business with a focus on providing work-based learning opportunities to students. In the Kyrgyz Republic business is involved in national and recently also in sector councils. In Tajikistan cooperation between business and education is diverse, with local partnerships existing in different regions. The challenge is to broaden the areas of cooperation and to promote real partnerships between employers and enterprises and policy makers and schools. This is a long term development process, which however will benefit from clear commitments and tripartite agreed strategies.

Table 11: Mechanisms for co-operation between business and education

Country	Mechanisms for co-operation between business and education
Tajikistan	Local partnerships between employers and schools
Kazakhstan	Cooperative learning developed with business National VET Council (overall coordination) and scientific methodological centre under the Ministry of Education of Science as working body of the Council) 14 sectoral councils 16 regional councils 432 Councils of trustees Kasipkor Holding, Local partnerships between employers and schools-
Uzbekistan	Local partnerships between employers and college Administrative co-ordination between regional and national levels and with chamber of commerce
Kyrgyz Republic	National Council for the development of professional skills. National body to be supported by recently established sector skills councils. Local partnerships between employers and schools

Finance

In the Kyrgyz Republic, the state budget allocation for initial VET schools is based on a yearly planning exercise and related to historic allocations. Between 2008 and 2011 the spending on education has grown from 5.8% to 7.1% of GDP. By 2011 education accounted for about 22% of total government expenditure. In 2011 5% of the education budget was devoted to initial VET and secondary VET. This means that the allocation per student in vocational education and training is four times higher than for general education and has nearly doubled since 2008. An important part of this increase can be linked to a staff cost reform and salary increase implemented as of May 2011. Since 2009 the poorest regions have seen the largest growth in per-student spending. Funding for initial VET comes mainly from the state budget and enrolment is free of charge for students taking full-time courses, lasting between 1 to 3 years. The situation differs for secondary VET, where about 70% of students are fee paying and thus a major income source for the secondary VET schools. Short-term courses are funded by sources other than the

education budget. School earnings, including those which are strictly linked to the provision of education services (short-term courses) are taxed at 20%. On the positive side one can note changes within the tax code which foresees that funds used by enterprises for staff development purposes are excluded from the taxable resources.

The principle of per-capita financing (PCF) seems to have gained an overall acceptance within the Ministry of Education and has already been introduced for a large part of general education schools. It is expected to be introduced for secondary VET as of 2013, while initial VET authorities are exploring the possibilities of PCF, with a first pilot planned for the second half of 2012.

For Tajikistan, the state budget allocated to education has been slightly increased in the last years, but below the 5% of the GDP, and below 1% for vocational education and training. State expenditure per capita for both students of initial and secondary education has increased significantly in the last five years.

Table 12: Tajikistan: Expenditure 2006 -2010 in Vocational Education and Training

Year	2006	2007	2008	2009	2010
Initial VET					
Expenditure (mil. Somonis)	9.3	10.7	12.7	17.9	18.1
Expenditure per one student (in somonis)	395.4	414.6	607.3	812.6	822.5
Secondary VET					
Expenditure (mil. somonis)	11.3	11.7	11.7	27.2	26.0
Expenditure per one student (in somonis)	354.7	361.1	344.4	797.7	677.7

A Conceptual Framework for the Financing of Education in the Republic of Tajikistan until 2015 has been adopted in 2011 and a per capita financing system introduced. It is aimed at increasing transparency in the use of public resources; establishing a close connection between the funding and the performance of educational institutions; distributing resources by taking into account the number of students and the specific regional or local conditions; and granting educational institutions considerably more freedom and responsibility in the allocation of government resources.

In terms of financing, Uzbekistan's education system public spending on education is high and closer to those found in rich countries. In 2010 total education expenditures reached 33.8% of the public budget and 8.3% of GDP³³. Around 24% of the education budget is being used for financing of VET³⁴. In 2009/2010, about 91% of the total recurrent expenditure was utilized for personnel costs, which include salaries, allowances, and social security.

Over the past 4 years the Government has introduced a number of measures to improve teachers' remuneration, including salary increases and the establishment

³³ Data of the Ministry of Finance of the Republic of Uzbekistan.

³⁴ Calculated based on the Ministry of Finance's data (including recurrent and capital expenditures).

of a new performance-based incentive system for education personnel.³⁵ In 2008, the Government introduced a new incentive scheme including monthly additional 'top-ups' to the basic salary rates to reward high-performing teachers. To facilitate rewarding schemes for teachers, a Director's fund was set up in each school in the amount of up to 15% of total annual payroll. Since 2010 per-capita financing has been gradually introduced in the financing model of secondary specialized professional education.

There are potentially existing examples of specific industry support for VET in some sectors, e.g., the automotive where General Motors provides financing for some schools or the petrochemicals/gas sector where industry finances direct provides vocational training for workers in the industry.

With a total budget of 72.5 billion tenge (around 0.36 billion €) the Kazakh VET system is financed with a share of 0.3% of GDP or 7.2% of the overall education budget including 14.7 billion tenge (0.735 billion €) from the Republican State budget and 56.8 billion tenge (0.284 billion €) from local Akimat budget. In 2011 the equipment of VET colleges has been renewed for the total amount of 2283.2 Mio tenge (11.416 Mio €). The cost of education per student in 2011 was 221.5 thousand tenge (1.1 thousand €) not considering the equipment costs. Per capita funding will be guaranteed for each VET student in all VET colleges till 2013.

Data development and use

In Tajikistan, the Ministry of Education collects data from initial and secondary vocational education and training institutions, including aggregated and disaggregated data on students, teachers, trainers, non-academic staff, equipment, etc. A statistical book is yearly published by the Ministry of Education, and more generalized information is published by the State Statistical Agency within the frameworks of annual statistical report Education in the Republic of Tajikistan.

In the Kyrgyz Republic, the National Statistical Committee (NSC) selects data on education and training related issues (though not on Initial vocational education and training and adult education) as well as on employment related issues. This data is made available to the Ministry of Education and the Ministry of Youth and Employment in a pre-defined format in special collections. The Ministry of Education plans in the future to collect a considerable amount of data itself through an Education Management Information System (EMIS) which is currently under development. The Ministry of Youth and Employment already regularly collects administrative data from its regional offices but has no resources to extend this collection further. The VET Agency collects considerable amounts of administrative data from the initial VET schools. Some of this data is then incorporated into the National Statistical Committee data on education and a very limited part appears in the regular reporting of the Agency.

In Uzbekistan, the Ministries of Economy, Education and Labour develop estimates of expected skill needs from an annual survey that collects data from local and regional agencies, including employers which are subsequently used to develop estimates of numbers of training programmes.

³⁵ (Ministry of Finance, Uzbekistan, 2011)

In general more information and statistics are becoming available and are used for policy making and implementation, but in all cases, information could be supplemented by additional advice from employers, e.g., through qualitative assessments of skills needs or through long term assessments of the skill needs. In Uzbekistan, public policy on a wide range of issues, including education, the labour market and human capital generally is also informed by the Centre for Economic Research in Tashkent which regularly publishes evidence based policy analyses and assessments³⁶.

In Kazakhstan, the Agency of Statistics of the Republic of Kazakhstan under the Ministry of Education collects data covering issues of vocational and technical VET, the Agency of Statistics of the Republic of Kazakhstan under the Ministry of Labour and Social Protection collects data on employment, other labour market issues and social protection. Quantitative data from general education schools and VET colleges (referring to number of teachers/students/classes/teaching hours/programmes/ profiles) are collected in September for the running school year. Quantitative data on labour market issues relate to the previous calendar year.

³⁶ See for example: The demand for human capital - <http://transformation.cer.uz/2012/08/demand-for-human-capital/>

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