

TRANSITION FROM SCHOOL TO WORK IN KYRGYZSTAN

RESULTS OF THE 2011/12 TRANSITION SURVEY



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RESULTS OF THE 2011/12 TRANSITION SURVEY

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This study is the result of a project that the European Training Foundation (ETF) initiated in early 2011 to address a deficit in the available evidence on the labour market performance of young education graduates in Kyrgyzstan. It is the first study on the transition from school to work ever conducted in Kyrgyzstan (apart from an unpublished small-scale study conducted by the International Labour Organisation (ILO) in 2003).

The study contains contributions that go far beyond the three principal authors. Most importantly, we would like to thank all the respondents across Kyrgyzstan who freely gave up their time to answer the questionnaire's 235 questions. Without their patience and willingness to participate, we would not have the data that inform the insights presented in this report.

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EXECUTIVE SUMMARY

Every year the labour market in Kyrgyzstan has to absorb large numbers of education graduates. The relevant age group of 15–29 year-olds makes up 31% of the entire Kyrgyz population, a much greater proportion than in western European societies. Large youth cohorts require a dynamic economy in order to find employment. At the same time, young people are a precious asset for a country, holding the key to future growth and prosperity.

To find out about the education of the current cohort of labour market entrants, their employment opportunities and their early career mobility, the ETF conducted a study of young people's transition from school to work in Kyrgyzstan in 2011/12. This study presents the first comprehensive picture of young people's educational attainment and employment performance on leaving education in Kyrgyzstan, covering the capital Bishkek, Osh and all other regions of the country, and including all education levels. As a result, the study is representative of the target population over the entire country. It offers important insights into the effects of education on early labour market performance and highlights differences in employment and economic activity between urban and rural areas and between men and women. Conclusions are also drawn about the nature and quality of the labour market for young people.

The overall unemployment rate that emerged from the sample is high at 20%. Young men are more likely to be unemployed than young women and job opportunities are particularly lacking in rural areas, where unpaid household work frequently takes the place of salaried employment.

Education plays an important role in determining early labour market outcomes. Those with only basic education are most likely to be engaged in unpaid household work, and if they do enter the labour market, they predominantly work in the informal sector. This is also true for those with initial vocational education and training (VET) and for those with general secondary education: both these groups of graduates mainly work in unregistered jobs and without contracts. In contrast, those with post-secondary VET and with higher education generally succeed in entering registered, formal employment, most often in the public sector. Hence, the labour market position of graduates is closely linked to their level of education.

However, despite working mostly in formal employment, employed higher education and post-secondary VET graduates do not benefit in terms of commanding higher wages. In fact, their wages are distinctly lower than those of employed secondary general graduates, who mostly work in the informal sector. Overall, there is a gender gap in terms of wages, with men's salaries surpassing those of women, even after controlling for men's longer average working hours.

The labour market is strongly segmented into a formal and an informal sector. For their first job graduates are more likely to enter the informal sector than the formal sector. Apart from occasional examples of high wages, the overall quality of employment in the informal sector is much lower than the formal sector. The working week is almost 10 hours longer and job instability is high, with almost two-thirds of informal sector workers losing or leaving their informal job over the course of the observation period. In contrast, about three-quarters of job holders in the formal sector experienced job stability over the entire observation period. With little movement between the formal and informal sectors, the composition of the Kyrgyz labour market appears to be largely fixed and generally does not allow for upward mobility from the informal to the formal sector.

Personal networks are of overwhelming importance in the search for work. In contrast, employment agencies and job advertisements play only a negligible role in matching job seekers to vacancies. This is true irrespective of the educational background of job seekers and the type of job sought. This highlights the weak institutional support for moderating the transition from school to work in Kyrgyzstan.

A high proportion of young people enter the labour market without having completed education. The rate of dropouts is 14% across all education levels, with virtually no difference between men and women. Particularly high dropout levels can be observed in higher education, in initial VET and in basic general education. The high dropout rate in basic general education gives most cause for concern as dropping out of education at this level seriously decreases life course opportunities and is not easily compensated for later in life.

The education level of parents is highly influential in determining the education level of their children. Children whose parents attained higher education are more likely to proceed to higher education themselves than children of parents with low levels of education. School leavers whose parents attained only basic education or less have few chances to go beyond the basic education level. This means that there is high social selectivity for educational attainment and restricted upward mobility in the education system. Fees and other payments are a common feature of the education system, and this is a further serious obstacle to accessing education.

In response to the multiple and interdependent difficulties identified in the transition from school to work in Kyrgyzstan, this study arrives at a number of policy recommendations. In the light of the strong determining effect of education on labour market outcomes, the high degree of social selectivity within the education system and the worrying level of dropouts, improving access to education and reducing social selectivity in educational attainment should be prime policy objectives. This requires targeted approaches for each education level, including improved public funding for schools, providing financial assistance to poor households and making second-chance opportunities available, especially for basic secondary school dropouts.

In Kyrgyzstan entering the labour market is highly dependent on private resources, particularly in terms of exploiting social connections to find employment and having sufficient private financial resources to attend education. This situation causes inequalities and inefficiencies in the transition from school to work. In order to increase the geographical and vocational distance that talent, skills and qualifications can travel, labour market and job placement services should be improved, career guidance strengthened and the quality and labour market relevance of education developed and enhanced. Within the VET system, efforts should focus on expanding work-based training, upgrading theoretical training components and updating teaching content. In the light of the highly fluctuating informal segment of the labour market, which absorbs most graduates of initial VET, there should also be more emphasis on delivering essential entrepreneurial skills in order to strengthen the overall entrepreneurial dynamic among young people and promote the growth potential of businesses.

The general lack of employment opportunities in rural areas severely limits the options for school graduates. It leads many young Kyrgyz to work without a salary within the family, or to migrate – either abroad or to the comparatively dynamic labour markets of Bishkek and other urban centres, contributing to high unemployment and overburdened infrastructure in these areas. In order to improve local prospects for school graduates in rural areas, it is necessary to focus on rural development that expands agricultural productivity beyond the subsistence level. Rural vocational schools can play an important role here by providing skills training for entrepreneurial activity and self-employment. They can also offer courses in productive agricultural activities, and act as a focal point for local experimentation and knowledge dissemination in developing sustainable and cost-effective agricultural activities.

The Kyrgyz private sector is largely dominated by unstable and precarious informal employment. In order to develop the quality of employment and bring more jobs into the formal sector, it will be necessary to have an integrated policy approach, tailored specifically to the circumstances of Kyrgyzstan. Skills policies are an important element in such an approach, and improving the ability of workers to perform in more productive jobs is an important long-term strategy to counter the dominance of the informal sector. Increasing the labour market relevance of education, providing access to training for workers in the formal and informal sectors and establishing systems for the recognition of prior learning (in the informal sector) are efficient ways of facilitating the movement of workers towards the formal segment of the labour market.

These recommendations all entail a long-term timescale. Evidence from other countries shows that change will only be possible incrementally and through committing political as well as financial resources to improving the situation over the longer term. In order to monitor progress over time and to evaluate the efficiency and effectiveness of reform measures, this study should be repeated in regular intervals (e.g. every five years), using an identical or comparable methodology. In addition, the more frequent execution of smaller-scale studies, focusing on the labour market entry of specific groups, regions or graduates, will also contribute valuable evidence for targeting education and labour market policies to improve the opportunities and life chances of young Kyrgyz.

1. TRANSITION FROM SCHOOL TO WORK: THE KYRGYZ CONTEXT

The transition from school to work represents a critical stage in young people's lives. It is usually understood as the period between leaving the education system and entering the world of work. School leavers have to find employment which suits their interests and education to provide fertile ground for future professional development. Indeed, many studies have emphasized that initial job outcomes are highly influential in shaping the further development of individual careers (Müller and Gangl, 2003).

Education is the main resource that young people have when they enter the labour market. Unlike older, experienced workers, young graduates do not have a work record or employment history to prove their employability. The opportunities available to them on entering the labour market are also closely related to the demographic structure and the economic situation in which they find themselves, namely the size of the youth cohort entering the labour market in relation to the demand for new workforce. The larger youth cohorts are that enter the labour market the more vibrant an economy needs to be in order to absorb them. When there is an economic downturn, often the 'last in first out' rule applies, and young people are the first ones to be laid off. It is also generally more difficult to find a job during an economic depression, when overall labour turnover decreases considerably.

Young people's opportunities of finding work vary significantly from country to country. One reason for this is the difference in the mechanisms involved in entering the labour market, leading to different opportunities being available in different countries for young people with similar personal qualities, education and skills. Thus, early career chances are shaped considerably by national institutions, especially by the characteristics of countries' education systems and by the organisation of the labour market.

The ETF has conducted a number of transition studies in its partner countries since 2007. Variations in youth unemployment and early career success reflect overall differences in the institutions, the demographic composition and the underlying economic dynamics and state of the business cycle in ETF partner countries. In Syria, for example, the different timescales needed for entering the labour market and the different career options available to young men and women revealed significant gender differences in the transition from school to work (Gebel et al., 2012). In other countries, for example Serbia and Ukraine, superior labour market performance by higher education graduates and a significant mismatch between educational qualifications and job demands are consequences of a generally insufficient labour demand and educational institutions' inadequate responsiveness to labour market needs (ETF, 2008).

This is the first study carried out by the ETF in Central Asia, and it forms the first comprehensive analysis of the subject conducted in Kyrgyzstan. By focusing on the effects of institutions, the state of the economy and the role of demographics in the transition from school to work, it examines in detail the opportunities and challenges that young Kyrgyz face on entering the labour market and in the early years of their working life.

This chapter presents an overview of the socio-economic situation in Kyrgyzstan including a discussion of the institutions viewed in the literature as the most important for the transition from school to work, with a particular focus on the country's education system and labour market.

1.1 KYRGYZSTAN

Kyrgyzstan gained independence in August 1991 in the course of the dissolution of the Soviet Union. It was constituted as a democratic, presidential system with a unicameral parliament and an open media landscape. It has remained committed to its relatively open political system ever since, although this has become overshadowed over the years by periods of strong presidential hegemony, political nepotism, corruption and ethnic clashes, in particular between Kyrgyz and Uzbek ethnic groups in the south of the country.

Long-standing president Askar Akayev (1990–2005) was ousted in 2005 following nationwide demonstrations against fraud and manipulation in the parliamentary elections of early 2005. He was replaced by former prime minister Kurmanbek Bakiyev who won the presidential elections of June 2005. In the following years, Bakiyev secured greater powers for the president and installed members of his family in crucial government posts. Bakiyev was re-elected in 2009 in presidential elections that were widely viewed as irregular by the international community.

In Talas in April 2010, demonstrations against corruption and the increasing cost of utilities led to violent clashes, which later spread to other regions and to Bishkek, where 88 people died in the fighting. President Bakiyev fled the

capital shortly after and eventually left the country, together with his family. Former foreign minister Roza Otunbayeva became interim president and head of a provisional government. In May and June of 2010, violent clashes between Kyrgyz and Uzbeks broke out in Osh, in the south of the country. According to an international report commissioned by the Kyrgyz provisional government, 470 people were killed, 1 900 injured and about 411 000 temporarily driven from their homes during these clashes (KIC, 2011).

Roza Otunbayeva's government declared a state of emergency and eventually managed to restore peace in the southern regions of the country. A constitutional referendum in June 2010 reduced presidential powers and introduced a parliamentary system in which the prime minister is elected by the parliament. Parliamentary elections followed in October 2010. After presidential elections in October 2011, widely considered to have been free and fair, Roza Otunbayeva handed over the presidency to the newly elected president Almazbek Atambaev.

Demographics

In 2009, according to the most recent census, Kyrgyzstan had a resident population of 5.3 million people (National Statistical Committee, 2010a), with a predicted annual growth rate of the population of 1.1% to 2015 (United Nations Statistics Division, 2012). Although the proportion of the population aged under 15 has become smaller over the years, it is still large at 30% (see **TABLE 1.1**). Those who will enter the labour market in the coming years outnumber those who are already over working age by more than 7 to 1.

TABLE 1.1 POPULATION SHARES (% OF TOTAL POPULATION)

| | 1990 | 1995 | 1999 | 2005 | 2006 | 2009 | 2010 | 2011 |
|-----------------------|------|------|------|------|------|------|------|------|
| Population aged 0–14 | 38 | 38 | 36 | 31 | 31 | 30 | 30 | 30 |
| Population aged 15–64 | 57 | 57 | 59 | 63 | 64 | 65 | 66 | 66 |
| Population aged 65+ | 5 | 5 | 5 | 6 | 5 | 5 | 4 | 4 |

Source: World Bank, World Development Indicators.

The group of 15–29 year-olds, the focus of this study, comprises 1.64 million people (National Statistical Committee, 2010a). With a share of 31%, this age group makes up a significant part of the entire Kyrgyz population. Taken together with those below the age of 15, more than 60% of the Kyrgyz population is under 30. With a heavy bias towards young people, the composition of the Kyrgyz population is in stark contrast to the ageing countries of the European Union¹.

Thus, in order to absorb the annual supply of graduates looking for work, some sources estimate that the economy needs to generate between 60 000 and 75 000 vacancies a year (Kyrgyzstan Country Programme on Decent Work for 2010–14). However, depending on the strength of the economy, there may be as few as 25 000 such vacancies per year in the Kyrgyz labour market (ibid.).

Economic development

Following a long period of contraction and stagnation after independence, GDP in Kyrgyzstan grew significantly from 2003 onwards (see **TABLE 1.2**). With the exception of 2005, growth rates were positive until 2010, ranging between 8% (2008) and 3% (2009). In 2010, GDP fell by 1%, mostly as a result of the violent clashes in the south of the country which had a severe effect on the economy and caused large-scale shop closures and internal migration to the capital Bishkek. According to World Bank assessments, the negative effects of the global crisis have been relatively mild for Kyrgyzstan. Although there was a substantial decline in imports and remittances in 2009, real GDP continued to grow thanks to agriculture, construction and telecommunications (World Bank, 2009).

TABLE 1.2 ECONOMIC GROWTH RATES (ANNUAL %)

| | 1990 | 1991 | 1994 | 1995 | 1999 | 2005 | 2008 | 2009 | 2010 | 2011 |
|------------|------|------|------|------|------|------|------|------|------|------|
| GDP growth | 6 | -8 | -20 | -5 | 4 | 0 | 8 | 3 | -1 | 7 |

Source: World Bank, World Development Indicators.

¹ For comparison, the share of people aged below 15 in the EU was 16% in 2010 (almost half of that in Kyrgyzstan); the share of people aged 15–64 was 67%; and for people aged 65 and over the share was 17% (World Bank, World Development Indicators).

The transition from a planned to a market economy resulted in large overall welfare losses for the Kyrgyz people. In constant prices, Kyrgyzstan had an output of less than half of its pre-independence GDP for a good number of years in the 1990s. Also taking the population growth into account, Kyrgyz citizens are currently still worse off than they were immediately after independence. In constant prices, the Kyrgyz GDP per capita in 2011 was below that of 1991 (see **TABLE 1.3**). Comparing the purchasing power of Kyrgyz citizens with those of their neighbours, it is evident that Kyrgyzstan is one of the poorest countries in Central Asia and the CIS region.

TABLE 1.3 GDP PER CAPITA: KYRGYZSTAN AND ITS NEIGHBOURS (PPP, CONSTANT 2005 INTERNATIONAL \$)²

| | Kyrgyzstan | Tajikistan | Uzbekistan | Turkmenistan | Kazakhstan | Russia |
|-------------|------------|------------|------------|--------------|------------|--------|
| 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 |
| 2011 | 2 126 | 2 052 | 2 903 | 8 055 | 11 568 | 14 808 |

Source: World Bank, World Development Indicators.

The fall in GDP after independence was largely due to the fact that Kyrgyzstan had produced almost exclusively for the inner Soviet market up until 1991. This market suddenly and completely disappeared with the dissolution of the Soviet Union. Due to lack of demand and of alternative markets in which to sell their products, many production facilities and plants closed down in the course of the 1990s. This led not only to a lasting collapse of output, but also to changes in the composition of various sectors of the economy. While industry was marginally the largest sector in 1990, it had shrunk to the least important sector in the mid-1990s, though it has made a slight comeback in recent years (see **TABLE 1.4**). Agriculture, on the other hand, was to become the most important sector in the 1990s when overall GDP reached an all-time low. Recent years have seen the increasing dominance of the service sector, and a decline in the importance of agriculture.

TABLE 1.4 ECONOMIC SECTORS, VALUE ADDED (% OF GDP)

| | 1990 | 1995 | 1999 | 2005 | 2009 | 2010 | 2011 |
|-------------|------|------|------|------|------|------|------|
| Services | 31 | 37 | 37 | 46 | 52 | 51 | 52 |
| Industry | 35 | 20 | 25 | 22 | 27 | 28 | 29 |
| Agriculture | 34 | 44 | 38 | 32 | 21 | 21 | 20 |

Source: World Bank, World Development Indicators.

Behind the movement of the relative shares of the economic sectors, some significant qualitative changes have also taken place. While the most common type of agriculture in the country in 1990 was the large-scale cooperative production prevalent in the Soviet Union, this changed completely in the years following independence. Agriculture became a refuge for workers who were displaced from industry. It began to be characterised by the cultivation of small parcels of land, either in the form of subsistence agriculture or small-scale commercial farming geared towards local or regional markets. This was accompanied by a dramatic decrease in productivity in agriculture – visible in the diverging shifts in agricultural employment and its share in GDP over the years (see Tables 1.4 and 1.5). While some

² GDP per capita in purchasing power parity (PPP) is GDP converted to international dollars using PPP rates. An international dollar has the same purchasing power over GDP as the U.S. dollar has in the United States. GDP at purchaser's prices is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources. Data are in constant 2005 international dollars (World Bank, 2013).

commodities, such as wool and dairy products, as well as fruit from the southern parts of the country, are being produced for export markets, the major part of agricultural production is for domestic use.

Agriculture must still be considered the major income source in the country, especially in rural areas. Existing evidence from individual oblasts suggests that most agricultural production is conducted on the basis of self-employment and/or as subsistence farming (State Committee for Migration and Employment, 2007). According to research by the Library of Congress, more than half of agricultural output in 2007 came from private household plots (55%), with private farms (40%) and state farms (5%) making up the rest (Library of Congress, 2007).

Industry accounted for only about 11% of all employment in 2000 – an all-time low. Using the latest numbers from the National Statistical Committee, a steady increase to 21% in recent years can be seen (see **TABLE 1.5**). This is mainly due to an increase in construction employment, and some increase in manufacturing and in mining employment. The latter is due to the partly foreign-owned extracting industries established in the northern parts of the country, producing mainly for export. Although Kyrgyzstan does not have fossil fuels, like some of its richer neighbours, it has precious metals and raw materials like gold, uranium and coal. Together with electricity from its numerous hydropower plants, these make up the majority of current Kyrgyz exports.

TABLE 1.5 EMPLOYMENT (15+) BY SECTOR (IN THOUSANDS AND %)

| Sector | 2000 | | 2008 | | 2010 | | |
|---|----------------|------------|----------------|------------|----------------|------------|------------|
| | Thous. | % | Thous. | % | Thous. | % | % sector |
| Agriculture | | | | | | | 31 |
| Agriculture, hunting and forestry | 938.4 | 53 | 742.9 | 34 | 699.1 | 31 | |
| Fishing and fishery | 0.1 | 0 | 0.1 | 0 | 0.0 | 0 | |
| Industry | | | | | | | 21 |
| Mining industry | 8.5 | 0 | 13.3 | 1 | 17.5 | 1 | |
| Manufacturing industry | 113.0 | 6 | 178.0 | 8 | 174.6 | 8 | |
| Production and distribution of energy, gas and water | 20.4 | 1 | 37.8 | 2 | 41.4 | 2 | |
| Construction | 43.4 | 2 | 221.9 | 10 | 240.1 | 11 | |
| Services | | | | | | | 48 |
| Trade and repair of motor vehicles, household appliances and articles of personal use | 188.0 | 11 | 319.4 | 15 | 337.5 | 15 | |
| Hotels and restaurants | 13.1 | 1 | 66.2 | 3 | 82.8 | 4 | |
| Transport and communication | 63.4 | 4 | 133.8 | 6 | 147.5 | 7 | |
| Financial services | 7.4 | 0 | 12.2 | 1 | 18.2 | 1 | |
| Real estate operations and rent services | 29.0 | 2 | 49.7 | 2 | 58.4 | 3 | |
| Government management | 65.2 | 4 | 101.7 | 5 | 99.9 | 4 | |
| Education | 144.9 | 8 | 156.1 | 7 | 171.9 | 8 | |
| Healthcare and social services | 84.7 | 5 | 86.2 | 4 | 74.4 | 3 | |
| Housing, social and personal services | 44.0 | 2 | 49.4 | 2 | 48.7 | 2 | |
| Housekeeping services | n/a | n/a | 15.4 | 1 | 31.1 | 1 | |
| Activities of extra-territorial organisations | n/a | n/a | 0.3 | 0 | 0.6 | 0 | |
| Total | 1 768.4 | 100 | 2 184.3 | 100 | 2 243.7 | 100 | 100 |

Source: Authors' calculations based on National Statistical Committee, 2011.

The service sector has become the most important source of employment in Kyrgyzstan today, accounting for almost 48% of all employment in 2010. The bulk of this is in trade, specifically in the form of retailing, bazaar commerce and small owner-run shops and kiosks. As can be seen from the numbers of the National Statistical Committee, hotels and restaurants, finance, real estate and housekeeping have all grown their share in the labour market in recent years, while public services have seen a decrease (education being the exception).

Poverty

Despite a consistent trend towards reducing poverty over the last decade, the level of poverty in Kyrgyzstan is still significant. According to the revised Second Progress Report on the Millennium Development Goals for Kyrgyzstan (UNDP, 2010), in 2008 the poverty line was marked by a monthly income of KGS 1 527 (c. EUR 25). The proportion of people below this line was 32%. In urban areas the share of those in poverty was 23%, whereas in rural areas it was 37%. The extreme poverty line was any monthly income below KGS 976 (c. EUR 16) in 2008. The percentage of people living below this threshold was 6% (all figures: UNDP, 2010). From the latest data of the World Bank, we can see that the proportion of the population living in poverty, according to the national poverty line, has increased slightly in 2010, against the long-term trend (see **TABLE 1.6**).

TABLE 1.6 POVERTY (% OF POPULATION)

| | 1995 | 1999 | 2005 | 2006 | 2009 | 2010 |
|--|------|------|------|------|------|------|
| Poverty headcount ratio at national poverty line | n/a | n/a | 22* | 61 | 32 | 34 |
| Poverty headcount ratio at \$1.25 a day (PPP) | n/a | n/a | 23 | 6 | 6 | n/a |
| Poverty headcount ratio at \$2 a day (PPP) | n/a | n/a | 46 | 32 | 22 | n/a |

Sources: World Bank, *World Development Indicators*; and (*) World Bank, 2011.

The distribution of the population of Kyrgyzstan is skewed towards the bottom end of the income continuum, which means that a small increase in the level of the poverty line would result in a substantial increase in the share of the population counted as poor.

There are significant regional differences in the spread of poverty. In Bishkek, the extreme poverty indicator in 2008 was 2%, while in Naryn province, this figure was 12%, and in Issyk-Kul province it was 17%. It is possible to see the same variation for the general poverty indicator, which in Bishkek was 15% in 2008, while in the majority of provinces it exceeded 40%. It should also be noted that the difference between the wealthiest and the poorest is growing, with poverty reduction mainly attributable to higher indicators in Chui province and in Bishkek. (UNDP, 2010, p. 17)

The phenomenon of poverty is not only financial in nature, it is also linked to the ability to access various vital services, for example water, electricity, heating, collection of solid waste, etc. In rural areas the level of access to basic community services, such as water pipelines, collection of solid waste, and sewerage systems, is very low among the poor due to the difficulties of delivering these services in mountainous regions. In the urban sector, meanwhile, better-off citizens have access to such basic infrastructural services as central heating, water supply, hot water, baths and showers, sewerage, central gas supplies, and telephone lines. But even among the urban non-poor population, one third does not have access to at least one of the services in the above list (UNDP, 2010, p. 18).

Migration

Migration is a fact of life for many in Kyrgyzstan. The number of Kyrgyz citizens who emigrated abroad reached 620 700 people or 11% of the Kyrgyz population in 2010 (World Bank, 2011). There was a large net outflow of emigrants from Kyrgyzstan in the course of, and the years immediately following, the dissolution of the Soviet Union (see **TABLE 1.7**), mainly composed of well-educated professionals and academics. In contrast, the emigration of the last decade is mainly that of manual workers, with greater numbers from rural than from urban areas, leaving Kyrgyzstan in order to work in agriculture, construction or trading, predominantly in the Russian Federation, Kazakhstan or other CIS countries. This type of emigration is often seasonal or temporary in nature, with migrants returning at regular intervals to their homes and families in Kyrgyzstan.

TABLE 1.7 EMIGRATION

| | 1990 | 1995 | 2000 | 2005 | 2010 |
|--------------------|----------|----------|---------|----------|----------|
| Net outflow | -155 217 | -273 000 | -27 000 | -249 313 | -131 593 |

Source: World Bank, World Development Indicators.

As a result of this large-scale migration, remittances play an important role in many families as well as in the overall economy of Kyrgyzstan. As can be seen in **TABLE 1.8**, this has been especially so since the mid-2000s when significant numbers in rural Kyrgyzstan started to migrate abroad regularly in order to earn an income for their families at home. In 2010, the net inflow of remittances made up 14.6% of Kyrgyz GDP (see World Bank, 2011).

TABLE 1.8 REMITTANCES (CURRENT USD, MILLION)

| | 1990 | 1991 | 1994 | 1995 | 1999 | 2005 | 2008 | 2009 | 2010 |
|------------|------|------|------|------|------|------|--------|------|-------|
| Outflows | n/a | n/a | 66 | 41 | 51 | 125 | 196 | 188 | 297 |
| Inflows | n/a | n/a | 1 | 1 | 18 | 322 | 1 232 | 992 | 1 275 |
| Net in/out | n/a | n/a | -65 | -40 | -33 | +197 | +1 036 | +804 | +978 |

Source: World Bank, 2011.

Employment and unemployment

In 2010 the overall economic activity rate was 64% and the employment rate was almost 59% (see **TABLE 1.9**). Behind these general figures lies a considerable gender gap, with much lower rates for women than for men. Almost three-quarters of all employment were located in the informal sector, while in urban areas every second job was informal and in rural areas four out of five jobs were informal. For men, three out of four jobs were in the informal sector. For women the figure was slightly lower, with only two out of three jobs being organised informally.

TABLE 1.9 ACTIVITY, EMPLOYMENT AND UNEMPLOYMENT RATES (15+), 2010 (%)

| | Activity rate | Employment rate | Unemployment rate | % of employment which is informal |
|--------------|---------------|-----------------|-------------------|-----------------------------------|
| Men | 77 | 71 | 8 | 75 |
| Women | 52 | 47 | 10 | 64 |
| Urban | 62 | 55 | 11 | 54 |
| Rural | 66 | 61 | 7 | 80 |
| Total | 64 | 59 | 9 | 71 |

Source: National Statistical Committee, 2011.

The overall unemployment rate in Kyrgyzstan was 9% in 2010. Again, there is a gender gap here, with a higher unemployment rate for women than for men. Urban areas display a higher unemployment rate than rural areas. Official unemployment numbers come from a survey of 5 000 households that the National Statistical Committee conducts half-yearly. The methodology is not strictly in line with that of the ILO and so international comparability is limited. However, the data given by the National Statistical Committee are the most comprehensive and also allow for comparisons over time, and with the results from the ETF transition survey.

TABLE 1.10 ACTIVITY, EMPLOYMENT AND UNEMPLOYMENT RATES (15–29), 2010 (%)

| | Activity rate | Employment rate | Unemployment rate |
|---|---------------|-----------------|-------------------|
| Primary general or less (ISCED 1 or less) | 25 | 22 | 10 |
| Basic general (ISCED 2) | 33 | 28 | 14 |
| Secondary (complete) general (ISCED 3A) | 63 | 55 | 14 |
| Initial VET (ISCED 3C/4) | 84 | 77 | 9 |
| Post-secondary VET (ISCED 5B)* | 72 | 60 | 17 |
| Incomplete tertiary (incomplete ISCED 5A) | 48 | 35 | 26 |
| Tertiary (ISCED 5A) | 80 | 72 | 10 |
| Total | 55 | 48 | 14 |

Note: (*) The Kyrgyz national equivalent to ISCED 5B is 'secondary VET'.
Source: Authors' calculations based on National Statistical Committee, 2011.

TABLE 1.10 shows the latest available official data on employment and unemployment rates for 15–29 year-olds, the target group of the ETF transition survey. The unemployment rate of 14% is significantly higher than the unemployment rate for the active working-age population. Moreover, the employment rate of 15–29 year-olds, at 48%, is more than ten percentage points lower than that of the entire labour force. The overall inactivity rate for the age group is 45% (compared to 36% across the entire labour force). In terms of the different education levels, those with tertiary and initial VET have the lowest unemployment rates, while those with incomplete tertiary education have by far the highest unemployment rate, followed by those with only basic general education and those with secondary general education. With higher than overall unemployment, lower employment and higher inactivity shown for this age group, the data of the National Statistical Committee already hints at a problematic transition from education into employment.

1.2 THE ROLE OF INSTITUTIONS IN THE SCHOOL-TO-WORK TRANSITION

Two institutions are generally considered of central importance in influencing school-to-work transitions: the education system and the labour market³. Among the main dimensions of education systems, its so-called vocational specificity plays a central role. Vocational specificity suggests that the more successful education systems are in providing standardised and specific vocational qualifications of immediate and clear labour-market value to prospective employers, the more these employers will use educational signals (rather than, for example, experience or social ties) in their decisions regarding the allocation of employment.

Almost all countries in eastern Europe and in Central Asia inherited a highly centralised and state-controlled education system from the socialist period (Titma and Saar, 1995). The organisation of the school structure and curricula was divided along two tracks, general and vocational, and the link between the level of education and future employment was clearly defined. The transition from school to work was therefore smooth, as the first work placement was often assigned by state agencies, with the support of employers, and secured for all school leavers, virtually irrespective of their level of education.

The transition years after the break-up of the Soviet Union saw the restructuring of educational and training systems. First, the curricula of general education were revised, while the curricula of vocational education and training courses were broadened. Second, the introduction of new post-secondary vocational programmes and the emergence of private institutions diversified the structure of post-secondary education. Third, vocational education increasingly came under the auspices of schools, as enterprises, particularly at the onset of the privatisation and restructuring processes, were not able to maintain the infrastructure required for training, nor could they afford to finance apprenticeships. Fourth, with the initiation of market reforms, the earlier well-established link between schools and enterprises was dismantled and started to re-emerge in a modified form only in a few countries. For example, in

³ The CATEWE project built on this general insight to design a specific conceptual framework for researching the school-to-work transitions in EU Member States. See ETF (2008) for its defining features and its transfer to non-EU countries.

the Czech Republic, Slovakia and Poland, elements of partial, enterprise-based apprentice training were preserved, though they continued to shrink. The dual system of apprenticeship training was re-introduced in only two countries, Hungary and Slovenia (Strietska-Ilina, 2001). Fifth, participation in tertiary education has substantially increased, not least due to the emergence of private institutions of higher education and the expansion of short, practically-oriented programmes at the tertiary level (Matějů and Simonová, 2003; Mickelwright, 1999; Roberts, 1998). The demand for higher education can be attributed, at least in part, to the larger proportion of young people opting for an extension of their studies in order to escape increasing youth unemployment by postponing their entry into the labour market (Helemäe and Saar, 2000; ILO, 1999; Róbert, 2003).

Further, it has been argued that the degree of labour market regulation influences employers' decision-making when hiring workers, and that this is particularly relevant for the employment entry chances of first-time job seekers (Breen, 2005). If firing workers is very costly for employers, they are more reluctant to hire young people, who need more training and who may after all, prove unsuitable for doing a certain job.

On the other hand, stricter labour regulation is also said to have potentially positive effects on school-to-work transitions – notably where a strong union presence, in conjunction with a centralised system of collective bargaining and cooperative relationships between corporate partners, can be used to generate economically viable institutional structures for youth labour market integration (Estevez-Abe et al., 2001; Soskice, 1994). Such collective, corporate efforts might include wage moderation policies to facilitate youth entry into the labour market, both at the level of particular firms or industries and also across the whole economy. Other strategies could involve the establishment of common training standards for certain occupations or industries, or engaging corporate bodies in the formulation and implementation of training curricula (Smyth et al., 2001). Clearly, corporate involvement in training systems is most strongly developed in the context of apprenticeship-based dual systems (e.g. Germany), where both employers and unions are actively engaged in both the conceptualisation and provision of training.

However, even quite strict labour laws may have little influence on the economy, if economic agents violate them, if law enforcement agencies are weak or if these laws cover only a small proportion of the total workforce. The chief problem with legal regulation of the labour market for transformation countries is that employers do not always comply with regulations. In the private sector and in small firms, violations are particularly common (for the Baltic countries, see Eamets and Masso, 2004). The weak coverage of trade unions means that violations are often not investigated and workers are left unprotected. In addition, in a climate of high unemployment, employees do not initiate individual claims against employers for fear of losing their jobs.

Alongside employment protection legislation, the provision of unemployment benefits is another way of protecting individuals against labour market risks. European countries use different combinations of the two instruments. As Boeri et al. (2004) have found, those countries with stronger restrictions on dismissal tend to have smaller unemployment insurance programmes, and vice versa. Therefore, low employment protection in some European countries (for example Denmark) is 'compensated' with larger unemployment insurance and active labour market policies. A shift in the balance in favour of unemployment benefits should increase labour market mobility, make the youth labour market more flexible and therefore increase youth unemployment outflow rates. However, Esping-Andersen (2000) claims that unemployment protection has no impact on youth unemployment and labour market entry because most labour market entrants do not qualify for unemployment benefits anyway. Nevertheless, it could be argued that unemployment benefits should at least have an indirect effect on the process of labour market entry, as they promote general mobility in the employment sector, producing higher labour turnover and creating more opportunities for youths to compete for vacancies.

1.3 THE INSTITUTIONAL CONTEXT

The education system

Despite the socio-economic challenges it faces, Kyrgyzstan has improved its overall education attainment in the last 15 years. The gross enrolment ratio across all education levels improved over the 2000s, with a fall-back at the end of the decade (see **TABLE 1.11**). Emphasis has been given to improving enrolment in compulsory primary and lower secondary education, where gross enrolment ratios have increased. In line with the general trend in transformation countries, higher education, including secondary VET, has seen a significant increase of its gross enrolment ratio over the last 10 years. In contrast, upper secondary schooling, including secondary general and initial VET, has seen a large fall in the gross enrolment ratio over the last decade. Both trends have somewhat gone in reverse between 2008 and 2011, however.

TABLE 1.11 GROSS ENROLMENT RATIOS* (%)

| | 2000 | 2005 | 2008 | 2011 |
|---|-----------|-----------|-----------|-----------|
| Pre-primary (ISCED 0) | 10 | 13 | 17 | 21 |
| Primary (ISCED 1) | 96 | 99 | 98 | 101 |
| Lower secondary/basic general (ISCED 2) | 83 | 91 | 93 | 93 |
| Upper secondary (ISCED 3/4) | 87 | 77 | 67 | 78 |
| Higher (ISCED 5-6) | 35 | 43 | 51 | 41 |
| Total (all levels) | 76 | 79 | 78 | 75 |

Note: (*) Gross enrolment ratio is the number of pupils enrolled in a given level, regardless of their age, expressed as a percentage of the population in the theoretical age group for that education level.
Source: UIS.

If the overall trends in enrolment ratios continue, the current educational attainment of the Kyrgyz population will slowly change over the years and become more polarised (see **TABLE 1.12**). Kyrgyzstan will have a greater proportion of both those with just compulsory education (ISCED 2), and those with higher education (ISCED 5-6) in the future. In contrast with the current situation (cf. Table 1.10), there will be fewer graduates of upper secondary education (ISCED 3/4). Thus, instead of having a majority of the population with upper secondary education, there will be concentrations at opposite ends of the educational spectrum, with those with just compulsory education at one end and those with higher education at the other.

TABLE 1.12 EDUCATIONAL ATTAINMENT OF THE KYRGYZ POPULATION (15+), 2009 (%)

| | Men | Women | Total | |
|---|------------|------------|------------|------------|
| Primary general or less (ISCED 1 or less) | 7 | 9 | 8 | 20 |
| Basic general (ISCED 2) | 12 | 11 | 12 | |
| Secondary (complete) general (ISCED 3A) | 54 | 50 | 52 | 58 |
| Initial VET (ISCED 3C/4) | 7 | 4 | 5 | |
| Post-secondary VET (ISCED 5B) | 5 | 9 | 7 | 23 |
| Incomplete tertiary (incomplete ISCED 5A) | 3 | 4 | 4 | |
| Tertiary (ISCED 5A) | 11 | 13 | 12 | |
| Total | 100 | 100 | 100 | 100 |

Source: Authors' calculations based on National Statistical Committee, 2010a.

This trend may perhaps already be observable in the education of the current 15–29 year-olds (see **TABLE 1.13**). While the proportion of those with low levels of education (up to ISCED 2) is indeed significantly higher than in the general population (27% versus 20%; cf. Table 1.10), the proportion of those with medium levels of education (up to ISCED 4) is lower (55% versus 58%). However, and in contrast to what the enrolment trends suggest, the percentage of those with higher levels of educational from ISCED 5 upwards is lower in this age group compared to the general population (18% versus 23%). As the education of many in this cohort may not be completed yet, the distribution of the cohort across education levels must be considered to be still in flux. The continuation of education will lead to the redistribution of these rates from lower to higher education levels, eventually also increasing the proportion of those with ISCED 5 level and above.

TABLE 1.13 EDUCATIONAL ATTAINMENT OF THE KYRGYZ POPULATION (15-29), 2009

| | Total | % | |
|---|------------------|------------|------------|
| Primary general or less (ISCED 1 or less) | 161 962 | 10 | 27 |
| Basic general (ISCED 2) | 285 434 | 17 | |
| Secondary (complete) general (ISCED 3A) | 858 921 | 52 | 55 |
| Initial VET (ISCED 3C/4) | 39 667 | 2 | |
| Post-secondary VET (ISCED 5B) | 49 974 | 3 | 18 |
| Incomplete tertiary (incomplete ISCED 5A) | 110 540 | 7 | |
| Tertiary (ISCED 5A) | 132 780 | 8 | |
| Total | 1 639 278 | 100 | 100 |

Source: Authors' calculations based on National Statistical Committee, 2010a.

Improving the education and training sector has been a key priority over the last decade, and expenditure in this area has been rising steadily, from 4% of GDP in 1999 to a constant 5–6% in recent years (see **TABLE 1.14**). However, while expenditure as a percentage of GDP is high by international standards, expenditure per student as a percentage of GDP remains low, as a result of demographic pressure (see the section on demographics above).

TABLE 1.14 PUBLIC SPENDING ON EDUCATION

| | 1990 | 1995 | 1999 | 2005 | 2009 | 2010 |
|--|------|------|------|------|------|------|
| Public spending on education (% of GDP) | n/a | n/a | 4 | 5 | 6 | 6 |
| Public spending on education (% of government expenditure) | n/a | n/a | 21 | 24 | 21 | 19 |

Source: World Bank, *World Development Indicators*.

It is also generally recognised that the quality of provision is poor at all levels of the education system. The outcomes of the international PISA 2006 and 2009 studies, in which Kyrgyzstan ranked last on both occasions, as well as the 2007 National Sample-based Assessments (NSBA), show that the problem originates at the lower education levels, with the majority of students in grades 4 and 8 scoring below the basic level in reading and mathematics during the NSBA.

Initial vocational education and training can either be entered after basic general (ISCED 3C) or after secondary general education (ISCED 4). In the former case, its duration is two years, after which students obtain both a professional diploma and the secondary general education diploma. In the latter case, the period of study is one year and students receive the professional diploma only (as they already have the secondary general diploma). Post-secondary VET (ISCED 5B) also has two alternative tracks. If students enter after basic general education, post-secondary VET takes four years. If they enter after secondary general education, post-secondary VET takes only three years. In both cases, students finish with a secondary professional education diploma. In 2009 in post-secondary VET, 58% of students were female. This is in stark contrast to the situation in initial VET in the same year, where female students made up only 30% of students (UNDP, 2010, p. 136).

As is observable in other post-soviet countries, the VET system in Kyrgyzstan lost its institutional link to workplaces with the closure of the majority of production facilities during the transformation period of the 1990s. Vocational specificity still exists to the extent that the majority of professions offered in initial and post-secondary VET cover the established range of specialities, ranging from welder to nurse, which employers recognise and are familiar with. However, due to lack of funds, standards and equipment have barely been updated or modernised since independence, leading to low-quality training, out-dated content and an overall state of arrested development in the VET system.

Repeated efforts have been made to establish social partnership structures and processes in order to re-forging links with the business sector. Sector councils were due to be established in 2009/10, though by early 2011 there was still no sign of activity in this area. However, it should be noted that the national VET agency responsible for initial VET has worked for many years on developing closer links with individual employers and sector organisations, and – especially where specific vocational schools have been involved – this has regularly led to enhanced partnership, including employer involvement in updating standards and learning content, more and better placement opportunities for students, and improved workshops in schools or access to employers' equipment.

Employment protection and industrial relations

Current measures for employment protection are only moderately strict. Firing employees on indefinite contracts is possible according to the Labour Code of 2004 if the enterprise is liquidated or reorganised, including a reduction of staff. In the latter case, the employer is required to lay off staff according to their length of service and qualifications (within a certain work category). Also, lay-offs are permitted where employees do not fit the position they hold or they do not fulfil their duties. This already allows significant scope for employers to justify lay-offs in principle. In reality, employers enjoy even wider freedom as the Labour Code is only sparsely enforced in the courts, and not at all through trade union action (interview with representative of the Federation of Trade Unions of Kyrgyzstan). Currently, the labour code is under discussion and may be subject to major reform in 2012/13.

Trade union coverage seems comparatively high overall. According to the Federation of Trade Unions of Kyrgyzstan, there were 652 253 trade union members in 2011 (Semenova, 2012). Given a total of about 2.1 million employees, this means a coverage of more than 30% of the workforce, comparable to that of the UK (27%), Slovenia (30%) or Italy (35%), and much higher than in Germany (19%) or France (8%). However, membership is declining and down from c. 1 million members in 2001, reflecting both a structural and demographic decline from the near-comprehensive trade union membership of the Soviet Union. Trade unions engage in the negotiation of collective agreements, mainly focusing on pay and working conditions. The highest number of agreements is found in the public sector (education and science, public and community services, health services), where the industry trade unions negotiate with the responsible ministries. On the other hand, in the private sector, where companies are small, often short-lived and poorly organised, there are almost no collective agreements, due to the lack of proper channels for negotiating with the trade unions. A couple of new trade unions have emerged recently, most notably for teachers, which are successfully competing with the established industry trade unions in their areas.

One of the most common and serious issues in Kyrgyz labour relations is delayed or non-payment of wages, due to companies' lack of liquidity or mismanagement. In spite of legislation designed to address this problem – including the law on 'Ensuring of Timely Delivery of Wages, Pensions, Allowances and other Social Benefits', which has been in force since 1996 – a total of KGS 314.7 million (c. EUR 5.2 million) in wages remained unpaid in April 2012 (Semenova, 2012). Trade union representatives have raised the question in collective agreements, but have not yet managed to significantly improve the situation.

Kyrgyzstan is not the easiest environment for businesses and investors. In the World Bank Doing Business indicator of 2012 Kyrgyzstan ranked 150 out of 183 countries. Areas of particular difficulty are the registration of property (ranked 181) and engaging in international trade (ranked 162). On the other hand, Kyrgyzstan can offer businesses advantages in terms of taxation and the availability of credit (ranked 13 and 17 respectively). According to the Global Competitiveness Report of the World Economic Forum, Kyrgyzstan ranks last in competitiveness among all CIS countries (Semenova, 2012).

Unemployment insurance and employment offices

Only a fraction of those who are out of work are registered with employment offices. In 2007, only one out of five unemployed people was looking for employment with the help of the employment offices (cf. State Committee for Migration and Employment, 2007). According to data from the Ministry of Youth, Labour and Employment, this ratio has gone up slightly in recent years, but is still low. About two out of five of the unemployed were registered with unemployment offices at the end of 2010. As a result, the number of those counted as registered unemployed is much lower than the official number of unemployed reported by the National Statistical Committee on the basis of its half-yearly household survey. The Ministry of Labour reported a rate of registered unemployed of only 3% for August 2010, while the official unemployment rate reported by the National Statistical Committee was 9% for the year 2010.

Of those registering with unemployment offices, only a minority receive benefits, as eligibility is tied to land ownership. In order to receive unemployment benefits, (arable) land ownership must not exceed 500 square metres per adult person. As many families own some land, the overwhelming majority of people are not eligible for unemployment benefits. According to data from the Ministry of Youth, Labour and Employment, 1 155 out of 82 535 registered unemployed received benefits in December 2010. At a minimum of KGS 250 (c. EUR 4) and a maximum of KGS 800 (c. EUR 13), paid for a maximum of 12 months, benefits are very low, so low, in fact, that they remain below the extreme poverty line.

The restricted access to unemployment insurance reflects a shift in focus in recent years from passive to active labour market measures (ETF, 2009, p. 61). Overall, the budget for labour market policy was KGS 100 million in 2011. Out of this, only KGS 5 million was used for unemployment benefits, with the rest of the budget used for active measures. These measures include training, public works and micro-credit schemes. In 2011, about 38% of the budget was used for training (down from 53% in 2009), and 51% for public works (up from 47% in 2009). About 80% of training courses for the unemployed take place in vocational schools. Training is delivered through fee-based, short-term courses, paid for by the employment offices. These courses represent an important source of revenue for vocational schools. A further 11% of the labour market budget was used for repayable micro-credits in 2011. An additional KGS 70 million was provided for repayable micro-credits through funds outside of the labour market policy budget. In 2011, 35 500 unemployed people were recipients of one of these measures – with 2 000 benefitting from micro-credit, 8 500 from training, and 25 000 from public works (all information from an interview with a representative of the Ministry of Youth, Labour and Employment on 12 July 2012). This represents approximately about 49% of all registered unemployed in that year (for the EU 27, the average in 2007 was 34%), but only 17% of all unemployed (reported by the National Statistical Committee).

Wage levels and minimum wages

The statutory minimum wage in Kyrgyzstan was KGS 690 (c. EUR 12) in 2011 (see **TABLE 1.15**), which is significantly short of even the extreme poverty line. The mean monthly wage across all sectors was KGS 8 612 (c. EUR 144) in 2011. This is about double the value of the consumer basket that marks the amount considered necessary for the minimum level of consumption per capita (ILO, 2006, p. 25). If there is only one wage earner in the family, the mean wage may thus be just enough to support a two-person family. Comparing changes in the mean wage and the consumer basket between 2010 and 2011, it is clear that, at 20%, consumer price inflation has increased more than wages, which have increased by only 17%.

TABLE 1.15 MONTHLY WAGES ACROSS INDUSTRIES, 2010 AND 2011 (IN KGS)

| Industry | 2010 | 2011 |
|--|--------------|--------------|
| Agriculture | 4 437 | 5 003 |
| Mining | 8 802 | 11 167 |
| Production and distribution of energy, gas and water | 10 868 | 13 314 |
| Construction | 9 090 | 9 036 |
| Transport and communication | 12 925 | 15 252 |
| Financial services | 20 356 | 22 293 |
| Government management | 9 667 | 10 778 |
| Education | 4 145 | 6 887 |
| Healthcare and social services | 4 320 | 7 740 |
| National mean | 7 189 | 8 612 |
| Consumer basket | 3 502 | 4 390 |
| Minimum wage | 500 | 690 |

Source: National Statistical Committee, Quarterly reports.

At five times the value of the consumer basket, wages were highest in financial services at KGS 22 293 (c. EUR 370). Wages in agriculture, on the other hand, were just above the consumer basket at KGS 5 003 (c. EUR 83). The education sector had the lowest wages across all industries in 2010. After nationwide strikes and a long period of negotiations, teachers enjoyed a significant wage rise, but are still lagging behind other public sectors, for instance healthcare and social services as well as government management. In the construction industry, wages have not only failed to keep up with inflation, but actually declined in nominal terms in 2011. This means real wages fell by significantly more.

There is a significant gender wage gap in Kyrgyzstan. In 2009, women's salaries were only 64% of men's salaries (UNDP, 2010, p. 139; National Statistical Committee, 2010b, p. 114). This marks a significant deterioration from the situation in 2008 when the ratio of women's salaries to men's had improved to reach 67% (UNDP, 2010, p. 139). One of the reasons for the current disparity is the high gender segregation along economic sectors.

In 2009 women accounted for the overwhelming majority of employees in education (77%), healthcare and social services (80%) and real estate (69%). Men, on the other hand, represented more than 80% of employees in the mining, construction, transportation and communications industries; they also dominated in the production and distribution of electricity, gas and water. In agriculture, women made up 40% of all employees in 2009 (all data: National Statistical Committee, 2010b, p. 87). As shown in Table 1.15, salaries in the 'female sectors' are distinctly lower than salaries in the traditionally 'male sectors'.

Another reason for the salary gap is vertical segregation, with women seldom occupying high-level managerial positions, where salaries are higher. This applies even to the sectors dominated by women. Thus, in 2009, the average salary of a woman working in education was only 84% of the average salary of a man working in the same sector. In healthcare and social services women's salaries reached 87% of men's (National Statistical Committee, 2010b, p. 114). In line with a general deterioration in this area, the gender wage gap has increased recently in a number of industries. In real estate, for example, women's salaries were 83% of men's in 2006, and dropped to 77% of men's salaries in 2009 (*ibid.*). The consequences of lower average salaries for women are greater economic vulnerability and higher instances of poverty, especially in households with no other sources of income.

1.4 TRANSITION FROM SCHOOL TO WORK: WHAT FINDINGS CAN BE EXPECTED?

Transitions from school to work in Kyrgyzstan take place against the backdrop of a difficult economic and demographic situation. The age group of 15–29 year-olds represents almost a third of the population (31%), a much higher proportion than in European countries, for example Germany, where the same age group makes up just 17% of the population. The labour market thus has to accommodate a large number of new entrants every year. Economic growth has been modest in recent years, reaching a low in 2010, after which it began showing some signs of recovery.

Overall, the labour market is characterised by sizeable youth unemployment, frequent labour migration to other CIS countries, a large informal sector and persistent gender differences in wages. In addition, the economy is plagued by frequent liquidity problems, resulting in widespread delayed or non-payment of wages to employees. The poverty level is high: in 2010 34% of the population fell below the national poverty line, with a higher concentration of poverty in rural areas than in the capital. Employment is most often found in the service sector, with the bulk of it in trade, where work regularly takes on the form of self-employment or highly flexible, fluctuating wage employment. These features have a major impact on transitions from school to work as they determine the type of employment and early careers that school graduates can hope to find.

Vocational specificity as a feature of the education system in general, and the VET system in particular, exists to the extent that the professions delivered by vocational schools and post-secondary vocational institutions follow well-established specialisms that employers are familiar with. However, links with local enterprises, which would allow students to gain work experience, exist only sporadically and as a result of individual initiatives. Training curricula and equipment are generally outdated and lag behind developments in the real economy. An increasing share of young Kyrgyz attend higher education, which generally provides qualifications of less vocational specificity than those delivered through VET.

Both employment protection legislation and insurance against unemployment are weak. Labour law allows employers wide freedom to fire their employees, and is thus unlikely to have any significant impact on their decisions to hire new employees, be they old or young. Although trade unions have a large membership, their influence on employment conditions seems limited, not least where facilitating young people's entry into employment is concerned. The number of unregistered unemployed surpasses the number of *registered* unemployed by a ratio of three to two. Only about 1% of the registered unemployed has access to unemployment benefits. Of all registered unemployed, about 49% benefit from active labour market measures (about 17% of all unemployed). Together with the low vocational specificity within the education system, this weak protection against unemployment means that the overall institutional support for moderating and facilitating transitions from school to work in Kyrgyzstan is relatively fragile.

In environments with weak or absent institutions we can expect transitions from school to work become more dependent on private resources, rather than being supported, facilitated and moderated by the relevant public institutions. Effective institutions facilitate upward mobility through education, while supporting equitable, meritocratic access to career opportunities. Institutions have a vital role in creating a more efficient match between skills and jobs, and can thus provide young labour market entrants with greater protection from ups and downs in the business cycle. As a result, they ensure that transitions from school to work are more inclusive, more equitable and more efficient. Private resources, in contrast, are the social ties and the social status, the family support and the financial resources a person can mobilise. The higher the reliance on such private resources, the less meritocratic the transitions usually are, and the less do they actually reflect the abilities and skills an individual has (and has acquired). The transition process will depend on the distribution of family wealth and influence in a society.

These issues are even more pronounced where the education system is ailing and underfunded, and the process of obtaining educational certificates is corrupted through bribery, in terms of gaining admission, progressing or graduating from educational institutions. To the extent that acquiring educational certificates reflects the financial resources of students and their families more than students' achievements, certificates sooner or later lose their value as a signalling device for skills and abilities on the labour market. Over time, firms will realise that the holders of certificates do not necessarily have the expected qualifications, and they will increasingly turn to other ways of recruitment, for example through personal networks. Certificates will continue to be important only where they remain a formal/legal entry requirement for certain jobs (for example in the public sector). However, they will also increasingly reflect the role of private resources more than educational performance in providing access to these jobs. Without a functioning meritocratic education system, almost by definition, the process of accessing competitive employment on merit will also be seriously undermined.

This chapter has provided the demographic, economic and institutional context for the transition from school to work in Kyrgyzstan. The following chapter describes the methodology of the ETF transition study and introduces the sample used. Chapters 3 to 5 analyse the findings of the study and present information on issues ranging from educational attainment, and the characteristics of entry-level employment, to the current situation of 15–29 year-olds in Kyrgyzstan. Chapter 6 concludes with the main findings and some policy recommendations.

2. METHODOLOGY OF THE STUDY

This ETF study on the transition from school to work in Kyrgyzstan built on the extensive past experience of the ETF, which has studied the links between education and the labour market in several other countries, such as Ukraine, Egypt, Serbia and Syria. Drawing on the methodology developed for EU countries within the CATEWE project (ETF, 2008), an extended questionnaire was prepared which covered the different aspects of young people's first work experiences before and after leaving continuous education for the first time, and the factors which influenced them. At the same time, the study took into account the specific country contexts of non-EU countries. The final questionnaire covered six main areas: the situation before leaving continuous education for the first time; the calendar of activities from the point of leaving education; the characteristics of the 'first job'⁴ and/or the 'first significant job'⁵ after leaving education; the current labour market situation and job search activities; information on additional education or training; and socio-demographic characteristics.

Before commencing the fieldwork, several activities specifically related to the case of Kyrgyzstan were undertaken. These included conducting a literature review and reflecting on existing research relevant to the topic under consideration. Moreover, after the selection of the local contractor EI Group, the methodology was reviewed thoroughly in order to adapt it to local conditions.

Sample development

The aim of the study was to obtain a representative sample of about 2 000 respondents to allow for a meaningful analysis.

The target population of the survey was defined by two conditions.

1. Respondents had to be between 15 and 29 years old.
2. Respondents had to have left education (with or without a certificate) sometime within the six years prior to the interview, that is, between January 2006 and November 2011. Alternatively, they had to have interrupted their studies for at least one year. This interruption of studies was understood as a period where a person was unemployed and/or worked more than studied.

This delineation of the target group allowed us to focus on young people in the period immediately or shortly after leaving continuous education and to capture their first experiences in the labour market, including a range of different aspects, such as the nature of their work, contractual conditions, further training, etc. In addition, limiting the period since leaving education for the first time to six years had the effect of minimising respondents' memory bias in reporting on their trajectories from education to work.

The sample of the target population had to be a probability sample, so that each unit of the target population had an equal chance (greater than zero) of being selected. Such a design allows for the generalisation of the results to the target population and for the accuracy of the drawn sample to be estimated.

In this specific case, a stratified random sampling was used, reflecting the 2009 census data and ensuring the representativeness of the target group with respect to regional distribution and the urban/rural divide. At the final stage, potential respondents were screened before their inclusion or exclusion from the sample. In addition, a maximum of one (randomly selected) respondent per household was interviewed. The final dataset was weighted by gender.

Fieldwork implementation

The company EI Group won the public tender to prepare the sample, train interviewers, implement the fieldwork, prepare the database and conduct the first analysis.

The pilot study was run at the end of November 2011, and comprised 20 interviews in both rural and urban areas, covering all three language versions of the questionnaire, that is, Russian, Kyrgyz and Uzbek. Following this pilot, further adjustments and clarifications were made to the questionnaire and also to the screening criteria – the time

4 'First job' refers to any registered or unregistered employment (i.e. paid employment or self-employment).

5 'First significant job' refers to any registered or unregistered employment (i.e. paid employment or self-employment), the duration of which is at least six months. At the same time, a person should work in this job for at least 20 hours a week.

since leaving education was extended from five years to six years to enlarge the target population and include those who finished/left education for the first time between January 2006 and November 2011⁶.

The fieldwork itself was carried out between December 2011 and February 2012, using face-to-face interviews with 2 100 respondents. The interviews were held in Kyrgyz, Russian and Uzbek in all regions of Kyrgyzstan. In addition, an extensive control of the fieldwork was implemented, run in two phases. First, about 25% of the questionnaires filled in by each interviewer were screened. Second, 5% of all received questionnaires were checked by an external expert.

In total, 2 100 successful interviews were conducted out of 6 443 households contacted, out of which 47% of the households were ineligible (see **TABLE 2.1**). Therefore, the final response rate of 61% can be considered a good result. In only 12% of cases potential respondents refused to answer the questionnaire (mainly in Bishkek and Chui region) and in 27% of cases a respondent was not reached (or was unable to give an interview) despite several attempts.

TABLE 2.1 FIELDWORK SUMMARY

| | Number of contacted households | Number of successful interviews | Number of non-eligible households | Number of refusals | Number of unproductive attempts to interview* |
|-------------------|---------------------------------------|--|--|---------------------------|--|
| Chui oblast | 981 | 290 | 407 | 109 | 175 |
| Batken oblast | 306 | 173 | 109 | 7 | 17 |
| Issyk-Kul oblast | 818 | 156 | 514 | 32 | 116 |
| Jalal-Abad oblast | 731 | 400 | 295 | 30 | 6 |
| Naryn oblast | 330 | 89 | 116 | 15 | 110 |
| Osh oblast | 1 130 | 433 | 652 | 14 | 31 |
| Talas oblast | 236 | 81 | 118 | 9 | 28 |
| Bishkek City | 1 465 | 359 | 532 | 176 | 398 |
| Osh City | 446 | 119 | 265 | 14 | 48 |
| Total | 6 443 | 2 100 | 3 008 | 406 | 929 |

Note: (*) Including such cases as households or respondents not reached, respondents not able to be interviewed because of being drunk, etc.
Source: EI Group, 2012.

In general, the biggest problem experienced during the fieldwork was reaching the target population. There were several reasons for this: young people in employment were difficult to reach in their homes during the day; non-active youths, especially women, were sometimes barred from responding to the questionnaire by other family members; and bearing in mind the pervasiveness of labour migration in Kyrgyzstan, a large number of young people may have been out of the country at the time the interviews were conducted. Finally, because of the size and complexity of the questionnaire, intensive and constant supervision was required (EI Group, 2012).

Basic sample description

The sample comprised 2 100 respondents between the ages of 15 and 29, who had left education for the first time between three and 72 months prior to the interview (38 months on average).

In order to carry out a basic evaluation of the data quality, some selected socio-demographic variables were compared with the 2009 census data, for example the regional distribution of the respondents and the rural/urban divide, followed by the gender and educational attainment distribution of the sample.

First, the regional distribution of respondents corresponded exactly with the 2009 census data for the target age group, the highest percentages being found in the regions of Osh, Jalal-Abad and in Bishkek (see **TABLE 2.2**).

⁶ This adjustment was agreed on after the implementation of the pilot study, as the interviewers had experienced difficulties in reaching the eligible respondents.

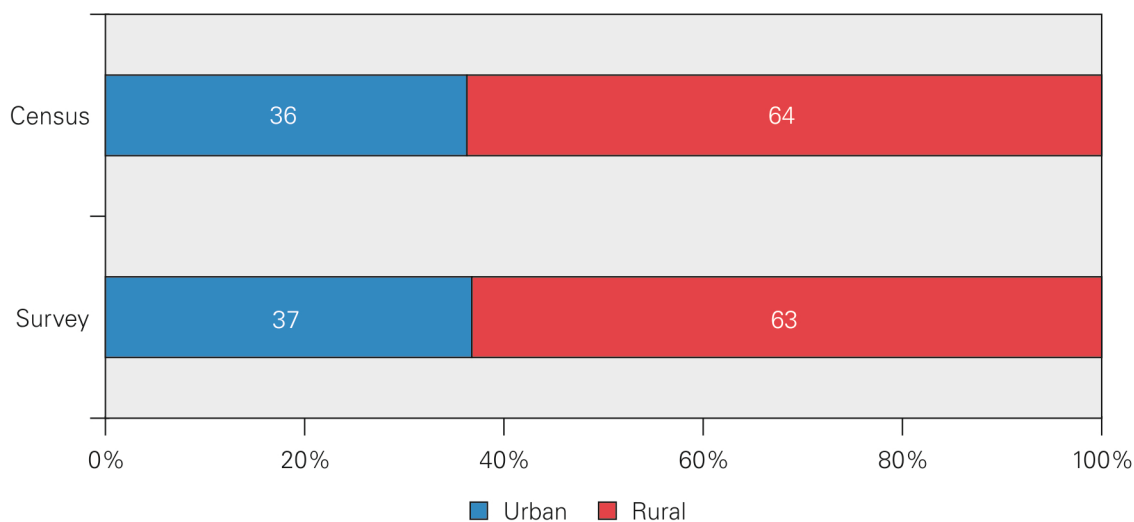
TABLE 2.2 DISTRIBUTION OF YOUNG PEOPLE (15–29) BY REGION

| Region (oblast) | Distribution of respondents (%) | Number of interviews |
|-------------------|---------------------------------|----------------------|
| Bishkek City | 17 | 359 |
| Chui oblast | 14 | 290 |
| Issyk-Kul oblast | 7 | 156 |
| Talas oblast | 4 | 81 |
| Naryn oblast | 4 | 89 |
| Osh City | 6 | 119 |
| Osh oblast | 21 | 433 |
| Jalal-Abad oblast | 19 | 400 |
| Batken oblast | 8 | 173 |
| Kyrgyzstan | 100 | 2 100 |

Note: Data unweighted.

Sources: ETF Transition Study in Kyrgyzstan 2011/12, own calculations; and National Statistical Committee, 2010a.

Second, with respect to the rural/urban divide, the percentages of respondents living in urban and rural areas were 37% and 63% respectively. This corresponds to the 2009 census data, where almost two-thirds of the population aged 15 to 29 lived in rural areas as opposed to one-third of the young population who lived in urban areas (see **FIGURE 2.1**).

FIGURE 2.1 DISTRIBUTION OF YOUNG PEOPLE (15–29) BY URBAN/RURAL DIVIDE (%)

Note: Data unweighted.

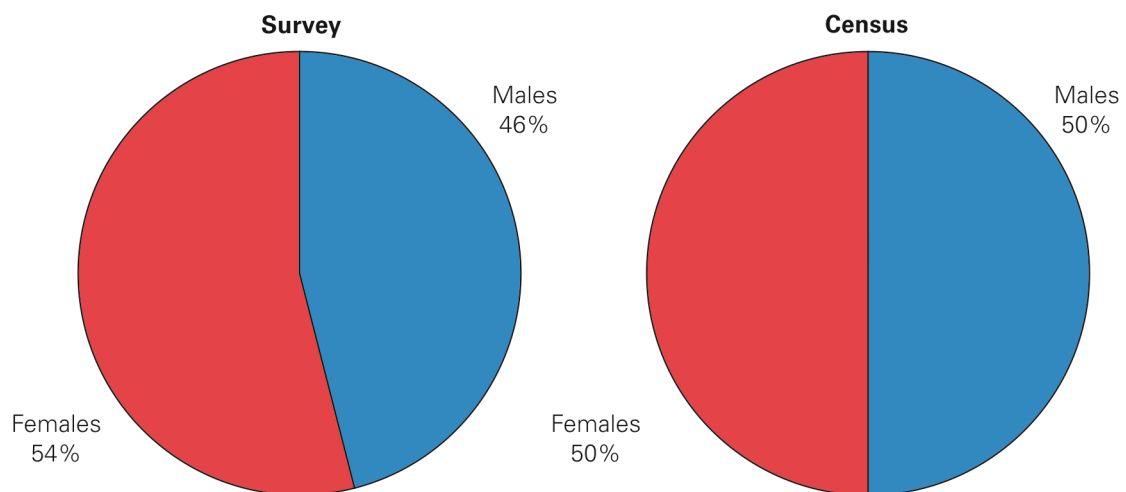
Source: ETF Transition Study in Kyrgyzstan 2011/12, own calculations; and National Statistical Committee, 2010a.

A slight over-representation of women can be detected in the sample, with 54% female respondents and 46% male. Based on the census data, we would expect an equal distribution (see **FIGURE 2.2**). A possible explanation for this could be a higher internal/external migration of males.

With respect to educational attainment (see **FIGURE 2.3**), according to the 2009 census data, 27% of the population aged 15–29 had a low education level (i.e. basic education and below, ISCED 0–2); 55% of the target age group had a medium education level (i.e. secondary general and primary professional education, ISCED 3–4); and 18% of the target age group had a high education level (i.e. (in)complete higher education and post-secondary

professional education, ISCED 5 and higher). From the sample data, we can see that there is an over-representation of respondents with a high level of education. In contrast, the respondents with a low level of education are underrepresented to a certain extent. This is caused mainly by the fact that the aim of the survey was not only to target a specific age group, but also people who have finished education in the last six years, i.e. a subgroup of this age group. Thus, a large share of 15–29 year-olds (e.g. those in education or training aiming to continue with their studies, or those having left education more than six years prior to the interview) was not included in the survey. A comparison of the cross-sectional census data with the survey data therefore must take the specific definition of the survey target group into account.

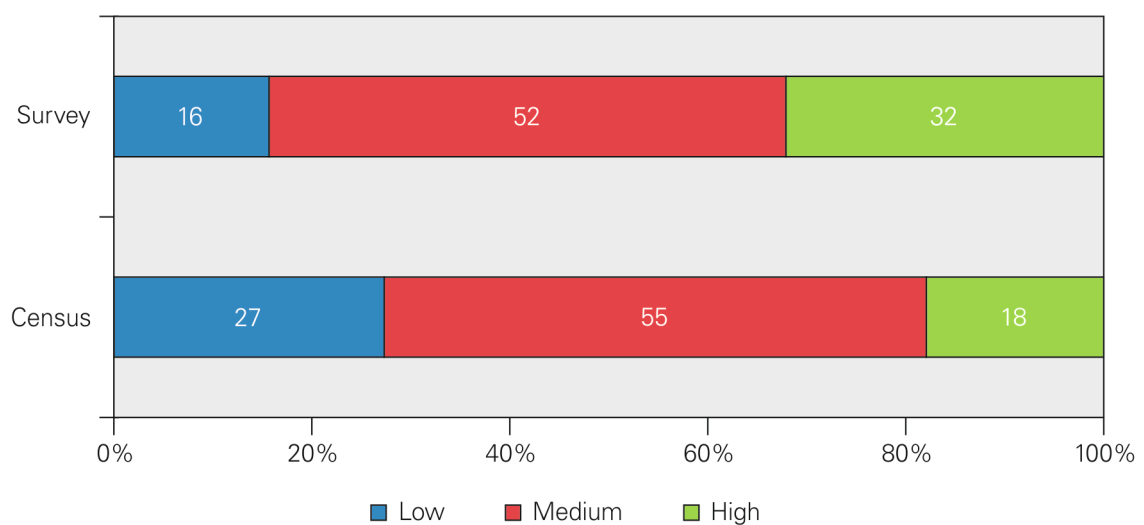
FIGURE 2.2 DISTRIBUTION OF YOUNG PEOPLE (15–29) BY GENDER (%)



Note: Data unweighted.

Source: ETF Transition Study in Kyrgyzstan 2011/12, own calculations; and National Statistical Committee, 2010a.

FIGURE 2.3 DISTRIBUTION OF YOUNG PEOPLE (15–29) BY EDUCATIONAL ATTAINMENT (%)



Notes: Data unweighted. Low education level refers to basic education and lower; medium education level covers initial professional education and secondary general education; high education level covers (in)complete higher education and post-secondary professional education. Moreover, the calculation using the survey data referred to the education level when leaving education for the first time, taking into account additional training, if relevant. In cases of non-completed education, the next lower level of education was assumed (if no further training had been declared).

Source: ETF Transition Study in Kyrgyzstan 2011/12, own calculations; and National Statistical Committee, 2010a.

Overall, the selected sample design ensures the representativeness of the sample with regard to the target group. However, despite the close match between the selected socio-demographic characteristics of the sample and the 2009 census data, it is important to note that the study's findings are not completely transferrable to the population as a whole, as only people who had left education were included in the sample (unlike the census data, which provides cross-sectional information on the whole age group). Since some sections of the 15–29 year-old population did not qualify for inclusion in the sample, any comparison with existing statistics should be viewed with caution.

3. EDUCATIONAL ATTAINMENT AND ENTERING THE LABOUR MARKET⁷

3.1 EDUCATIONAL ATTAINMENT WHEN LEAVING EDUCATION FOR THE FIRST TIME

We start by looking at the educational attainment of young Kyrgyz people on first leaving school. Education is one of the main resources available to young people entering the labour market that could help them to secure employment and fulfil their occupational aspirations. **TABLE 3.1** shows the distribution of education levels among all school leavers as well as the average age of leaving education for each education group. The percentage of young people who left the education system for the first time by graduating was 86%; the rest dropped out. This group of non-graduates were assigned an education level of one level lower⁸. We did not know if such students came from general secondary or vocational secondary schools. As second level education is mainly delivered by general secondary schools, we assigned general secondary education to all university dropouts. One sixth of Kyrgyz youth leave the education system for the first time without basic or basic general education. These students are on average slightly less than 16 years old when leaving education. A substantial proportion of youth attained secondary general education (48%). As mentioned before, this group also includes dropouts from universities. The dominance of general curricular orientation among secondary programmes is visible among school leavers who completed secondary education: only 4% graduate from a vocational track. Their average graduation age is around 19 years old. A large proportion of Kyrgyz youths leave the education system with tertiary qualifications. Out of all the school leavers surveyed, 8% had attained post-secondary vocational education and 23% had graduated from university. Due to the longer duration of the latter programmes, the average age of university graduates is higher (22.2 years old) compared to graduates from post-secondary vocational schools (19.7 years old).

Table 3.1 also illustrates the differences in educational attainment among school leavers according to their gender and the urban–rural divide. Women tend to have higher qualifications when leaving education for the first time. Their advantage is more visible at the level of primary and basic education, with 18% of young men leaving school with only basic or even without basic education, while the corresponding share for young women is 15%. Clear gender differences are also seen in general secondary education: the proportions of school leavers who graduated at this level were 51% of female school leavers and 46% of male school leavers. There are no significant gender differences at initial vocational, post-secondary vocational and higher education levels. However, in terms of educational attainment, differences between the urban and rural population are more marked than gender differences. While the share of school leavers with general secondary education is higher in rural areas, the share of youths with post-secondary qualifications is substantially higher in urban areas. Interestingly, there are no differences between urban and rural youths at lower levels of education.

3.2 SOCIAL SELECTIVITY OF EDUCATIONAL ATTAINMENT

Next, we look at educational mobility – comparing the educational attainment of the parents with that of the sampled school leavers (referring to the highest education level completed). **FIGURE 3.1** presents the social selectivity of educational attainment. On the left hand side, the level of parental educational attainment is shown. Educational background is measured by the highest completed education level: if the father has a higher education level, then his is the level recorded; if the mother has a higher educational attainment, then the mother’s education level is used. There is a close association between school leavers’ education level and their parental educational background. As in many other countries, there is a typical pattern of social inheritance of educational advantages: youths whose parents had a higher education level have a greater chance of attaining higher education degrees compared to youths with less educated parents. Students with parents who have initial vocational education have a high chance of attaining an educational degree similar to that of their parents. School leavers whose mother or father attained primary or basic education have a high risk of belonging to the lowest educational group. This means that young people whose parents lack even a basic education themselves have limited opportunities to escape from this cycle. However, some young people with more educated parents do fall into the category of only attaining basic education.

⁷ The results refer to valid percentages only, excluding missing responses ('no answer'/'refuse to answer'). The percentage of missing responses is reported under each table or figure and is calculated as based on the unweighted sample.

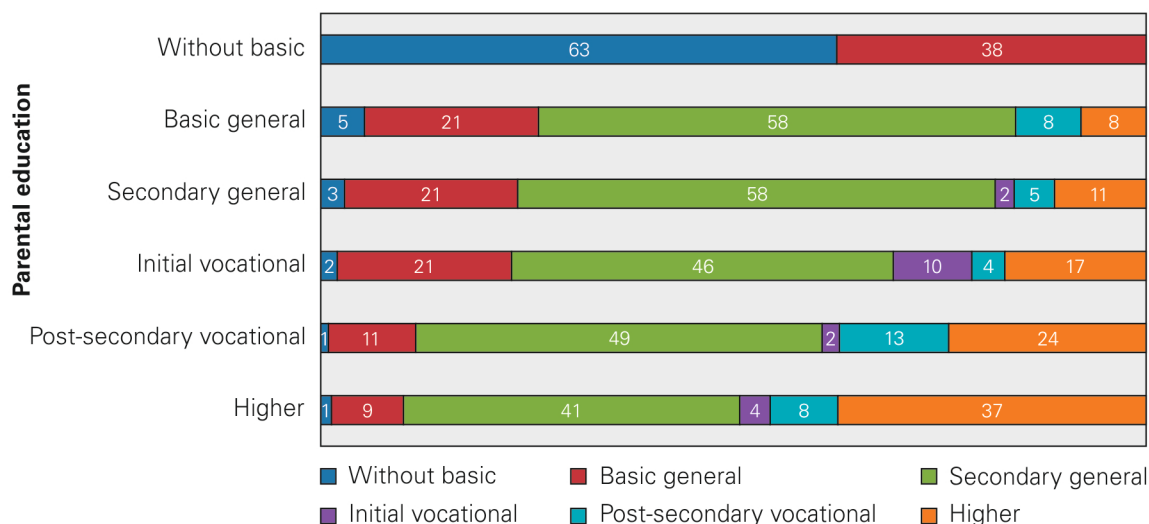
⁸ When referring to the education level in the report, the last completed level of education when leaving education was always taken into account (except for Table 3.2). Thus, in case of dropouts, an education level one lower was assigned.

TABLE 3.1 EDUCATIONAL ATTAINMENT (COMPLETED) OF SCHOOL LEAVERS*

| | Number of observations (unweighted) | % | Average age when leaving education | Men % | Women % | Urban % | Rural % |
|--|-------------------------------------|------------|------------------------------------|------------|------------|------------|------------|
| Without basic (below ISCED 2A) | 47 | 2 | 14.8 | 2 | 2 | 3 | 2 |
| Basic general (ISCED 2A) | 305 | 15 | 15.5 | 16 | 13 | 14 | 15 |
| Secondary general (ISCED 3A) | 1 022 | 48 | 17.6 | 46 | 51 | 43 | 52 |
| Primary/initial vocational (ISCED 3C, 4) | 75 | 4 | 18.5 | 5 | 3 | 4 | 3 |
| Post-secondary vocational (ISCED 5B) | 167 | 8 | 19.7 | 8 | 8 | 10 | 7 |
| Higher (ISCED 5A) | 484 | 23 | 22.2 | 23 | 23 | 27 | 21 |
| Total | 2 100 | 100 | 18.5 | 100 | 100 | 100 | 100 |

Note: (*) When leaving education for the first time.

Source: ETF Transition Study in Kyrgyzstan 2011/12, own calculations.

FIGURE 3.1 SOCIAL SELECTIVITY OF EDUCATIONAL ATTAINMENT (%)

Source: ETF Transition Study in Kyrgyzstan 2011/12, own calculations.

Thus, it seems that higher education is not necessarily affordable or desirable for all children coming from highly educated families.

TABLE 3.2 presents the proportion of young people making payments (tuition fees or other) at different levels of education, as well as showing the mean and median sums paid annually. The proportion of students making payments is lowest at the basic general level (2%), followed by general secondary level, where this share is 7%. More than half of all young people studying at post-secondary education are paying for their courses (53% at post-secondary vocational education and 66% at higher education). The mean sum paid for a year is quite small at basic education level but increases substantially for initial vocational and general secondary education (although it should be noted that only 7% of students paid tuition fees at secondary general education). Students studying at post-secondary vocational education are paying annually on average KGS 9 305, and at higher education KGS 12 892.

The high proportion of students having to pay fees and the high level of fees at post-secondary level may mean that youth from less wealthy families have more limited access to these educational institutions. Another possible consequence of the fee-based approach in post-secondary education may be a low graduation rate and a high dropout rate. Compared to a national mean monthly salary of KGS 8 612, families' investment for education is quite high, and, particularly for single-earner families with more than one child, seeing their children through fee-based education might be not affordable.

TABLE 3.2 PAYMENTS MADE BY EDUCATION LEVEL (LAST LEVEL ATTENDED)

| | % | Sum paid for a year (including only those who have paid tuition fees) | | | |
|----------------------------|-----------|--|------------|---------------|------------|
| | | Mean | | Median | |
| | | KGS | EUR | KGS | EUR |
| Basic general | 2 | 4 470 | 74 | 1 685 | 28 |
| Secondary general | 7 | 8 192 | 137 | 6 000 | 100 |
| Primary/initial vocational | 30 | 5 895 | 98 | 7 000 | 117 |
| Post-secondary vocational | 53 | 9 305 | 155 | 8 750 | 146 |
| Higher | 66 | 12 892 | 215 | 12 000 | 200 |
| Total | 30 | 11 473 | 191 | 10 000 | 167 |

Note: Missing data (the amount of tuition fee paid) below 4% except for secondary general education (8%) and basic general education (14%).
Source: ETF Transition Study in Kyrgyzstan 2011/12, own calculations.

3.3 DROPPING OUT OF SCHOOL

The ETF (2009) and the OECD (2010) point to a high dropout rate among secondary vocational education and higher education students. However, as no comparable figures are available and the problem has not been systematically tracked, it is not possible to plot the trends in this area (whether these figures are decreasing or not), or pinpoint the reasons for students dropping out. According to this survey, 14% of students dropped out rather than graduated from educational institutions at all levels, though the highest dropout rates are from universities, as compared to basic general and secondary general education (**TABLE 3.3**). Interestingly, the overall risk of dropping out is the same for boys and girls, with no significant gender differences seen at the different education levels.

TABLE 3.3 LEAVING EDUCATION WITHOUT A DIPLOMA OR CERTIFICATE (DROPOUTS) BY GENDER (%)

| | Male | Female | Total | Dropout rate | Confidence interval 95%, low-high |
|--|------------|------------|------------|--------------|--------------------------------------|
| Basic general (ISCED 2A) | 16 | 16 | 16 | 16 | 12–20 |
| Secondary general (ISCED 3A) | 12 | 14 | 13 | 4 | 3–5 |
| Initial VET (ISCED 3C) | 4 | 1 | 3 | 24 | 10–38 |
| Initial VET (ISCED 4) | 1 | 3 | 2 | 11 | 3–19 |
| Post-secondary VET (ISCED 5B) | 8 | 10 | 9 | 14 | 9–19 |
| Higher education (ISCED 5A) and post-graduate (ISCED 6) | 58 | 56 | 57 | 25 | 22–28 |
| Total | 100 | 100 | 100 | 14 | 13–15 |
| Dropout rate | 14 | 14 | 14 | | |

Note: The table refers only to those who left education for the first time without graduation (N=291).
Source: ETF Transition Study in Kyrgyzstan 2011/12, own calculations.

In the survey, young people who did not complete their last education level were asked to give the main reason for this (**TABLE 3.4**). A substantial proportion of dropouts at basic secondary education cited causes related to the school system: 35% of dropouts said that studying was uninteresting, and 11% thought that they could not succeed in education. In contrast, dropouts from post-secondary tracks more often highlighted work-related reasons. For example, 39% of all university dropouts indicated that they needed to work, with an additional 30% stating that they wanted to work. For women, marriage was also an important reason for dropping out.

TABLE 3.4 MOST IMPORTANT REASONS FOR DROPPING OUT BY EDUCATION LEVEL*

| Basic general | | Secondary education (general/VET) | | Post-secondary vocational | | Higher (ISCED 5–6) | |
|----------------------------|----|-----------------------------------|----|---------------------------|----|--------------------|----|
| Reason | % | Reason | % | Reason | % | Reason | % |
| Studying was uninteresting | 35 | Needed work | 31 | Wanted work | 28 | Needed work | 39 |
| Needed work | 19 | Wanted work | 24 | Needed work | 27 | Wanted work | 30 |
| Wanted work | 13 | Studying was uninteresting | 12 | Marriage | 23 | Marriage | 15 |

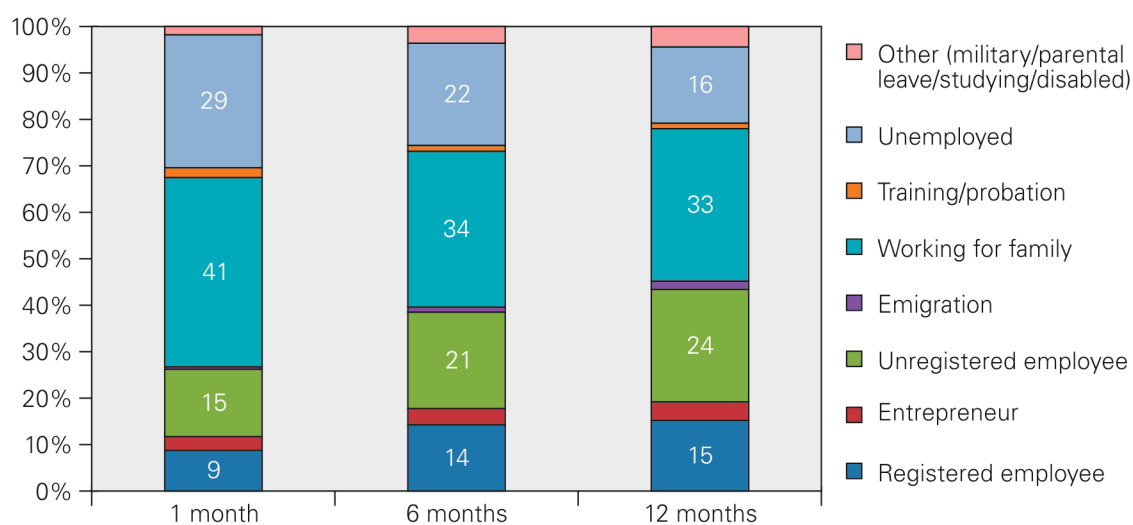
Notes: (*) Multiple answers. The table refers only to those who left education for the first time without graduation (N=291); missing data below 6%.

Source: ETF Transition Study in Kyrgyzstan 2011/12, own calculations.

3.4 AGGREGATE ACTIVITY DYNAMICS AFTER LEAVING EDUCATION

School leavers were asked about their status (unemployed, working for family, working with or without contract, military service, etc.) for each month after leaving school. Thus, we have information about those who graduated in 2006 for 60 months. This offers a very rich database with which to analyse the activity dynamics of school leavers. Firstly, we look at the first year after graduation (**FIGURE 3.2**).

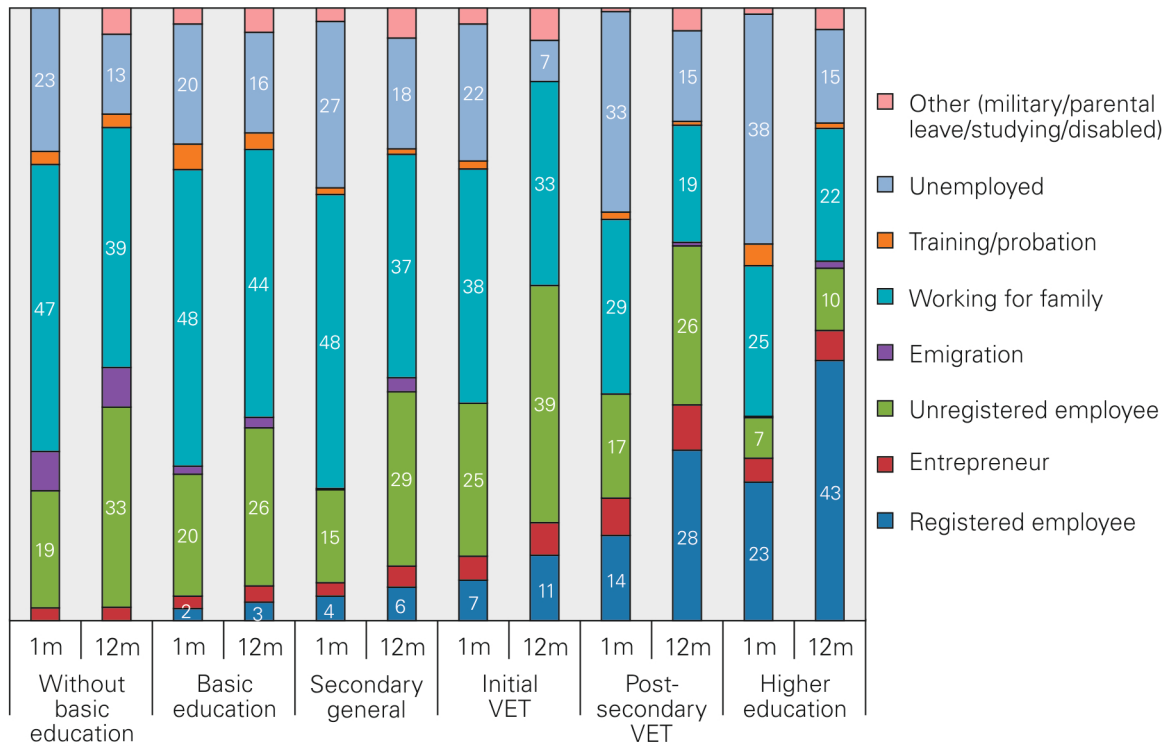
FIGURE 3.2 WHAT YOUNG PEOPLE DO AFTER LEAVING SCHOOL? ACTIVITY STATUS DURING THE FIRST YEAR (%)



Source: ETF Transition Study in Kyrgyzstan 2011/12, own calculations.

It is striking how few school leavers report that they are simply inactive, neither working nor seeking work, which is a growing issue in the European Union among youth who have left education. Almost all (98%) state that they are engaged in some kind of work or have been looking for a job right after leaving school (one month). What kind of work do they do? Firstly, most young people are working within the family context – four from out of ten after leaving school. If asked what they do, the majority of respondents cite taking responsibility for general household organisation. In rural areas, working within the family context is to a large extent connected with agricultural activities like taking care of livestock and crops. A considerable part of the household work for females also includes taking care of children and the elderly. Even after a year, one-third of school leavers are still working within the family context. Of course, there is also a significant proportion of school leavers who work outside the family. After one month only about a quarter of school leavers are working outside the family, but by the end of the first year almost half of the respondents have some type of paid work outside of the household. Work outside the family is divided into two main types: working as registered (15%) or unregistered employees (24%)⁹. In addition, a small number of respondents (4%) became entrepreneurs and 2% had emigrated in pursuit of work within a year after leaving school. It is noticeable that there are more informal than formal jobs. A considerable proportion of young people (29%) are unemployed¹⁰ immediately after leaving school. After 12 months the share of unemployed school leavers had decreased by half to 16%.

FIGURE 3.3 WHAT YOUNG PEOPLE DO AFTER LEAVING SCHOOL? ACTIVITY STATUS AFTER 1ST AND 12TH MONTHS BY EDUCATIONAL ATTAINMENT* (%)



Note: (*) Last completed education level.
Source: ETF Transition Study in Kyrgyzstan 2011/12, own calculations.

Next, we look at how school-to-work transitions vary by different groups. Education is considered a crucial resource which differentiates youth labour market options. School leavers with different educational trajectories face also very different trajectories in the Kyrgyz labour market (FIGURE 3.3).

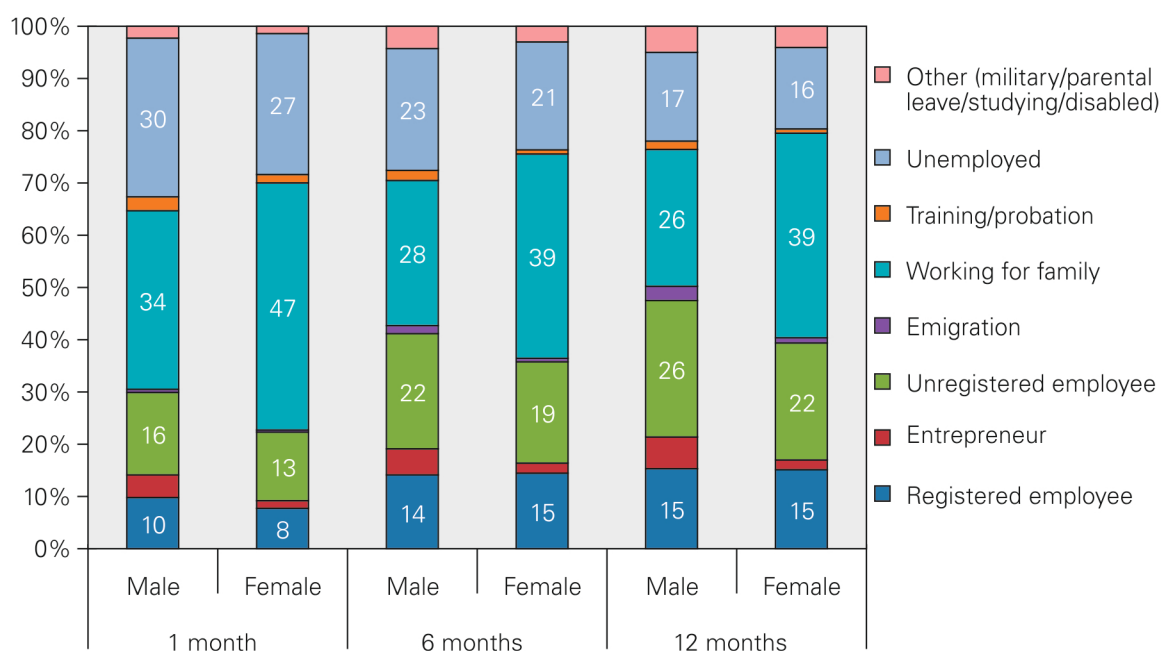
⁹ The category of unregistered employees comprises those who are not registered with the tax authorities, those who are working without a contract and the contracted self-employed (those self-employed who work exclusively for one company but are not employed by it).
¹⁰ The ILO definition of unemployment was used, i.e. those who declared themselves unemployed were: (a) out of work (i.e. not in paid employment or self-employment); (b) currently available for work and ready to take up work within two weeks; and (c) seeking work, and had been for at least four weeks.

Young people with limited educational resources have almost no chance of finding a formal job. One month after leaving school almost half of those without a basic education are working within the family, one-quarter are looking for a job, and one-fifth are working informally. After one year, more young people have found a job outside the family – one in three is working as an informal employee – and fewer people are looking for a job (13%). However, even after one year, those engaged in household work still form the largest single group (39%). The transition to work for young people with basic or general education does not significantly differ from the least educated group when looking at their overall employment patterns. Surprisingly, the main difference is that young people with basic or general secondary are more likely to be looking for a job one year after leaving school.

The more educated young people are, the more likely they are to find a formal job, and those with higher education are particularly successful in finding formal work, with 47% working as employees or entrepreneurs a year after graduation. Compared to other educational groups, only very few – one in ten tertiary graduates – are working without a contract. People with more than secondary education are unlikely to move abroad for work, according to our study.

Interestingly, rates of unemployment are not so clearly connected to educational resources. Unemployment rates are lower for those with low and medium educational attainment than for those with higher educational attainment. One explanation could be that the less educated more frequently consider working for the family and do not even start to look for a job. Tertiary and post-secondary graduates have the highest shares of those looking actively for work, and almost half of them have managed to find employment within five months of leaving education. However, six months after graduation, one in five post-secondary vocational or university graduates is still looking for a job.

FIGURE 3.4 WHAT YOUNG PEOPLE DO AFTER LEAVING SCHOOL? ACTIVITY STATUS DURING FIRST YEAR BY GENDER (%)

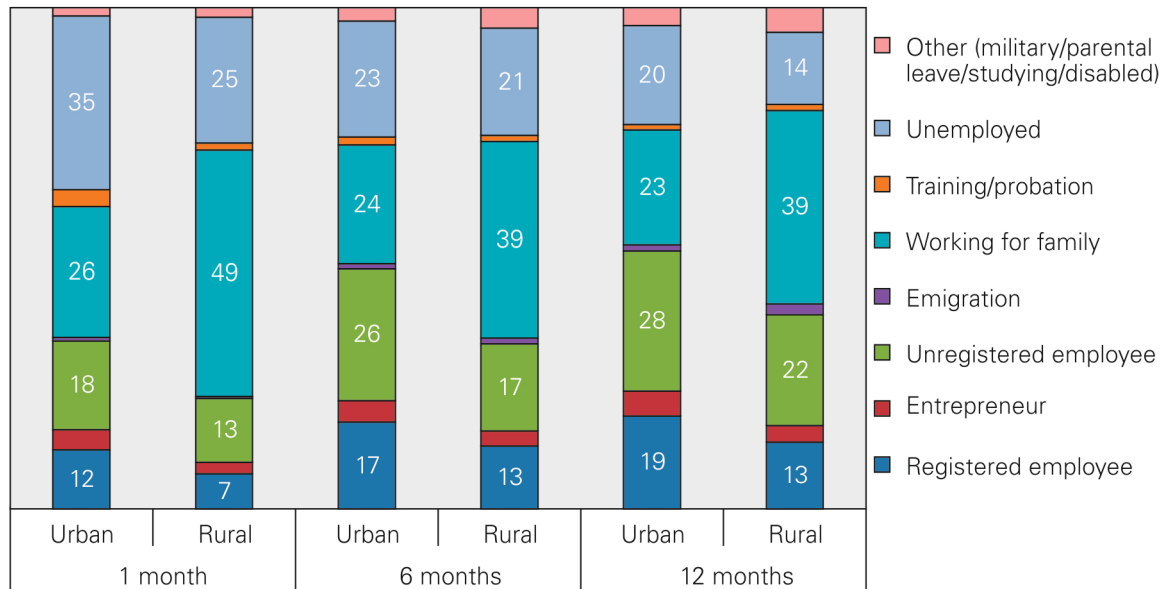


Source: ETF Transition Study in Kyrgyzstan 2011/12, own calculations.

Does the experience of transition from school to work vary according to gender? If we compare unemployed versus all other statuses involving some kind of work (either inside or outside the household), there are no clear gender differences. Every third school leaver looks for a job after school and almost half of them find employment during the first year, irrespective of gender. However, men are more likely to take up either registered or unregistered work or even emigrate. Young women are considerably more engaged in household work than males (**FIGURE 3.4**).

In **FIGURE 3.5**, we see how transition patterns differ by location. It appears that the urban–rural divide is a crucial issue in Kyrgyzstan. In urban areas, even immediately after leaving school, young people are more likely to work outside of the home or to look for a job than to work within the family. Among rural youths, in contrast, the most common activity after leaving school is working within the household.

FIGURE 3.5 WHAT YOUNG PEOPLE DO AFTER LEAVING SCHOOL? ACTIVITY STATUS AFTER 1ST, 6TH AND 12TH MONTHS BY TYPE OF SETTLEMENT (%)



Note: Place of residence during the interview.

Source: ETF Transition Study in Kyrgyzstan 2011/12, own calculations.

People in urban areas are more frequently unemployed. One-third of urban and a quarter of rural youths are looking for a job one month after leaving school. After one year the share of unemployment among school leavers decreases in urban areas, but still remains higher than in rural areas (20% vs. 14%). People are also more likely to work outside of families in cities. The share of both registered and unregistered work is larger in urban areas than in rural ones.

3.5 INDIVIDUAL-LEVEL DYNAMICS OF FINDING A FIRST JOB

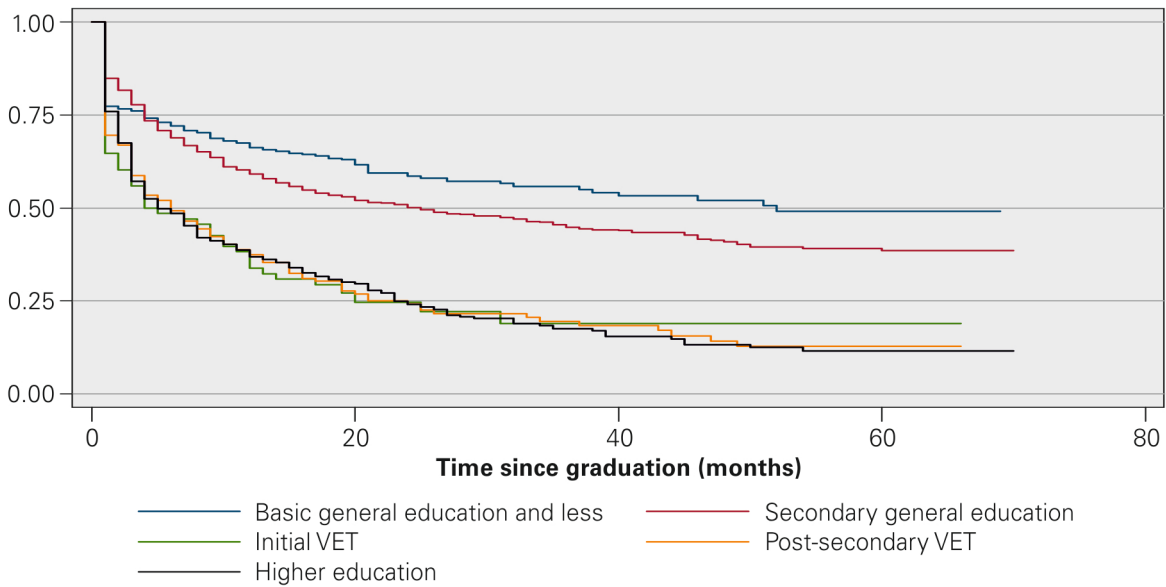
We now look in greater detail at the individual transition dynamics: How quickly are young people able to secure their first job? How the speed of job entry differs by education, gender and location is shown graphically. The graphs below show the time in months until young people find their first job. Using detailed monthly individual data on the dates for leaving school and entering a first job, we can determine the length of the job search. Although, in general, it is not possible to guarantee that this time is actually spent in searching for work, and to what extent. During this time, young people could also be engaged in housework or training. However, the data are illustrative of how many school leavers found a job position after leaving school. For those who had not yet found a job at the time of the interview, the transition duration is right-censored¹¹. A so-called survival analysis¹² is applied as a standard tool for a descriptive analysis of right-censored duration data. Originally, this method was used in biology to calculate the probability that the organisms being studied will be alive or dead after a certain time period. The technique is used here to calculate a very important statistic for young people: the probability of Kyrgyz youth to enter a permanent job for each month over an almost six-year time span after leaving school.

We begin by looking at the time required for young people with different educational degrees to settle into their first job, using the Kaplan-Meier survival analysis. Results are shown in **FIGURE 3.6**. The conditional probability of finding a first job decreases with time, that is, there is negative duration dependence. The longer people are out of education, the harder it is for them to find a job. In other words, the longer the period of unemployment, the lower the probability of finding a job becomes. Moreover, the survivor functions for people with higher levels of education decline more steeply, which means that they find a job sooner than those with lower levels of education, such as basic and secondary general education. At the secondary level, people from vocational schools are as likely as tertiary graduates to enter a job, while people with secondary general education face considerably poorer chances of entering the labour market.

¹¹ Right-censoring means that for those people who have not found a job we do not know how much longer it will take them to do so. For example, if someone had left education six months before the interview and had not yet found a job, the job search duration is not six months but longer.

¹² We use life tables for survival analysis. The basic idea of the life table is to subdivide the period of observation into smaller time intervals. For each interval, data concerning everyone who has been observed for at least that long are used to calculate the probability of a terminal event occurring in that interval. The probabilities estimated from each of the intervals are then used to estimate the overall probability of the event occurring at different time points.

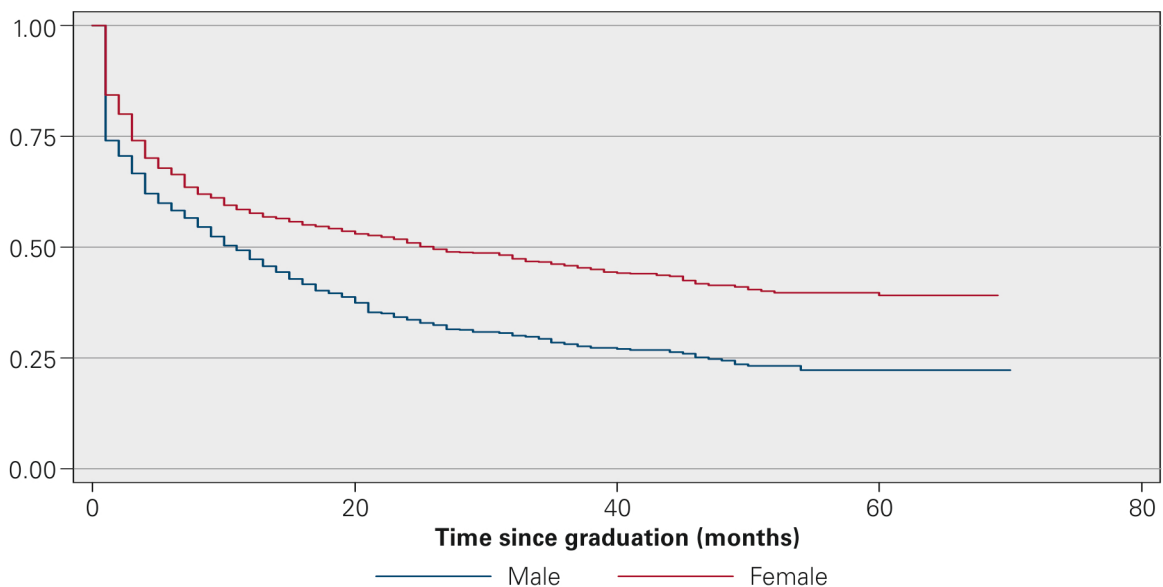
FIGURE 3.6 SURVIVOR FUNCTION OF JOB ENTRY BY EDUCATION LEVEL



Source: ETF Transition Study in Kyrgyzstan 2011/12, own calculations.

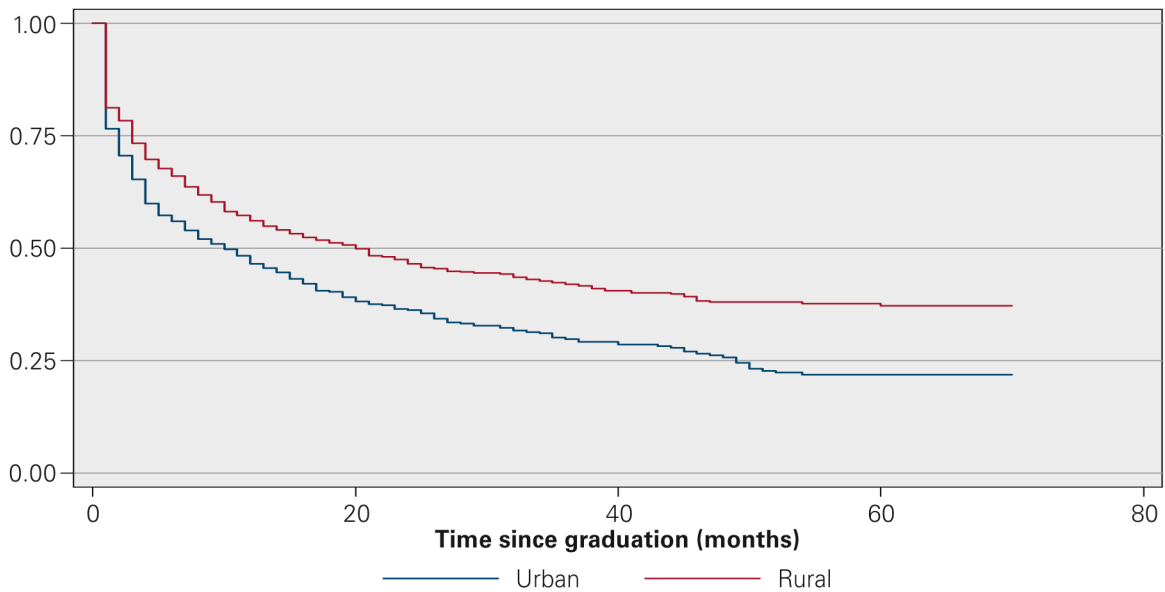
Secondly, we look at how the job entry speed differs by gender (see **FIGURE 3.7**). We see that it takes women longer to find employment, and overall they have a smaller share of employment. Thus, men take less time to enter the workforce and are more likely to obtain employment than women.

FIGURE 3.7 SURVIVOR FUNCTION OF JOB ENTRY BY GENDER



Source: ETF Transition Study in Kyrgyzstan 2011/12, own calculations.

Thirdly, we look at how job speed entry differs by type of settlement (**FIGURE 3.8**). Urban youth need considerably less time to enter the labour market and are generally more likely to find a first job after leaving school than young people from rural areas.

FIGURE 3.8 SURVIVOR FUNCTION OF JOB ENTRY BY SETTLEMENT

Source: ETF Transition Study in Kyrgyzstan 2011/12, own calculations.

3.6 THE TRANSITION TO A FIRST JOB

To summarise the transition from school to work among Kyrgyz youth, we present an overview of employment rates among young people during the maximum period of analysis of almost six years after leaving school (see **TABLE 3.5**). As already mentioned, the category of first significant job is defined as one that lasts for at least six months and comprises at least 20 hours a week. All other types of paid employment are classified under 'non-significant job'.

In general, it can be seen that if people succeed in finding employment, then this is usually a long-term commitment, rather than a series of short-term jobs. On average, it took the respondents 6.9 months to find a first job¹³ and 7.1 months to find their first significant job after leaving education for the first time.

Employment success is clearly connected to educational resources: the higher the level of education young people attained, the more likely they were to find a job. While only slightly more than one-third of those with less than basic education found significant employment, around three-quarters of post-secondary and tertiary graduates did so. At the secondary level, young people from vocational schools were as likely as tertiary graduate to find a job, while those with a general secondary education had a considerably reduced chance of entering the labour market.

To sum up, those young people most likely to find a significant job after leaving education are males with higher or post-secondary education living in urban areas.

¹³ For those people whose first (significant) job after leaving education was identical to their first significant job started prior to leaving education, the length of job search was considered to be 0.

TABLE 3.5 SHARE OF PEOPLE WHO FOUND A (SIGNIFICANT) EMPLOYMENT AFTER LEAVING SCHOOL AT ANY POINT WITHIN SIX YEARS

| | Significant job (%) [*] | Non-significant job (%) [†] | No job (%) | Number of cases (unweighted) |
|----------------------------|----------------------------------|--------------------------------------|------------|------------------------------|
| Education | | | | |
| Without basic general | 36 | 4 | 60 | 47 |
| Basic general | 44 | 5 | 50 | 305 |
| Secondary general | 56 | 3 | 40 | 1 022 |
| Primary/initial vocational | 73 | 5 | 22 | 75 |
| Post-secondary vocational | 78 | 5 | 17 | 167 |
| Higher | 76 | 6 | 18 | 484 |
| Gender | | | | |
| Male | 68 | 4 | 27 | 972 |
| Female | 54 | 4 | 42 | 1 128 |
| Location | | | | |
| Rural | 56 | 4 | 40 | 1 328 |
| Urban | 69 | 6 | 25 | 772 |

Notes: (*) Jobs which last for at least six months and comprise at least 20 hours per week. (†) Casual and short-term jobs, with a duration of less than six months and comprising less than 20 hours per week.

Source: ETF Transition Study in Kyrgyzstan 2011/12, own calculations.

4. CHARACTERISTICS OF THE FIRST JOB

In the previous chapter, we analysed differences in the speed of finding a first job and in the status of such employment at one month, six months and one year after leaving education. In the following sections, we examine in detail the quality of the first job found. The analysis is restricted to those people who actually found a first job during our observation window. Specifically, we address the first employment status (Section 4.1), the employment characteristics of the first job (Section 4.2), the methods of finding a first job (Section 4.3), the entry-level wages in the first job (Section 4.4), the incidence of education mismatches in the first job (Section 4.5), and opportunities for accessing training and regular education after having left continuous education for the first time (Section 4.6).

4.1 EMPLOYMENT STATUS¹⁴

TABLE 4.1 summarises the status of the first employment by socio-demographic groups. Overall, it is noticeable that a large proportion of young people enter the labour market via unregistered jobs. This is in line with official Kyrgyz data showing the substantial size of the informal economy in Kyrgyzstan (see Chapter 1). Only a third of Kyrgyz school leavers obtain a registered job on entry into the labour market, whereas more than two-fifths of all school leavers enter unregistered employment. Clear gender differences are apparent. The share of women entering registered employment is considerably higher than the share of men, whereas the share of entrepreneurs and family workers among young men is 1.5 times higher than young women. A relatively large proportion of young people are engaged in family work. The rural–urban divide is also important. While the share of both registered and unregistered employees is higher in urban areas, the share of family workers is substantially higher in rural areas.

TABLE 4.1 STATUS OF FIRST EMPLOYMENT (%)

| | Total | Men | Women | Urban | Rural |
|--|------------|------------|------------|------------|------------|
| Registered employee | 32 | 27 | 37 | 34 | 30 |
| Unregistered employee/without contract | 43 | 43 | 43 | 45 | 42 |
| Seasonal/temporary worker | 5 | 6 | 5 | 4 | 6 |
| Entrepreneur | 7 | 9 | 5 | 9 | 6 |
| Family helper | 12 | 14 | 10 | 7 | 15 |
| Intern/trainee | 0 | 1 | 0 | 1 | 0 |
| Total | 100 | 100 | 100 | 100 | 100 |

*Note: The table refers only to those who have found a job after leaving education for the first time (N=1361).
Source: ETF Transition Study in Kyrgyzstan 2011/12, own calculations.*

We find a clear impact of education on the first employment status, as shown in **TABLE 4.2**. Only 11% of all school leavers with general basic education find a registered first job compared to 69% of all university graduates. In contrast, the highest percentages of those engaged in unregistered and family work are found among school leavers with less than secondary education. However, these figures are also high for general secondary education graduates. Initial as well as post-secondary vocational education seems to be worthwhile as the share of registered work among graduates of these tracks is considerably higher than for young people having general (basic or secondary) education.

4.2 EMPLOYMENT CHARACTERISTICS

TABLE 4.3 shows the distribution of young male and female labour market entrants in different economic sectors. A tenth of all school leavers start work in the agricultural sector. This is about three times less than in the working age population.

¹⁴ This section includes all respondents whose first job after leaving education was identical to the first significant job they had before leaving education.

TABLE 4.2 STATUS OF FIRST EMPLOYMENT BY EDUCATION LEVEL (LAST LEVEL COMPLETED) (%)

| | Without basic | Basic general | Initial vocational | Secondary general | Post- secondary vocational | Higher |
|--|------------------|------------------|-----------------------|----------------------|----------------------------------|------------|
| Registered employee | 0 | 11 | 25 | 12 | 40 | 69 |
| Unregistered employee/ without contract | 63 | 54 | 50 | 59 | 39 | 15 |
| Seasonal/temporary worker | 16 | 8 | 5 | 8 | 2 | 2 |
| Entrepreneur | 5 | 5 | 10 | 7 | 10 | 8 |
| Family helper | 16 | 21 | 8 | 14 | 9 | 6 |
| Intern/trainee | 0 | 1 | 2 | 0 | 0 | 0 |
| Total | 100 | 100 | 100 | 100 | 100 | 100 |
| Number of observations | 19 | 148 | 59 | 602 | 138 | 395 |

Note: The table refers only to those who have found a job after leaving education for the first time (N=1361).
Source: ETF Transition Study in Kyrgyzstan 2011/12, own calculations.

TABLE 4.3 INDUSTRIAL STRUCTURE OF FIRST EMPLOYMENT BY GENDER (%)

| Sector | Men | Women | Total |
|---|------------|------------|------------|
| Agriculture, hunting, forestry, fishing | 13 | 7 | 10 |
| Mining and quarrying | 2 | 0 | 1 |
| Manufacturing | 8 | 13 | 10 |
| Electricity, gas and water supply | 3 | 1 | 2 |
| Construction | 20 | 1 | 11 |
| Wholesale and retail trade, repair of motor vehicles, motorcycles and personal and household goods | 17 | 18 | 17 |
| Hotels and restaurants | 4 | 10 | 6 |
| Transport, storage and communication | 4 | 0 | 2 |
| Financial services | 2 | 2 | 2 |
| Real estate, renting and business activities | 2 | 2 | 2 |
| Public administration and defence; compulsory social security | 6 | 7 | 6 |
| Education | 3 | 18 | 10 |
| Health and social work | 1 | 4 | 2 |
| Other community, social and personal service activities | 14 | 17 | 15 |
| Private households with employed people | 0 | 1 | 0 |
| Other | 1 | 1 | 1 |
| Total | 100 | 100 | 100 |

Note: The table refers only to those who have found a job after leaving education for the first time (N=1361); missing data below 1%.
Source: ETF Transition Study in Kyrgyzstan 2011/12, own calculations.

This share is somewhat higher for young men (13%) than young women (7%). Interestingly, manufacturing employs more young women than young men¹⁵. However, the industry sector as a whole is predominantly male and offers almost half of all young men their first employment, with construction making up the biggest share. In contrast, women are predominantly active in education, personal and social services, and health and social work.

TABLE 4.4 illustrates the characteristics of school leavers' first jobs. Almost 30% of all school leavers found their first job in the public sector. The share is significantly higher for women than for men. Seen together with the female dominance in the fields of education and health and social work, all located in the public sector, the results is a picture of a clear gender difference in public sector employment. The data also show that access to public sector employment is mainly a privilege for those with higher levels of education. While only 6% of job entrants with general basic education find public sector employment, the share increases to 41% of post-secondary vocational education graduates. At 62%, higher education graduates have the highest public sector employment share.

TABLE 4.4 CHARACTERISTICS OF FIRST EMPLOYMENT (%)

| | Total | Men | Women |
|---------------------------------------|-------|-----|-------|
| Public sector employment | 29 | 24 | 35 |
| Firm size | | | |
| 1–2 employees | 8 | 5 | 11 |
| 3–5 employees | 13 | 16 | 9 |
| 6–9 employees | 18 | 17 | 19 |
| 10–49 employees | 45 | 47 | 43 |
| 50–249 employees | 14 | 12 | 15 |
| 250 or more employees | 3 | 4 | 3 |
| Supervisory status | 9 | 9 | 8 |
| Part-time employment | 9 | 8 | 11 |
| Type of contract | | | |
| Work contract with unlimited duration | 35 | 29 | 42 |
| Temporary with prospects | 1 | 1 | 1 |
| Temporary without prospects | 3 | 2 | 3 |
| Seasonal | 2 | 3 | 2 |
| No contract | 58 | 63 | 52 |

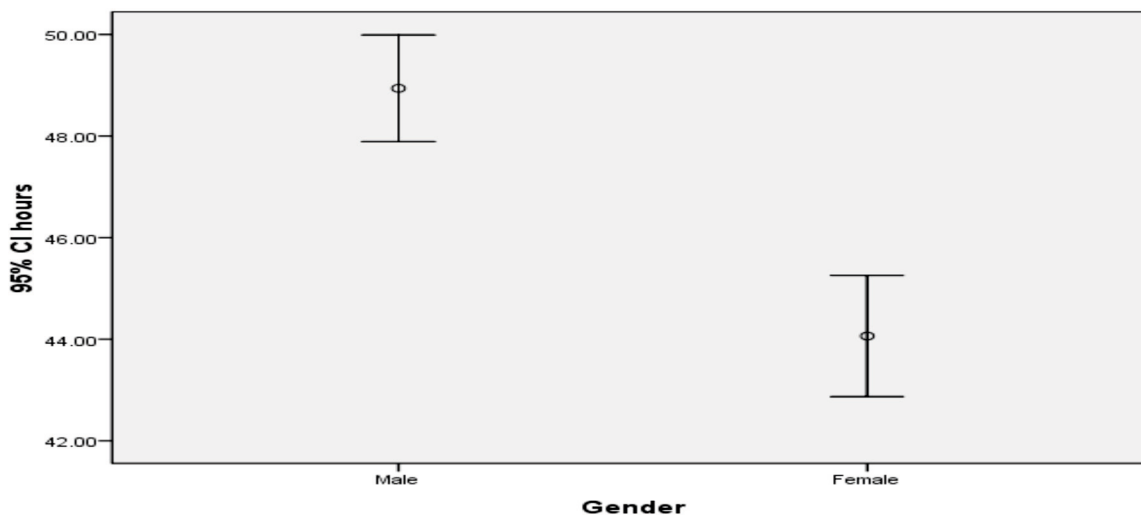
Note: The table refers only to those who have found a job after leaving education for the first time (N=1361) except for the data on public sector employment, firm size and supervisory status, where family workers and entrepreneurs are excluded (N=1105); missing data below 5%. Source: ETF Transition Study in Kyrgyzstan 2011/12, own calculations.

Regarding firm size, we find that more than a third of school leavers start their employment in small-sized enterprises of up to 10 employees. There are no gender differences. The largest share of new entrants was found in firms employing from 10 to 49 people. Employment in larger firms is less common because of the dominance of small and middle-sized businesses in the Kyrgyz economy. The proportion of those who had supervisory functions for other employees is generally small, although it is slightly higher for men (9%). The incidence of part-time employment is low: only 9% of young people were employed on a part-time basis in their first jobs. The majority of school leavers are employed without a work contract (58%), which is in line with the finding that most graduates find their first job in the informal sector.

15 This can be explained by the large number of women employed in the textile industry.

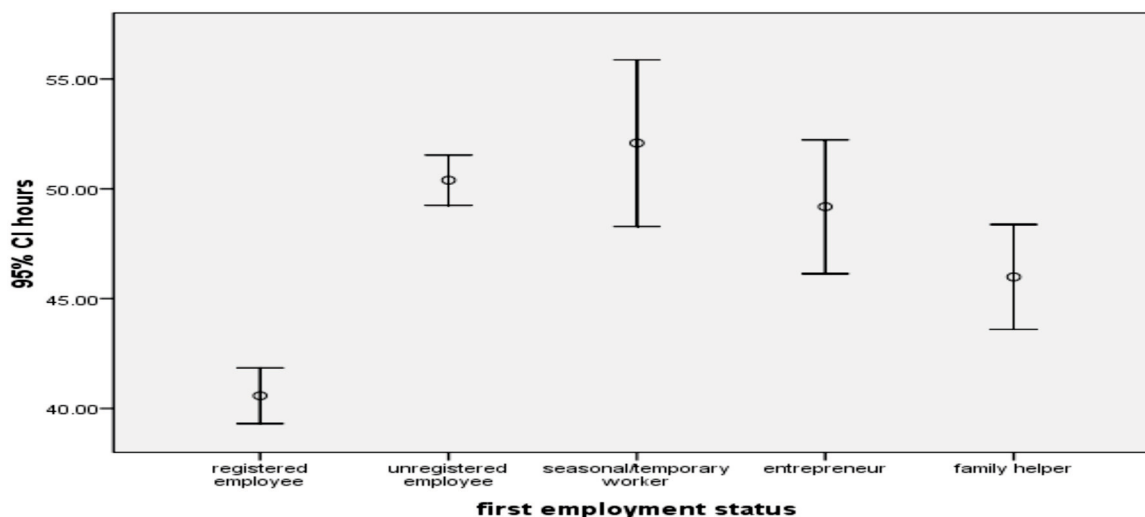
With regard to the average number of hours worked per week, young men tend to work about five hours longer than young women (see **FIGURE 4.1**). The gender comparison of part-time employment (see Table 4.4) indicates that women's shorter working hours cannot be explained by a higher incidence of part-time employment among women. **FIGURE 4.2** presents the average number of hours worked per week as well as their confidence intervals according to employment status. The average number of hours worked per week is lowest for school leavers in registered employment. Unregistered workers work, on average, almost 10 hours longer per week than registered workers. Family workers, entrepreneurs and temporary workers also tend to work longer hours than registered employees. However, large confidence intervals¹⁶ indicate a significant variance in the number of hours worked per week for these groups.

FIGURE 4.1 MEAN WORKING HOURS BY GENDER



Note: The figure refers only to those who have found a job after leaving education for the first time (N=1361); missing data below 3%.
Source: ETF Transition Study in Kyrgyzstan 2011/12, own calculations.

FIGURE 4.2 MEAN WORKING HOURS BY FIRST EMPLOYMENT STATUS



Note: The figure refers only to those who have found a job after leaving education for the first time (N=1361); missing data below 4%.
Source: ETF Transition Study in Kyrgyzstan 2011/12, own calculations.

¹⁶ A confidence interval gives an estimated range of values which is likely to include an unknown population parameter, the estimated range being calculated from a given set of sample data. [...] The width of the confidence interval gives us some idea about how uncertain we are about the unknown parameter [...] A very wide interval may indicate that more data should be collected before anything very definite can be said about the parameter' (STEPS, 1997).

4.3 METHODS OF FINDING A FIRST JOB

In this section we analyse the methods used to find a job outside the household. In our sample, 61% of young people found a significant job after leaving school – that is, a job that comprised at least 20 hours per week and lasted longer than six months (see Table 3.5). In addition, around 4% had short-term casual jobs. If we take into account the right-censoring of events¹⁷, then the conditional probability increases to above 65%. While previously we examined the dynamics of labour market entry, our aim here is to look in greater detail at the various channels used for job seeking. How did these young people find their first job?

As shown in **TABLE 4.5**, the Kyrgyz labour market relies heavily on social networks. The majority of jobs are found through a friend or relative, or by word of mouth. Personal contacts matter a great deal, while employment agencies have no significant role in helping school leavers to find work. It is also apparent that those with higher levels of educational attainment are more likely to use their own initiative when it comes to looking for a job. A comparatively large share of those with initial vocational training found a job through advertisements, although they were not used by graduates from other education levels. It is noteworthy that there are no visible differences between men and women, or between urban and rural residents, in the methods used to find a job.

TABLE 4.5 METHODS USED TO FIND A FIRST JOB*(%)

| | Total | Basic general | Initial vocational | Secondary general | Post-secondary vocational | Higher |
|--|-------|---------------|--------------------|-------------------|---------------------------|--------|
| Friend, relative, contact or word of mouth | 70 | 81 | 57 | 78 | 66 | 55 |
| Unprompted application, personal initiative | 18 | 9 | 27 | 12 | 23 | 30 |
| Start-up of my own business | 6 | 5 | 10 | 5 | 7 | 7 |
| Advertisements (press, radio, internet) | 4 | 2 | 8 | 4 | 4 | 2 |
| Official organisation (employment agency etc.) | 2 | 1 | 2 | 2 | 2 | 2 |
| Temporary job | 1 | 2 | 5 | 1 | 0 | 1 |
| Competitive examination | 1 | 1 | 0 | 0 | 1 | 1 |
| School/apprenticeship | 1 | 0 | 2 | 0 | 1 | 2 |
| Contacted by a company | 1 | 1 | 0 | 0 | 0 | 2 |
| Job transfer | 0 | 1 | 0 | 0 | 0 | 0 |

Notes: (*) Multiple answers. The table refers only to those who have found a job after leaving education for the first time (N=1361). Source: ETF Transition Study in Kyrgyzstan 2011/12, own calculations.

Although the majority of jobs were found through personal contacts or the initiative of applicants, interestingly, this does not mean that people always had friends or family members in those companies in which they started their careers. While 70% of jobs were found via contacts, only around 50% of job seekers personally knew someone in the company where they were employed (**TABLE 4.6**). People with less education, for instance at basic or secondary general level, more often had a friend or family member in the company before they started to work there than those with higher education. Reviewing the information in Tables 4.5 and 4.6, it is clear that the majority of jobs, irrespective of their character, are obtained through informal interactions. Therefore, it is crucial for a jobseeker to have access to a proper network. Formal recruitment methods help only those with specific vocational skills.

¹⁷ The sample consists of 15–29 year-olds who had left school during the six years prior to the interview, meaning that many of the respondents had been out of school for less than six years. Therefore, the conditional probability of finding a job six years after leaving school is higher than the percentage of respondents who found a job in that period, as it takes into account that some people (who graduated later) will go on to find a job.

TABLE 4.6 DID YOU KNOW SOMEONE IN THE COMPANY BEFORE ENTERING IT?* (%)

| | Total | Without basic | Basic general | Initial vocational | Secondary general | Secondary vocational | Higher |
|----------------------------|-------|---------------|---------------|--------------------|-------------------|----------------------|--------|
| Yes, a family member | 21 | 33 | 30 | 22 | 24 | 19 | 13 |
| Yes, a friend/acquaintance | 32 | 33 | 36 | 33 | 35 | 29 | 26 |
| No | 47 | 33 | 34 | 45 | 42 | 53 | 60 |

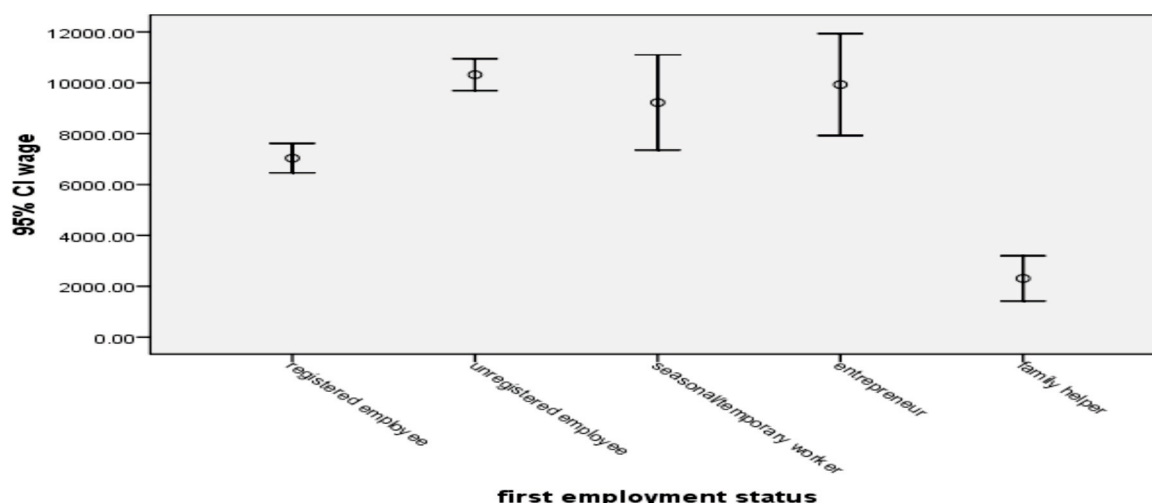
Note: (*) Multiple answers. The table refers only to those who have found a job after leaving education for the first time (N=1361); missing data below 6%.

Source: ETF Transition Study in Kyrgyzstan 2011/12, own calculations.

4.4 WAGES

In this section we analyse the entry wages (in gross monthly salary) earned at the beginning of the school leavers' first employment. The average monthly wage was KGS 8 266 (EUR 138). This is somewhat lower than the average salary in 2011 (KGS 8 612 or EUR 144). More detailed analyses show that at the lower end of the wage distribution tail, 30% of all first job entrants declare wages of KGS 4 000 (EUR 67) or less per month; this is lower than the consumer basket (KGS 4 390, see Chapter 1) and 50% are earning KGS 6 000 or less. The median of the entry wage is KGS 6 500. This means that one half of all job entrants earn less than KGS 6 500 and the other half earns more than KGS 6 500. At the upper end of the wage distribution tail, 20% earn more than KGS 12 000 and 10% have a starting salary of more than KGS 17 000 per month.

Wages vary according to employment status (**FIGURE 4.3**). Interestingly, unregistered employees earn more than school leavers in registered employment. This could be due to the fact that they tend to work almost 10 hours longer per week. Yet, even when controlling for an hourly rate, the unregistered workers still earn more than the registered workers. Registered employment is concentrated mainly in the public sector where salaries are lower than in the private sector. Labour market entrants working in the private sector earn substantially higher salaries compared to employees in the public sector (KGS 10 258 versus KGS 6 010 on average). The private sector wage premium is mainly related to differences in salaries in the upper tail of the wage distribution. For example, the top 13% of wage earners in the public sector earn more than KGS 8 000 (which is the median salary in the private sector). Entrepreneurs also seem to have higher wages than registered employees, but the variance in their earnings is very large. Paid family helpers and seasonal workers have comparatively low wages, although still higher than those of registered employees. Both display a high variance in wages, with the lowest paid family helpers having the lowest wages of all groups. There is clear gender segregation between sectors, with women being concentrated in the public sector where salaries are lower.

FIGURE 4.3 AVERAGE MONTHLY WAGE IN THE FIRST JOB BY EMPLOYMENT STATUS

Note: The figure refers only to those who have found a job after leaving education for the first time (N=1361); missing data equal to 7% (registered employees), 10% (unregistered employees), 12% (seasonal and temporary workers), 21% (entrepreneurs), and 18% (family helpers). Source: ETF Transition Study in Kyrgyzstan 2011/12, own calculations.

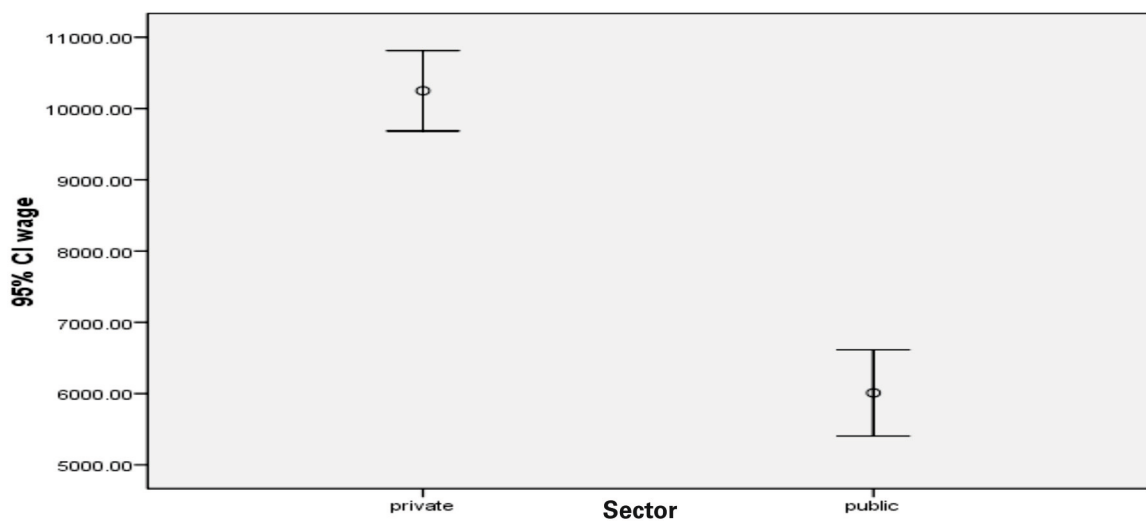
FIGURE 4.4 AVERAGE MONTHLY WAGE IN THE FIRST JOB BY GENDER

Note: The figure refers only to those who have found a job after leaving education for the first time (N=1361); missing data equal to 12% (males) and 11% (females).

Source: ETF Transition Study in Kyrgyzstan 2011/12, own calculations.

The results shown in **FIGURE 4.4** indicate that women tend to earn less than men in Kyrgyzstan. This difference holds even when controlled for differences in working hours. For entrants to the labour market, the ratio of the average salaries of young women to the salaries of young men is 77%. However, although this is a significant gap, the gender difference for this group is smaller than for the overall working population (the ratio of salaries of all working women to the salaries of all working men was 64% in 2009, cf. Chapter 1).

There are large wage differences between the public and private sectors (see **FIGURE 4.5**). Young people working in the private sector earn much higher salaries than young people working in the public sector. This also holds true when considering the hourly wage.

FIGURE 4.5 AVERAGE MONTHLY WAGE IN THE FIRST JOB BY SECTOR

Note: The figure refers only to those who have found a job after leaving education for the first time, excluding family workers and entrepreneurs (N=1105); missing data equal to 10% (private sector) and 6% (public sector).

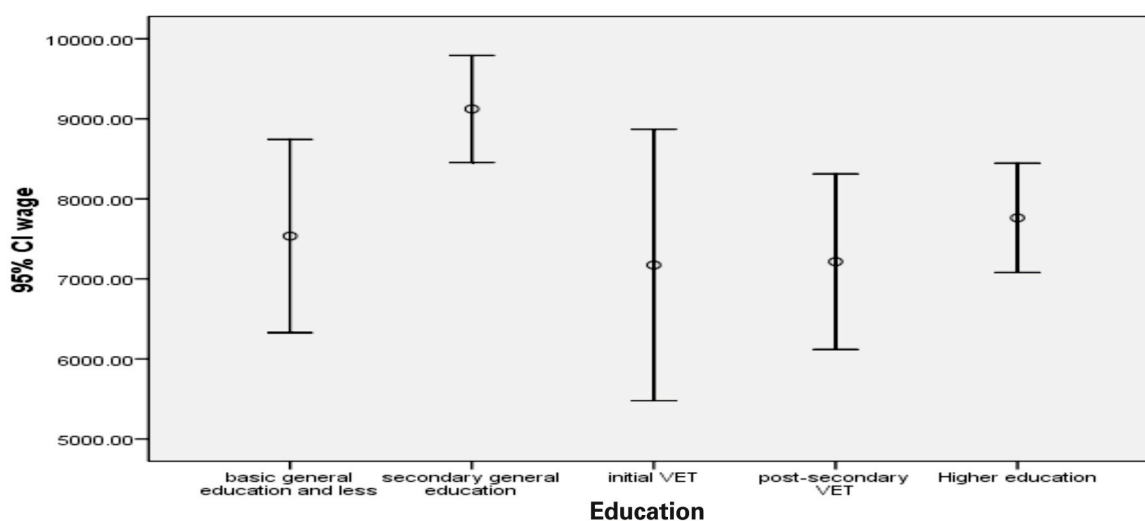
Source: ETF Transition Study in Kyrgyzstan 2011/12, own calculations.

Surprisingly, the education level seems to have a relatively weak impact on the average monthly wage (**FIGURE 4.6**). The salary of labour market entrants with general secondary education is somewhat higher compared to all other educational groups. However, it should be noted that 85% of young people with general secondary education were working in the private sector, while about two-thirds of labour market entrants with higher education were employed in the public sector. One explanation for the higher wages of labour market entrants with general secondary education is thus likely to be their concentration in the private sector.

Additional analysis shows that the rate of return to general secondary education is higher for male than for female school leavers. The wages of male general secondary graduates are on average 125% of the salaries of male university graduates. This difference is also visible, but less pronounced, in female wages. The wages of female general secondary school graduates are on average 104% higher than the salaries of female university graduates.

Graduates of initial vocational schools do not command higher wages than male labour market entrants with only general basic education. Also, the wages of university graduates are not significantly more than those of basic school graduates. This means that although education does affect labour market position (e.g. in obtaining a registered or an unregistered job), it does not affect the wages earned (except in the case of secondary general graduates). Neither VET nor university graduates receive a salary premium for their education in comparison to basic education graduates. In terms of the overall picture, however, it is important to bear in mind that far fewer basic education graduates have managed to find salaried employment at all. The exclusive focus on wages in employment thus ignores the fact that far more basic education graduates are involved in unpaid family work than any other group of graduates.

FIGURE 4.6 AVERAGE MONTHLY WAGES BY EDUCATION LEVEL



Note: The figure refers only to those who have found job after leaving education for the first time (N=1361); missing data equal to 14% (basic general education and less), 10% (secondary general education), 17% (primary and initial VET), 14% (post-secondary VET), and 10% (higher education).

Source: ETF Transition Study in Kyrgyzstan 2011/12, own calculations.

4.5 EDUCATIONAL MISMATCH

In addition to access to the labour market, the kind of jobs young Kyrgyz have access to is also a crucial concern. In this section, we address the issue of the match or mismatch between education and the first job, and examine the extent to which education prepares young people for their first job.

TABLE 4.7 presents the education level of young labour market entrants in comparison to the education level required for their first job by the employer. If the education level of labour market entrants is the same as that required by the employer, there is a match between the education of the labour market entrant and the educational requirements of the job he/she is performing. If the education level is higher than that required by the employer, we may speak about underemployment, where the entrants are overqualified for a specific job and their skills and knowledge are more likely to be wasted.

TABLE 4.7 EDUCATION LEVEL MISMATCH IN THE FIRST JOB (%)

| Education level of labour market entrant (last level completed) | Minimum education level required by employer | | | | | | Total |
|---|--|---------------|-------------------|-------------|---------------------------|-----------|------------|
| | Without basic | Basic general | Secondary general | Initial VET | Post-secondary vocational | Higher | |
| Without basic | 39 | 44 | 17 | 0 | 0 | 0 | 100 |
| Basic general | 9 | 57 | 24 | 4 | 6 | 1 | 100 |
| Secondary general | 6 | 12 | 67 | 6 | 4 | 4 | 100 |
| Initial VET | 0 | 6 | 28 | 57 | 8 | 2 | 100 |
| Post-secondary vocational | 3 | 7 | 18 | 6 | 54 | 12 | 100 |
| Higher | 1 | 1 | 13 | 4 | 10 | 71 | 100 |
| Total | 5 | 14 | 39 | 7 | 11 | 24 | 100 |

Note: The table refers only to those who have found a job after leaving education for the first time, excluding entrepreneurs (N=1263); missing data below 1%.

Source: ETF Transition Study in Kyrgyzstan 2011/12, own calculations.

While more than 60% of those without basic education were working in jobs that required higher education levels, 57% of those with basic education had a job that matched their education level. More people in that group worked in jobs that required higher qualifications than in jobs that needed less education. Young people with initial vocational training tended not to work in jobs that required less education than they had. In contrast, and like their peers with less education, they regularly worked in jobs that required a higher level of education than they had. Naturally, this changes with increasing levels of education. Only in around a third of those with post-secondary vocational or higher education did the employer require less education than this group had. The secondary general and higher education cohorts had the most successful outcomes in terms of matching. Approximately 67% of respondents with secondary general education indicated that their education matched the level demanded by their employer, while around 71% of university graduates had a job where this was true.

In **TABLE 4.8** we focus exclusively on those respondents who left school with a qualification related to a specific field, that is, graduates with initial, post-secondary VET or higher education. Did they feel that their field of study corresponded with the requirements of their first workplace?

TABLE 4.8 EDUCATION FIELD OF STUDY MISMATCH IN THE FIRST JOB (%)

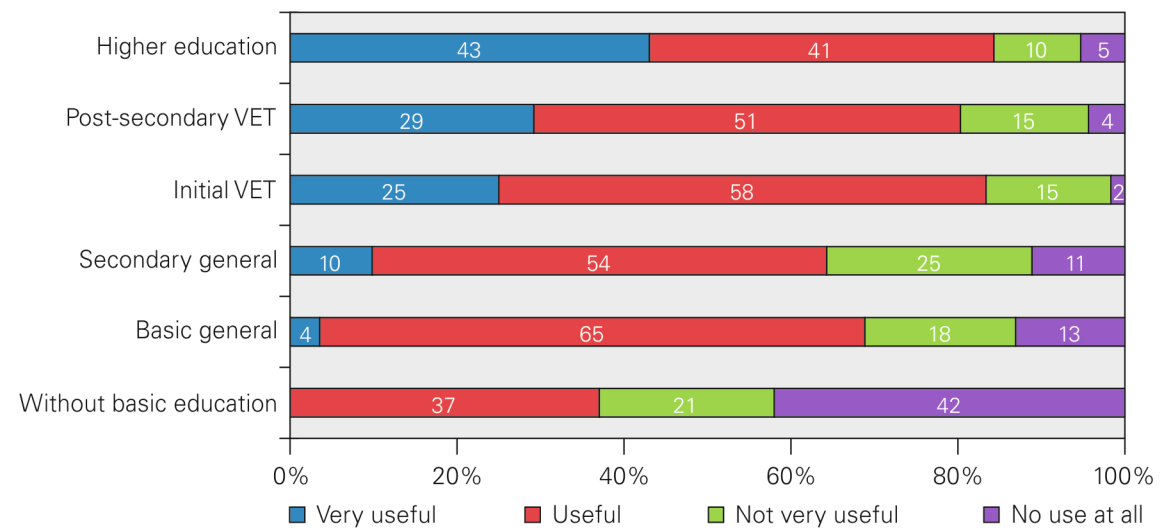
| Education level of labour market entrant | Field of study required by employer | | | | Total |
|--|-------------------------------------|---------------------------|--------------------------------|--------------------------------|-------|
| | Exclusively my own field | My own or a related field | A (completely) different field | No specific field of education | |
| Initial vocational | 33 | 28 | 15 | 24 | 100 |
| Secondary vocational | 38 | 20 | 11 | 31 | 100 |
| Higher | 51 | 21 | 12 | 16 | 100 |

Note: The table refers only to those who have found a job after leaving education for the first time, excluding entrepreneurs (N=1263); missing data below 1%.

Source: ETF Transition Study in Kyrgyzstan 2011/12, own calculations.

In considering the match between field of study and subsequent employment, it appears that people with vocational education (either initial or secondary) are more often found working in positions which are not directly connected to their field than those with higher education. For the latter group, the field of study seems to play a more significant role and they are more often engaged in field-related activities.

FIGURE 4.7 USEFULNESS OF EDUCATION COMPLETED BEFORE SECURING THE FIRST JOB (%)



*Note: The figure refers only to those who have found a job after leaving education for the first time (N=1361); missing data below 1%.
Source: ETF Transition Study in Kyrgyzstan 2011/12, own calculations.*

It is also interesting to note what young people themselves think: was their education important in securing their first job? Overall, young people valued their education highly. Further, it is evident that people with field-specific education – either initial, secondary vocational or tertiary – valued their education the most. People without basic education see much less value in their education than those in other groups. This is not surprising since they have the least educational resources and therefore find it very hard to compete with the graduates of other education levels.

5. CURRENT SITUATION OF THE RESPONDENTS

5.1 EMPLOYMENT AND EARLY CAREER MOBILITY

In order to gain insights into early career mobility processes, in this section we analyse changes between the first job and the current (at the time of the interview) labour market situation. However, it should be noted that, due to the survey design, this period (a maximum of almost six years) is relatively short.

We start our analysis with the distribution of current employment status, as presented in **TABLE 5.1**. Previous analyses indicated that a substantial section of school leavers enter the labour market via unregistered/informal jobs. This situation has changed in the current employment market. At the time of the interview the proportion of young people in registered employment exceeded the share of those in informal employment. Youth unemployment is a serious problem, with 17% of respondents unemployed – a higher proportion than the 16% who were unemployed 12 months after leaving education for the first time (cf. Figure 3.2). In accordance with official data showing a higher rate of unemployment among 15–29 year-olds in rural districts¹⁸, the proportion of unemployed labour market entrants is 1.3 times higher in rural areas than in urban centres. Men are more likely to be unemployed than their female counterparts. On the other hand, women are more likely to find themselves in unpaid family work. The proportion of young people in rural areas with registered or unregistered work is much lower than in urban populations. In contrast, the proportion of young people engaged in work within the family is very high in rural areas.

TABLE 5.1 STATUS OF CURRENT EMPLOYMENT (%)

| | Men | Women | Urban | Rural | Total |
|--|------------|------------|------------|------------|------------|
| Registered employee | 19 | 17 | 22 | 16 | 18 |
| Unregistered employee/without contract | 15 | 10 | 17 | 10 | 13 |
| Seasonal/temporary worker | 2 | 0 | 1 | 1 | 1 |
| Entrepreneur | 7 | 3 | 6 | 3 | 5 |
| Paid family helper | 5 | 2 | 3 | 4 | 4 |
| Unpaid work in family | 21 | 39 | 19 | 36 | 30 |
| Unemployed | 21 | 14 | 15 | 19 | 17 |
| Returned to education | 9 | 10 | 11 | 8 | 9 |
| Maternity leave | 0 | 4 | 2 | 1 | 2 |
| Other | 2 | 1 | 2 | 1 | 1 |
| Total | 100 | 100 | 100 | 100 | 100 |

Source: ETF Transition Study in Kyrgyzstan 2011/12, own calculations.

The level of labour market entrants' education has a strong impact on their labour market status (**TABLE 5.2**). Those with higher education and post-secondary vocational education do not participate significantly in unregistered employment; on the contrary, they are predominantly engaged in formal employment. This bias towards formal employment is presumably the result of their substantially better chances of succeeding in the competition for those few jobs that the formal economy has to offer. Those with the lowest educational attainment (general basic or less) form a relatively small proportion of the unemployed. The main explanation for this is that a significant number of this group goes into unpaid domestic work rather than seeking employment outside the family. The proportion of young people with low levels of education who returned to education is also relatively high.

¹⁸ In 2010, 54.5% of unemployed 15–29 year-olds lived in rural areas and 45.5% in urban areas (National Statistical Committee, 2011).

Analysing unemployment shares, it becomes obvious that those with general secondary education face difficulties in entering the labour market and have the highest rate of unemployment (together with those with initial VET education). At the same time, we saw earlier that those general secondary education graduates who do manage to enter the labour market have the highest wages of all graduates. In terms of entering the labour market, we find a clear bias in favour of higher education. Those that stay in school longer are also less likely to become unpaid family workers.

TABLE 5.2 STATUS OF CURRENT EMPLOYMENT BY EDUCATION LEVEL* (%)

| | Without basic | Basic general | Secondary general | Initial vocational | Post-secondary vocational | Higher |
|--|---------------|---------------|-------------------|--------------------|---------------------------|------------|
| Registered employee | 0 | 5 | 7 | 9 | 34 | 46 |
| Unregistered employee/ without contract | 23 | 14 | 14 | 22 | 13 | 5 |
| Seasonal/temporary worker | 0 | 2 | 1 | 0 | 2 | 0 |
| Entrepreneur | 4 | 2 | 3 | 8 | 7 | 8 |
| Paid family helper | 2 | 5 | 3 | 3 | 5 | 4 |
| Unpaid work in family | 49 | 36 | 35 | 24 | 20 | 17 |
| Unemployed | 6 | 17 | 21 | 22 | 13 | 13 |
| Returned to education | 15 | 15 | 13 | 8 | 2 | 0 |
| Maternity leave | 0 | 0 | 0 | 3 | 3 | 6 |
| Other | 0 | 4 | 1 | 1 | 1 | 1 |
| Total | 100 | 100 | 100 | 100 | 100 | 100 |

Note: (*) When leaving education for the first time (highest level completed).
Source: ETF Transition Study in Kyrgyzstan 2011/12, own calculations.

We now analyse the characteristics of job mobility beyond the first job. A detailed analysis shows that 77% of all those who enter registered employment remain a registered worker (see **TABLE 5.3**). At the time of the interview, only 4% became unemployed, about 6% became family workers and 9% were inactive (on maternity leave or in education). Among labour market entrants in unregistered jobs the proportion of those who are currently unemployed is substantially higher (17%), and only 6% were able to gain access to registered work. While just over a third (36%) remained in unregistered jobs, a quarter (24%) went on to take up unpaid work in the family. Thus, individuals who enter the labour market through unregistered work experience a much more unstable and precarious career trajectory than those who manage to enter the labour market through registered, formal employment. Among the entrepreneurs, at the time of the interview 5% had moved on to registered work, 9% had become family workers and 6% had returned to education. Family workers report greater mobility, with only about three-fifths of them remaining in a stable situation and around 21% moving into unregistered jobs. However, the results may overestimate the mobility rate for unregistered employees and family workers. The high rate of mobility between these two groups may indicate that it was difficult for respondents to differentiate them.

5.2 EDUCATION AND TRAINING AFTER LEAVING EDUCATION FOR THE FIRST TIME

In Kyrgyzstan 19% of young people returned to full- or part-time education (training) after leaving continuous education for the first time. There is no significant difference in terms of gender in those who choose to continue their education (see **TABLE 5.4**). However, there is a clear urban–rural divide, with urban youth continuing their educational path more frequently than those living in rural areas. The percentage of those who have never worked since leaving education and who have returned to education or participated in training is low (15%). If looking at

school leavers' first job status, slightly more unregistered workers have engaged in further training or returned to education than registered workers. Further, one-fifth of family workers and entrepreneurs returned to some kind of education. The results also indicate that 44% of those who had previously dropped out of school have returned to education. Additional analysis shows that dropouts living in urban areas are more likely to continue their education than dropouts in rural areas.

TABLE 5.3 MOBILITY BETWEEN FIRST AND CURRENT EMPLOYMENT STATUS (%)

| First employment status | Current employment status | | | | | | | | | | Total |
|---------------------------|---------------------------|---------------------|--------------|--------------|--------------------|-----------------------|---------|---------------------|-----------------|-------|-------|
| | Reg. empl. | Unreg./ no contract | Temp. worker | Entrepreneur | Paid family helper | Unpaid work in family | Unempl. | Return to education | Maternity leave | Other | |
| Registered employee | 77 | 1 | 0 | 2 | 1 | 6 | 4 | 2 | 7 | 0 | 100 |
| Unregistered/ no contract | 6 | 36 | 1 | 2 | 1 | 24 | 17 | 10 | 1 | 1 | 100 |
| Temporary worker | 0 | 7 | 15 | 3 | 4 | 24 | 28 | 18 | 1 | 0 | 100 |
| Entrepreneur | 5 | 2 | 1 | 72 | 1 | 8 | 5 | 6 | 0 | 0 | 100 |
| Family helper | 3 | 21 | 1 | 1 | 37 | 20 | 4 | 12 | 0 | 2 | 100 |
| Intern/trainee | 0 | 17 | 0 | 0 | 17 | 17 | 17 | 17 | 0 | 17 | 100 |

Note: The table refers only to those who have found a job after leaving education for the first time (N=1361).
Source: ETF Transition Study in Kyrgyzstan 2011/12, own calculations.

TABLE 5.4 ATTENDANCE IN REGULAR EDUCATION* AFTER LEAVING CONTINUOUS EDUCATION FOR THE FIRST TIME (%)

| | Total | Men | Women | Urban | Rural | Dropouts | Regist. workers | Unregist. workers | Temp. workers | Entrepreneurs | Family workers |
|--------------|------------|------------|------------|------------|------------|------------|-----------------|-------------------|---------------|---------------|----------------|
| Yes | 19 | 18 | 20 | 24 | 16 | 44 | 16 | 25 | 21 | 20 | 19 |
| No | 81 | 82 | 80 | 76 | 84 | 56 | 84 | 75 | 79 | 80 | 81 |
| Total | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |

Note: (*) Both part-time and full-time.
Source: ETF Transition Study in Kyrgyzstan 2011/12, own calculations.

The main purpose of further education or training is to acquire new skills related to present or future employment (see **TABLE 5.5**). Unsurprisingly, further education/training is work-related and tends to be specific in nature. Just under half of the employed respondents who were willing to provide details of their experience reported having to take their training (mostly) outside of paid working hours. This indicates that employers attach little importance to education and training, and that acquiring new skills is seen as a private responsibility. Educational activities mostly took place in a school environment. Far less training took place in training centres or in the workplace.

TABLE 5.5 EDUCATION AND TRAINING AFTER CONTINUOUS EDUCATION (%)

| Education and training | % |
|---|----|
| Purpose | |
| New skills that are related to present or future employment | 80 |
| New skills that are not related to present or future employment | 13 |
| Preparation for an examination | 2 |
| Work abroad | 2 |
| Other | 3 |
| Framework | |
| School | 96 |
| Training centre | 2 |
| Workplace | 1 |
| Other | 1 |

Note: The table refers only to those who have returned to education after leaving education for the first time (N=400); missing data below 2%.
Source: ETF Transition Study in Kyrgyzstan 2011/12, own calculations.

5.3 DETERMINANTS OF UNEMPLOYMENT AND HOUSEHOLD WORK AFTER LEAVING EDUCATION

Finally we examine the determinants for school leavers becoming unemployed or working in the home after leaving education. As can be seen in **TABLE 5.6**, women, young people living in rural areas, and those without secondary or tertiary education level are much more likely to work in the home. The situation is less clear-cut with unemployment.

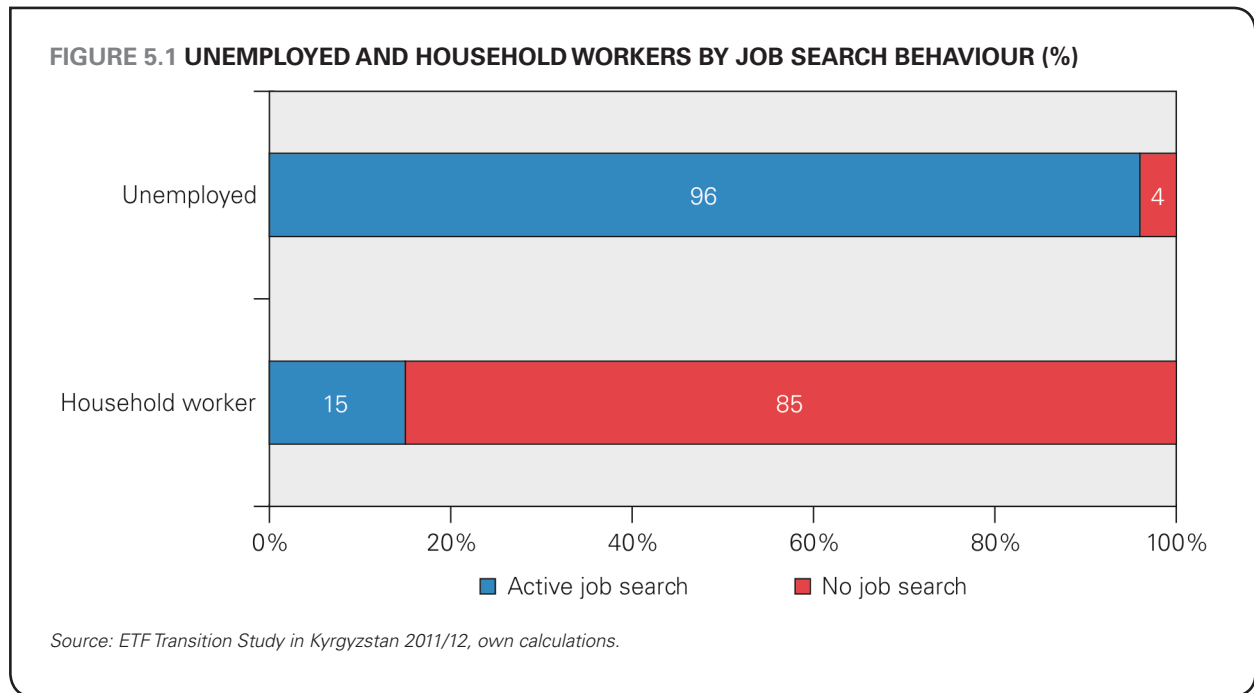
TABLE 5.6 ACTIVITY STATUS BY GENDER, RESIDENCE AND EDUCATION LEVEL*(%)

| | Employed | Household work | Unemployed | Inactivity | Total |
|---------------------------|-----------|----------------|------------|------------|------------|
| All | 40 | 30 | 17 | 13 | 100 |
| Gender | | | | | |
| Men | 48 | 21 | 21 | 10 | 100 |
| Women | 33 | 39 | 14 | 14 | 100 |
| Type of residence | | | | | |
| Urban | 51 | 19 | 15 | 15 | 100 |
| Rural | 34 | 36 | 19 | 11 | 100 |
| Education level | | | | | |
| Basic general and less | 29 | 38 | 15 | 18 | 100 |
| Secondary general | 30 | 35 | 21 | 14 | 100 |
| Initial vocational | 43 | 23 | 22 | 12 | 100 |
| Post-secondary vocational | 61 | 20 | 13 | 5 | 100 |
| Higher | 64 | 17 | 13 | 6 | 100 |

Note: (*) When leaving education for the first time (highest level completed).
Source: ETF Transition Study in Kyrgyzstan 2011/12, own calculations.

Men tend to have stronger labour market attachment and maybe also therefore display higher unemployment. It might be that men tend to look for a job after job loss more than women, and women perhaps perceive being at home also a viable alternative.

All respondents, irrespective of their current status, were asked if they were actively looking for a job. This raised the question: to what extent do those engaged in work within the family look for an outside job? As shown in **FIGURE 5.1**, only around one in six of those working in the home are actively looking for a job; the majority of those working within the family are not seeking other employment. In contrast, almost everyone who stated that they are unemployed also said that they are actively looking for a job.



Around one-third of all the respondents were looking for a new job at the time of the interview. Among this group the main method of job seeking was through personal contacts (see **TABLE 5.7**). As seen previously, this is the most common way for vacancies to be filled in the Kyrgyz labour market. Still, 14% of job searchers also contacted an employment agency, which is a much higher share than those who obtained a job through it. Surprisingly little attention is paid to job advertisements, which do not seem to be a viable option for finding a job.

TABLE 5.7 METHODS OF JOB SEARCH* (%)

| Method | % |
|--|----|
| Use of personal ties (relatives/friends) | 83 |
| Applied to employer | 15 |
| Contacted an employment agency | 14 |
| Job advertisements consulted | 7 |
| Job advertisements inserted | 7 |

Notes: (*) Multiple answers. The table refers only to those who were looking for a job at the time of the interview (N=710).
Source: ETF Transition Study in Kyrgyzstan 2011/12, own calculations.

Almost one-third of those actively looking for paid employment were prepared to accept any type of job. Half were searching for a full-time position, either in the private sector (34%) or in the public sector (22%), and 10% were looking for part-time job options in the private sector (**TABLE 5.8**). Of the total job seekers, 17% were actively looking for employment abroad, among which group, less well educated men were overrepresented.

TABLE 5.8 JOB SEARCH BEHAVIOUR (%)

| Job search | % |
|---|----|
| Kind of employment* | |
| Self-employment | 8 |
| Full-time in public sector | 22 |
| Full-time in private sector | 34 |
| Part-time in public sector | 5 |
| Part-time in private sector | 10 |
| No preference | 28 |
| Rejection of job offers | 21 |
| Reason for being unemployed* | |
| Not well enough paid | 50 |
| Too far from home | 30 |
| Jobs not available in his/her profession | 42 |
| Jobs do not match his/her training | 32 |
| Jobs do not match his/her professional experience | 36 |
| Jobs do not provide social recognition | 17 |

Notes: (*) Multiple answers. The table refers only to those who were looking for a job at the time of the interview (N=710), with the exception of the reasons for being unemployed, which refer only to the unemployed people looking for a job (N=524); missing data below 1%. Source: ETF Transition Study in Kyrgyzstan 2011/12, own calculations.

Every fifth respondent who is actively looking for paid employment has rejected a job offer. The most common reason for still being unemployed according to the respondents is that the jobs offered are not well enough paid (half of all cases). Other common reasons cited are connected to educational mismatch, where the jobs on offer do not match with the applicant's previous training or experience. In addition, 30% stated that the reason why they are still unemployed is that the jobs that were offered were too far from home.

The main reason for rejecting a job offer was the salary. What kind of salary expectations do job seekers have?

TABLE 5.9 compares the average monthly salary by education level with the reservation wage of job seekers at the time of the survey, that is, the minimum wage given by respondents for which they would agree to take up a job. On average, the wage expectations are higher than the average wages paid in the labour market for the respective educational groups. It is also noteworthy that actual salaries differ more by education level than the expectations. The average wage expectation for all educational groups is around KGS 11 000 (EUR 183), with respondents with higher education forming an outlier as their average salary expectations are around KGS 13 000 (c. EUR 217). Those with secondary general education have the smallest gap between reality and expectations – KGS 7 656 vs. KGS 10 455 (EUR 127 vs. EUR 174) – as they earn on average more than the other educational groups¹⁹. However, it should be noted that there is very high level of heterogeneity inside this group, although the higher salaries of, in particular, males working in the private sector, push up the overall average salary. The biggest gap between the actual average salary and the reservation wage is found in tertiary graduates. This can be explained by the fact that, while their expectations are higher, in reality they do not earn more in the labour market than those in other educational groups (except for those without basic general education whose average salary is considerably lower).

19 No firm conclusions can be made about the group of respondents without basic education or with initial VET education due to the small number of cases.

TABLE 5.9 COMPARISON OF AVERAGE MONTHLY SALARY AND RESERVATION WAGE OF JOB SEEKERS BY EDUCATION LEVEL*(KGS)

| | Average monthly net salary (main activity) | Reservation wage |
|---------------------------|---|---------------------|
| Without basic education | 3 523 | 9 671 |
| Basic general | 6 671 | 9 496 |
| Initial vocational | 7 946 | 10 594 |
| Secondary general | 7 656 | 10 455 |
| Post-secondary vocational | 6 744 | 11 117 |
| Higher | 7 394 | 13 252 |
| Total | 7 306 | 10 875 |

Notes: (*) When leaving education for the first time (highest level completed). Reservation wage: the values refer only to those who were looking for a job at the time of the interview (N=710); missing data below 3%. Average monthly salary: the values refer only to those having a wage at the time of the interview (N=842); missing data equal to 21% (without basic education), 17% (basic general), 21% (initial vocational), 12% (secondary general), 16% (post-secondary vocational), 11% (higher education), and 13% (total).

Source: ETF Transition Study in Kyrgyzstan 2011/12, own calculations.

6. CONCLUSIONS AND POLICY RECOMMENDATIONS

6.1 MAIN FINDINGS

The analyses reveal the following main findings.

6.1.1 THE KYRGYZ YOUTH LABOUR MARKET IS SEGMENTED AND CONTAINS A HIGH PROPORTION OF UNREGISTERED WORKERS AND WORKERS WITHOUT EMPLOYMENT CONTRACTS

More than two-fifths of all school leavers enter unregistered employment. In terms of the school leaver's first job, informal employment is clearly dominating formal employment, especially for young men and those in lower education groups. The majority of informal employment is concentrated in jobs for those with basic and secondary general education. The quality of these jobs is often much lower than that of registered work (e.g. with regard to job security and social security). However, unregistered workers earn higher salaries compared to registered workers, although they also tend to work almost 10 hours longer per week. Low mobility between employment statuses in the Kyrgyz labour market solidifies the divide between these two labour market segments. Approximately two-thirds of those whose first job was in the informal sector had subsequently lost or left this job. At the time of the interview, many of these young people were unemployed or had moved on to work in the family home. In contrast, most of those who had found a first job in the formal sector retained this job. At the time of the interview, 77% of the respondents who had entered the formal sector were still in the same registered job. Those working in the informal sector are thus faced with much greater employment instability than those employed in the formal sector. As a majority of initial VET graduates had found their first job in the informal sector, their situation is more precarious than that of their peers with secondary VET or higher education, who are the group most likely to enter registered employment. As a result, young people with lower levels of education are particularly affected by high job insecurity and economic vulnerability.

6.1.2 KYRGYZSTAN IS CHARACTERISED BY AN INSIDER–OUTSIDER LABOUR MARKET WITH SOME GROUPS PERMANENTLY EXCLUDED FROM PAID EMPLOYMENT

Approximately 60% of school leavers obtain a first significant job some time after graduation. In the first month after graduation, 29% of all graduates were actively looking for a job. This decreased to 16% after 12 months. It is very difficult for the remaining job seekers to find registered employment. The unemployment problem is partly solved through taking unpaid work within the family instead, or through migration (internal or external). Migration is a strategy chosen mainly by inhabitants of rural areas with low levels of education who leave Kyrgyzstan in order to work abroad in agriculture, construction and trade. In most cases, respondents who work within the family are not actively looking for a job.

6.1.3 THE KYRGYZ LABOUR MARKET IS HEAVILY NETWORK-BASED

People seek and find work mainly through personal networks, irrespective of their educational background or the type of job sought. Employment agencies and job advertisements play only a minor role in matching workers with vacancies. Only 14% of respondents who were actively looking for a job at the time of the interview consulted public employment agencies. It appears that a meritocratic, examination-based access process is not even found in the public sector. This indicates the weakness of supportive labour market institutions in Kyrgyzstan and highlights the extent to which school graduates are dependent on private resources for entering the labour market.

6.1.4 THERE IS EVIDENCE OF HIGH LEVELS OF UNEMPLOYMENT AMONG YOUNG PEOPLE

The youth unemployment rate is much higher than the overall unemployment rate. Overall, the proportion of currently unemployed people in the sample is 17%, corresponding to an unemployment rate within the sample of 20%, which

is markedly higher than the 13.7% reported for this age group by the National Statistical Committee²⁰. Young men are more likely to be unemployed than their female counterparts. Active labour market measures to support the unemployed are still generally scarce. In 2011 only around 17% of the unemployed were able to participate in active labour market policy measures (public works, micro-credit and training).

Employment is especially scarce in rural areas, where household work often takes the place of employment, be it in the form of taking care of children, looking after crops and livestock or general household organisation. The survey shows that two-fifths of young women are engaged in family work. Engaging in family work instead of the labour market is a path mainly followed by young women with basic and general secondary education. Almost all young women who work in the family report that they did not seek any outside employment on leaving education. Family work seems to be an alternative overall life strategy to labour market engagement. To a certain extent, it might also indicate the difficulties of finding registered employment, especially for women with basic and secondary general education. These young women have given up looking for employment because they do not expect to succeed.

Persistent unemployment can also partly be explained by applicants having unrealistically high expectations about the quality of jobs on offer. The great majority of unemployed respondents seek well-paid jobs and secure employment in the private or the public sector. Furthermore, their reservation wage is much higher than the average pay they would earn in the current labour market, based on their education level. Unemployed job seekers with a low education level, in particular often have excessive wage expectations.

6.1.5 YOUNG PEOPLE IN THE SURVEY TEND TO BE MORE EDUCATED THAN THE WORKING-AGE POPULATION AS A WHOLE

In particular, the proportion of young people with a university education (when leaving education for the first time) is higher in this sample than in the general population (23% versus 13%). Also, more respondents had a general secondary education and fewer had a vocational education compared to the working-age population as a whole. Furthermore, educational qualifications are unequally distributed across the urban–rural divide, as well as in terms of the respondents' family background. Young people who are born into disadvantaged families are unlikely to break out of the vicious cycle of low educational attainment. The high proportion of young people having to pay tuition fees at post-secondary vocational and higher education institutions poses a significant obstacle to accessing these education levels, especially for young people from disadvantaged families. Previous survey results also indicate that only 2% of those in the 18–24 age group belonging to the lowest income quintile have access to higher education, as compared to 47.4% of those in the highest quintile (OECD, 2010).

6.1.6 GRADUATES FROM INITIAL AND POST-SECONDARY VOCATIONAL EDUCATION FARE REASONABLY WELL ON THE LABOUR MARKET COMPARED TO THEIR PEERS WITH BASIC SECONDARY LEVEL EDUCATION OR LESS

While a disproportionately large share of those with an education level up to basic secondary level are engaged in household work and do not even try to find employment outside the family, the overwhelming majority of those with initial or post-secondary vocational education tend to be employed.

6.1.7 WE FIND CLEAR DIFFERENCES IN LABOUR MARKET OUTCOMES FOR DIFFERENT EDUCATION GROUPS

There are no clear-cut patterns that fit all the outcome dimensions (unemployment, employment and wages) and labour market outcomes vary according to the different educational groups. Groups with low levels of education have the highest probability of entering the labour market in unregistered work. However, general secondary education graduates are also likely to be employed in unregistered, informal work. This is an indication of the difficulties they face in finding formal employment. Conversely, those with higher or post-secondary education do not participate significantly in informal employment, engaging predominantly in formal employment. Only 11% of all graduates from general basic education find a registered first job compared to 69% of all university graduates. However, having a post-secondary vocational or higher education does not confer any advantage in terms of entry wages. The wages of labour market entrants with general secondary education tend to be higher than other educational groups, even compared to young people with post-secondary education. These wage differences are more pronounced for men than for women.

²⁰ (1) In contrast to the entire age group, the sample only represents those 15–29 year-old Kyrgyz who left education within the last six years, i.e. by definition the unemployment rate of the sample will not be identical to the unemployment rate for the entire age group. (2) The unemployment rate of 20% is based on counting those engaged in household work as being economically active. However, if we exclude this group we arrive at a distinctly higher unemployment rate of 30.2%.

PATTERNS OF TRANSITION FROM SCHOOL TO WORK

Basic education: around 40% of those with basic education are currently engaged in family work. Those who enter the labour market have access mainly to the informal sector, with 25% entering paid work immediately and 33% one year after leaving school. Their education is not considered useful for the labour market.

Initial vocational education: 36% of this group enter work immediately and 55% after one year. They mainly find work in the informal sector.

General secondary education: 22% enter work immediately and 40% after one year. Young people in this group mainly work in the informal sector. More than one-fifth of them are overqualified for their jobs.

Post-secondary vocational education: 37% of this group enter work immediately and 62% after one year. The proportion of graduates with registered work is considerably higher in this group than it is for those with a general (basic or secondary) education. This group's education is considered relevant for the labour market. A third of them are overqualified for their jobs.

Higher education: 33% of this group enter work immediately and 59% after one year. The majority of all graduates find a formal, registered first job within the five years of graduation. Their education is considered relevant for the labour market.

6.1.8 THE EDUCATION SYSTEM IS CHARACTERISED BY FAIRLY HIGH DROPOUT RATES

The overall dropout rate is 14%. Dropouts occur most frequently at higher, initial VET and basic general education levels. The dominant reason for this is the students' need for an income. However, 44% of dropouts subsequently return to education.

6.1.9 SCHOOL LEAVERS VALUE THEIR EDUCATION AND FIND IT USEFUL FOR THE LABOUR MARKET

Vocational and higher education backgrounds are considered particularly useful for effective job performance, and respondents with higher education made up the largest share of those who found their education useful in their subsequent employment. However, respondents with initial vocational education are the most likely to work in jobs which require a completely different field of study (15% in their first job). People with either initial or post-secondary vocational education are also most likely to work in positions which do not require any specific field of study (24% and 31% respectively).

6.1.10 FURTHER EDUCATION AND TRAINING IS QUITE LIMITED IN TERMS OF SUPPLY

The study shows that 19% of young people continue their education or receive additional training after having entered their first employment. Most of them continue their education within the regular education system. This might indicate a lack of importance attached to education and training by employers and that education and training are seen as a private responsibility.

6.1.11 WOMEN TEND TO BE MORE HIGHLY QUALIFIED ON LEAVING EDUCATION FOR THE FIRST TIME

More female students stay on at school beyond the level of primary and basic education. Clear gender differences are also visible at general secondary level: 51% of female school leavers compared to 46% of male school leavers graduated from the secondary school track. The proportion of men in initial VET is higher, while there is no significant gender difference in graduates from post-secondary VET and higher education. However, young women tend to earn less than young men. The ratio of salaries of young women to the salaries of young men is 77% (in the case of the first job). This gender difference in the wages of labour market entrants is, however, smaller than that found in the entire working population (in 2009 the ratio was 64%). One reason for the gender wage gap is the high degree of gender segregation along economic sectors that is still evident in the current generation of labour market entrants: women enter the labour market to a large extent in the public sector (in education, health and social work) where salaries are lower than average, while men enter the workforce in higher than average earning industries, such as mining, transport and construction.

6.2 POLICY RECOMMENDATIONS

The study identified multiple and interdependent difficulties faced by young people in the transition from school to work in Kyrgyzstan. The most notable problems are: inequalities in educational attainment due to social selectivity and students dropping out of education; the general shortage of job opportunities, in particular in the rural economy; the large informal sector; and the lack of an institutional infrastructure for supporting the transition to employment. These deficits need to be addressed step-by-step over the longer term in order for incremental improvements to occur. There is no quick fix and no silver bullet which can immediately resolve these problems. Experience from other countries shows that change is only possible over the longer term and requires the commitment of (political as well as budgetary) resources to improve the situation.

6.2.1 REDUCE INEQUALITIES IN EDUCATIONAL ATTAINMENT AND THE TRANSITION INTO EMPLOYMENT

The high dropout rates combined with the social selectivity of educational attainment, especially for those with little or no education, give cause for concern that those at the lower end of the educational scale are caught in a permanent trap and denied upward mobility through education. Among the most pressing reasons for dropping out is the desire or the need to work, indicating the relatively high opportunity costs of education in terms of foregone earnings. The high proportion of students having to pay for education in terms of fees or other payments (30% across all education levels) creates further obstacles to accessing education, especially at secondary general and higher education levels. Improving access to education and reducing social selectivity in educational attainment should thus become a prime policy objective. This requires targeted approaches for each education level, with aims including the improved public funding of schools and providing financial assistance to poor households.

Considering the large number of students without basic education (according to this study, at least 70 000 basic education dropouts in the cohort of 15-29 year-olds)²¹ and the social and economic costs of dropping out of education at such an early stage, the opportunities for continued education for this group should be enhanced. Initial VET can provide a one-year course for students without basic education and is the only formal education level they can currently access and the participation of this group is limited. In order to increase participation, vocational schools could be given incentives to include more of such students in their existing one-year courses. Alternatively, students who had dropped out could be supported to attend the existing and increasing offer of short-term courses provided by vocational schools, with the government providing assistance in covering the fees. Although the origins of this difficult situation lie in basic education, initial VET could become an important component of the solution for basic education dropouts.

In initial VET, gender patterns in vocational choice reinforce the gender wage gap and lead to a lifetime of salary differentials between men and women. Although up to 2010 there was no sign within the VET system that gender equity was seen as a problem to be actively addressed, the situation has changed since 2011/12, with initial VET including stronger female participation among its indicators for achievement. With the support of the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), a national 'girls' day' was organised in April 2012 to give girls first-hand insights into various professions, including some typical male professions. This initiative should be repeated and systematically integrated into career guidance (see below), and also included in the regular training of school staff.

6.2.2 IMPROVE LABOUR MARKET AND PLACEMENT SERVICES

Institutional support for managing the transition from school to work is relatively weak in Kyrgyzstan. The significant extent to which entering the labour market relies on private resources (e.g. social ties in order to find employment, private financial resources to attend education) translates into inequalities and inefficiencies in the transition from school to work and individual career outcomes in the labour market. This reliance on personal networks limits the geographical and vocational distances that talent, skills and qualifications can travel. In order to enhance the efficiency of the transition process and open up more opportunities for young Kyrgyz, labour market and job placement services should be improved, career guidance strengthened and the vocational specificity of education further developed.

Improving labour market information by connecting employment offices across oblasts and creating a nationwide database of vacancies has been a priority for the Ministry of Labour and supporting donors, like GIZ and ILO, for a number of years. Although the conceptual work is much advanced, for various reasons results on the ground are limited so far. The extremely small share of respondents relying on employment offices for finding a job in this study underlines the continuing urgency of improving job placement services. Moreover, a well-run network of

²¹ The sample of the study includes only those 15–29 year-olds who have left education already (cf. Chapter 3). As a result, the 15.6% dropouts at basic education level found in the study, corresponding to roughly 70 000 students, mark the low end of the spectrum for the share of dropouts among all 15–29 year-olds at that level.

employment offices would offer potentially large benefits to job seekers. An easy-to-access, electronic database of all registered vacancies in the country would allow graduates to assess their local and nationwide employment options much more efficiently than is currently possible. At the same time, a countrywide reach would make employment offices much more attractive to firms as a way of recruiting personnel through the service's electronic registry. As informal employment is of great importance, especially to graduates with lower levels of education, the employment service should extend its remit to include unregistered jobs and also provide information on vacancies in the informal sector. In combination with adequate information, awareness raising and incentives, such an extension of services could in fact become a route to further formalisation of employment and a strengthening of the formal sector.

6.2.3 EXPAND CAREER GUIDANCE

Currently, career guidance is not widely available to graduates (only 17% of all respondents had access to any kind of career guidance), yet all those surveyed who had experienced career counselling in some form considered it important for later career choices. This suggests that the existing guidance systems, mainly based on psychological tests and introductions to existing professions, are widely appreciated. Its coverage should be progressively increased and eventually career guidance should be offered to all education graduates. In addition, guidance services should be developed further so that they are closely linked to available labour market information (a vacancy database) and targeted to the specific needs of different groups of graduates. Issues that should be addressed by career guidance include: the risks of dropping out of school and the available second-chance opportunities; reducing the gender bias in career choices; the provision of reliable information on salaries and career options in different industries; and highlighting the risks and opportunities within the informal sector. In developing career guidance, sufficient attention should be given to adequate coordination and cooperation between different providers at different levels in order to avoid overlap and to effectively utilise local and practical expertise (e.g. in schools, employment offices and private sector organisations).

6.2.4 DEVELOP THE QUALITY AND LABOUR MARKET RELEVANCE OF EDUCATION

Vocational specificity, that is, providing standardised and specific vocational qualifications of immediate and clear labour market value to prospective employers, should be strengthened by expanding work-based training within VET and by upgrading theoretical training components and vocational teaching and learning contents. While the importance of a VET system that can respond effectively to the skills needs of employers cannot be overemphasised, it is also true that well trained graduates can be a source of innovation and enhanced productivity for firms. For example, a welder who has been trained not only in stick welding but also in TIG welding allows a company to offer an entirely new range of high-value services and products. An example of skills leadership in Kyrgyzstan is Vocational School No 98 in Bishkek, which works consistently on enhancing its programmes and curricula and provides highly relevant skills for services in the telecommunications industry. Similarly, with the support of Swiss organisation Helvetas, new modules and teaching materials for agricultural vocational schools have been developed which are geared not only to developing enhanced practical skills but also to fostering entrepreneurship in graduates. The increasingly operational sector councils should be used as forums for vocational schools and employers to jointly develop skills and qualifications that not only allow graduates to meet the current requirements of businesses but also empower them to bring new knowledge and skills into firms, thus improving their overall productivity. Scarce resources should be used to enhance the quality of existing professional standards and programmes rather than on introducing completely new standards whose labour market value is unclear to employers. In light of the highly fluctuating informal sector of the Kyrgyz economy, there should also be a greater focus on delivering essential entrepreneurial skills to VET graduates in order to strengthen the overall entrepreneurial dynamic as well as the longevity and growth potential of businesses.

6.2.5 ADDRESS THE STRUCTURAL WEAKNESS OF LABOUR DEMAND IN THE KYRGYZ ECONOMY, ESPECIALLY IN RURAL AREAS

The general lack of employment opportunities in rural areas severely limits the options for school graduates outside of the capital Bishkek and other urban centres, and leads many young Kyrgyz to work within the family or to migrate abroad. It also generates internal migration to the comparatively dynamic labour markets of urban centres, and to Bishkek in particular, creating high unemployment and overburdened infrastructure in these areas. Developing economic activity in rural areas by expanding productivity beyond subsistence agriculture would improve local prospects for school graduates as well as for the wider population. Migration pressures would also be reduced, thus relieving Bishkek and other urban areas from the pressures caused by tides of rural migrants. Suitable measures for improving rural development include the promotion of innovation in agriculture and farm activities through improved skills development, and improvements to the infrastructure (transport, communication), in particular by strengthening rural-urban links to allow the rural population to benefit from market opportunities in urban areas (Jütting and Laiglesia, 2009, p. 149). Rural vocational schools can play an important role here by providing relevant skills training in entrepreneurial activity and self-employment, by offering adequate skills to engage in productive agricultural

activities, and by acting as a focal point for local knowledge dissemination in the development of sustainable and cost-effective agricultural activities (see, e.g., on the potential of agroecology for poverty reduction and rural economic development, OHCHR, 2010). Together with the national projects envisaged for the agricultural sector in the country development strategy 2012–14, strengthening rural vocational schools could become an important element in creating a long-term development path for rural areas in Kyrgyzstan. However, this would also require a clear rural development policy combined with improved credit access for small-scale farmers and cooperatives, as well as their participation in decision making and implementation. Some of these elements are currently in preparation and if VET is to play a role then this will not only require new approaches in terms of VET provision but also enhanced interaction between responsible ministries.

6.2.6 DEVELOP THE QUALITY OF EMPLOYMENT

The Kyrgyz private sector is largely dominated by informal employment, with formal employment almost exclusively confined to the public sector. The large informal segment keeps the private sector as a whole in a state of informality equilibrium, as private firms with informal employment save on administrative costs as well as tax and social security contributions and thus have a comparative advantage over those offering formal employment. The relative disadvantages of formal employment should be addressed by policy measures that help firms to offer more formal employment and in time shift the balance towards a formality equilibrium. This will improve employment security, stability and upward mobility for workers, as well as increase government tax revenues and the ability of the social security funds to pay benefits to workers (pension, health insurance, etc.). Reform measures should aim to make incremental improvements as part of an integrated policy framework, tailored specifically to the circumstances of Kyrgyzstan. Past experience shows that informality cannot be abolished through legislation alone, nor is it easily addressed by a one-size-fits-all policy package (Jütting and Laiglesia, 2009). Evidence from other countries suggests that creating an improved business environment through better governance (less corruption, more transparency and accountability and simplified procedures in business registration) is particularly helpful in allowing firms to leave the informal sector and making the formal sector a more attractive and viable alternative (Ibid., p. 151). Making it easier for workers to change from less productive to more productive jobs is also an important long-term strategy to push back informality. The higher the level of productivity, the easier it is to arrive at and maintain a formality equilibrium. Education and training policies help labour market entrants and adult learners alike to perform in more productive environments. Increasing the vocational specificity of education (see above), providing access to training for workers in the formal and informal sectors, and putting in place systems for the recognition of prior learning (in the informal sector) are all efficient ways of moving workers towards the formal segment of the labour market (OECD, 2008; Jütting and Laiglesia, 2009). In combination with a rigid meritocracy in recruiting for public sector jobs and better governance of the private sector, improved mobility through skills development will increase the chances of young school graduates building their careers within the more secure and stable environment of formal employment.

6.2.7 STRENGTHEN THE EVIDENCE-BASE FOR POLICY MAKING

This study is the first of its kind in Kyrgyzstan and provides a comprehensive analysis of the current position of 15–29-year-old labour market entrants. Based on its findings, policy responses designed to address the identified shortcomings and improve this group's transition into work can be formulated and implemented. For this to happen, policy makers, administrative staff and stakeholders should not focus on who can be blamed for the current deficits, but rather on the best way to overcome them. While research results can all too easily be subverted in order to pass the political buck, their real value is as a basis for cooperative, results-oriented policy making.

In addition, as a stand-alone study, the ETF transition study will, at some point in the future, lose its value as a reference point. As a result, it will be necessary to plan and implement follow-up studies, with identical or comparable methodology, in due time and at regular intervals (for example, every five years). This will not only provide policy makers, administrative bodies and stakeholders with updated evidence for making future reforms, it will also allow for the identification of long-term trends and the assessment of policy steps already taken in response to deficits identified earlier. In addition, the availability and quality of evidence should be improved by engaging more systematically in smaller-scale analyses which focus on specific groups, for example students with special needs, and by tracking the transition successes of graduates of individual schools through tracer studies.

ACRONYMS

| | |
|---------------|--|
| CATEWE | Comparative Analysis of Transitions from Education to Work in Europe project |
| CIS | Commonwealth of Independent States |
| ETF | European Training Foundation |
| EU | European Union |
| EUR | Euro (currency) |
| GDP | Gross domestic product |
| GIZ | Deutsche Gesellschaft für Internationale Zusammenarbeit (German Society for International Cooperation) |
| ILO | International Labour Organisation |
| ISCED | International Standard Classification of Education |
| KGS | Kyrgyz som (currency) |
| NSBA | National Sample-Based Assessment |
| PISA | Programme for International Student Assessment |
| VET | Vocational education and training |

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