

TORINO PROCESS 2012 CENTRAL ASIA



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TORINO PROCESS 2012 CENTRAL ASIA



PREFACE

The Torino Process is a participatory process leading to an evidence-based analysis of vocational education and training (VET) policies in a given country. It is carried out in order to build consensus on the possible ways forward for VET policy and system development, considering the contributions of VET to enhanced competitiveness, and sustainable and inclusive growth. This includes determining the state of the art and vision for VET in each country and an assessment of the progress that countries are making to achieve the desired results. More specifically, the Torino Process is a vehicle for:

- developing a common understanding of a medium/long-term vision, priorities and strategy for VET development, exploring possible options for implementing this vision and/or making further progress;
- designing and evaluating home-grown and affordable VET policies, based on evidence or knowledge and collaboration;
- updating the analyses and achievements at regular intervals;
- providing opportunities for capacity development and policy learning within and among partner countries and with the European Union (EU);
- empowering countries to better coordinate the contributions of donors to achieving agreed national priorities.

The European Training Foundation (ETF) launched the Torino Process in 2010 and the first round was concluded in May 2011 at an international conference entitled 'The Torino Process – Learning from Evidence'. Among the outcomes of the conference was the establishment of the Torino Process as a biennial policy learning exercise founded on country ownership, participation, and a holistic, evidence-based policy analysis. The second round was launched in 2012.

The Torino Process overall is open to all ETF partner countries. This report draws on the lessons learned by the ETF. Its overall objective is to present the progress that has been made in VET policy and system development, and identify constraints and future priorities for the further modernisation of VET policies and systems in the region. It is addressed to policy makers and practitioners in the partner countries, but also to officials, researchers, experts and the donor community who are interested in learning more about the partner countries in the field of VET or related policy fields.

This report was prepared by Vincent McBride, ETF expert, who analysed the information in the national reports for the preparation of this document. Valuable support was provided by Eva Jansova, ETF statistical officer. This report and the Torino Process are the result of a team effort. The ETF would like to take this opportunity to thank all the counterparts from the partner countries who contributed to the national reporting process in 2012, as well as the ETF country teams which facilitated the process in the countries. The ETF is also grateful to the statistical team, the internal peer reviewers and the ETF editorial board members who provided valuable input, comments and suggestions on the final draft of the document.



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EXECUTIVE SUMMARY

This regional report analyses key trends for further VET system development in four countries of Central Asia: Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan. These countries are covered by the EU's Development Cooperation Instrument. The document draws on the 2012 Torino Process reports from each country. Each of the four countries that participated in the 2012 Torino Process underwent an ETF-led assessment using the five building blocks of the analytical framework: the vision for VET; its efficiency in terms of addressing demographic, economic and labour market needs; how VET addresses social demands, including social inclusion; the quality and efficiency of initial and continuing VET delivery; and how initial and continuing VET systems are financed and governed, including their institutional capacities for change.

Central Asia has enjoyed a strong growth trend in recent years as the individual countries have recovered from the economic recession and from the loss of traditional markets experienced following independence. Although growth was high in 2010–11, i.e., over 7% in all four countries in 2011 and in the range 6.5–8.5% in 2010¹, the return to pre-independence per capita gross domestic product (GDP) levels has been uneven in the region, with Tajikistan and Kyrgyzstan having per capita GDP levels in 2010 of approximately 87% and 72% of their 1991 levels respectively, compared with 142% and 174% in Kazakhstan and Uzbekistan. Given the experience of Russia and Turkmenistan, where the corresponding GDP per capita growth rates have been 118% and 213% respectively, the indication is that raw materials have been a key driver of growth in the region (World Bank World Development Indicators).

Although the region has experienced growth, the labour market is a challenge in all countries, as most of Central Asia is characterised by increases in the proportion of the population who are of working age and a high youth population, which presents both challenges and opportunities. In Tajikistan 60% of the population is aged below 25 years; in Uzbekistan and Kyrgyzstan 60% is below the age of 30; and in Kazakhstan 50% of the population is below the age of 29. The opportunities relate to the future potential for the countries that results from having a large population who are of working age in the coming decades. The challenge is to ensure that this potential is not constrained through lack of employment opportunities and the absence of relevant skills that will enable the population to progress in the labour market.

The pattern of unemployment in the region is mixed and difficult to discern, mainly owing to differences in national collection methodologies. However, the available figures indicate that youth unemployment is higher in Tajikistan and Kyrgyzstan than in Uzbekistan and Kazakhstan, but that in all countries VET does have a positive impact on employment, with initial VET contributing to better outcomes in the labour market than general education: the unemployment rate is lower among VET graduates than among general education graduates in Tajikistan, Kyrgyzstan and Kazakhstan. (See section B below). Comparable figures are not available for Uzbekistan, which in 2011 is estimated to have had a 91% employment rate among VET graduates.

Agriculture, although declining in all countries in terms of its contribution to GDP, remains an important feature of employment, comprising 31% of employment in Kyrgyzstan, 34% in Uzbekistan and 30% in Kazakhstan (2012 Torino Process country reports; comparable figures not available for Tajikistan). Informal employment represents a significant and largely unmeasured issue in the region. In Kyrgyzstan approximately 75% of employment is informal, while in Tajikistan the Labour Force Survey (LFS) 2009 found a continuously increasing trend in informal employment (51%, excluding the agricultural sector). Migration remains an important labour market characteristic of the region, with employment abroad being frequently in Russia (e.g., 93% of Tajik migrants) or Kazakhstan.

The VET systems differ in terms of structure, capacity and the availability of data, which makes it difficult to construct a unified index for the region as a whole. However, all systems are undergoing reform with a view to expanding both the number of students in VET and the contribution the sector is able to make to development.

¹ Kyrgyzstan was an exception to this trend in 2010, when it experienced a downturn in growth.

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

Since 2010 the larger systems have benefited from economic developments that have increased the awareness of, and attention paid to, VET as a potential contributor to economic growth. Uzbekistan continues to develop vocational education as a main feature of its system, and Kazakhstan is investing in education and business cooperation and improving the basis for work-based learning in economic growth sectors. In Kyrgyzstan and Tajikistan the attention given to VET has also increased, as shown in new strategy documents and political statements. After a strong reduction of VET provision and participation in the 1990s, the VET systems of these countries are starting to grow, though VET investments are still low. The table below (p. 9) gives an overview of the main progress achieved since 2010.

The structural adjustment process is on-going for all countries and there are common specific challenges to be found in each system. In order to respond to employment challenges there is a need to focus on updating vocational content to reflect business and labour market needs, and on building cooperation between business and the VET sector and between VET authorities in each country. The form that this cooperation takes will reflect the different contexts of each country, which vary significantly, notwithstanding their shared geographic location and overlapping political and institutional histories.

PRIORITIES IDENTIFIED IN THE 2012 TORINO PROCESS COUNTRY REPORTS	
Kazakhstan	<ul style="list-style-type: none"> ■ Improving the attractiveness of VET ■ ‘Down-up’ policy approach in policy making, policy implementation and governance ■ Business–education cooperation ■ Professional development of VET staff from education and business sides
Kyrgyzstan	<ul style="list-style-type: none"> ■ Cooperation between Ministries of Labour and Education on initial and secondary VET ■ Capacity development for teachers, trainers and education managers, including school management ■ Targeting of VET as a social assistance measure ■ Performance management and quality assurance
Tajikistan	<ul style="list-style-type: none"> ■ Integration of VET sectors, including adult learning, and initial and secondary education ■ Quality assurance ■ Professional staff development, including technical capacities
Uzbekistan	<ul style="list-style-type: none"> ■ Business and VET cooperation, including small business ■ Post-secondary VET and continuing vocational training ■ Financing ■ National qualification framework

PROGRESS IN VOCATIONAL EDUCATION IN CENTRAL ASIA SINCE 2010

Legislation and strategic documents	All countries have developed new legislation or new education and employment strategies up to 2015 or 2020. Strategic documents are clear in terms of their directions, priorities and targets, and most of them also include an action plan and identified budget for reform implementation. The consultation processes have been widened and have included social partners. Education budgets have also increased.
Governance and stakeholder involvement	National, regional or local skills councils have been set up in most countries, with social partners represented. The challenge will be to increase ownership on the part of the different partners and to make their work relevant and effective. All countries now have VET agencies or other VET support institutions, which play an important role in policy implementation.
Education and business cooperation	The engagement of employers in policy dialogue and development of standards has improved. In addition, at local level more partnerships between schools and enterprises have been set up. In Kyrgyzstan enterprises are represented on school boards. In Uzbekistan and Kazakhstan in particular this has become a key policy priority, with the establishment of Kaspikor Holding being an important development. Progress has also been made in Uzbekistan and Kazakhstan in creating training placements in companies.
Teachers' salaries and training	All countries have recognised the importance of teachers by awarding them substantial salary increases. Opportunities for pre- and in-service teacher training have also been improved.
VET financing	Per capita financing is being introduced in all four countries. However, its effectiveness cannot yet be judged.
Standards development	All countries have developed new occupational and education standards and are discussing the development of national qualification frameworks.
Quality and quality assurance	Although the picture is quite diverse, quality is an important issue in all countries. Kyrgyzstan and Tajikistan have introduced quality assurance mechanisms, either through quality units in schools or the development of an Education Quality Management Centre. Business involvement, teacher training and investments in infrastructure will have an impact on overall quality, but a more systemic quality assurance approach and mechanisms would be beneficial.
Attractiveness of VET and pathways	Except in Uzbekistan, VET is still a second choice for students. In Kyrgyzstan and Tajikistan in particular there are concerns about dropout rates. In these countries, growing VET participation and the rise of private VET schools may be an indicator of an improving status. There is little information on the opportunities for graduates to continue studying at universities or other post-secondary VET options, or to find a job. In practice only a few VET graduates continue studying at universities. In general there is little information available about the labour market, and career guidance is an area for development.
School development	There are opportunities to increase the performance of schools. Giving incentives for school development and removing barriers could contribute to quality improvements.
Collection and use of policy indicators	There is an increase in the amount of information and statistics on education. Traditionally there are few specific data for VET available. Combining the collection of quantitative and qualitative information for policy monitoring and evaluation can support the policy cycle.



1. POLICY VISION IN VOCATIONAL EDUCATION AND TRAINING

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

TABLE 1.1 SELECTED POLICY DOCUMENTS RELATING TO THE DEVELOPMENT OF VET IN THE NATIONAL SYSTEMS OF CENTRAL ASIA

COUNTRY	POLICY STATEMENTS
Kazakhstan	<ul style="list-style-type: none"> ■ State Programme for the Development of Education 2020 ■ State Programme of Accelerated Industrial and Innovative Development of Kazakhstan 2010–2014 ■ State Programme for Employment 2020
Kyrgyzstan	<ul style="list-style-type: none"> ■ Education Development Strategy 2012–2020
Tajikistan	<ul style="list-style-type: none"> ■ National Education Development Strategy 2020, including VET ■ Labour Market Strategy 2020 ■ Programme for the Development of the Adult Vocational Education System 2015
Uzbekistan	<ul style="list-style-type: none"> ■ National Programme for Personal Training and updates for 2011–2015 ■ Measures to improve the system of student training, and the quality of teachers (2012)

The visions or perspectives for VET all tend towards economic and social objectives relating to structural adjustments in the economy and towards social inclusion and effective participation in society. In the two years since the last Torino Process report in 2010, these perspectives have generally been further elaborated and consolidated in the policy framework of the countries of the region. In terms of economic objectives, the dominant theme of the visions relates to improving the vocational sector through upgrading curricula content and teaching and training capacities, and forging closer links between the education sector and the business community.

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

1.1 NATIONAL APPROACHES

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

In large part this reflects the distinctiveness of each country in terms of industry, access to markets, geography, population, resources and economic development. The vision for Uzbekistan is demonstrated through the sustained implementation of the National Programme for Personnel Training introduced in 1997 and updated progressively through government decrees since 2010; Tajikistan and Kyrgyzstan have set their agendas for VET through Education Development and Employment Strategies that target major developments by 2020; Kazakhstan is also steering its system development through a 2020 strategy with an emphasis on cooperation between business and education.

No ambitions have been articulated for a convergent system of VET for the region. The potential influences on convergence that do exist emanate mainly from a common past and the dissemination of European cooperative initiatives relating to 'spill-overs' from the Bologna Process² and the Copenhagen Process³, particularly in the area of qualification frameworks. Other influences on policy visions in the region are derived from initiatives from international organisations and donors such as the World Bank, the Asian Development Bank, the International Labour Organisation and the Organisation for Economic Cooperation and Development.

1.2 LIFELONG LEARNING

The tendency in the region has not been to regard VET as an isolated sector of education defined only by training that has a simple correspondence to occupations in the labour market or employment. This was never the perspective of any of the systems of the region in the past, as the 'legacy' systems of the former Soviet Union provided a system of on-going learning through initial VET often connected to secondary VET and higher education, and subsequently five-yearly retraining as an employee. The move to market-based economies has diminished the strength of these pathways, and their effectiveness has been weakened over the past 20 years as the economic structures on which they depended, such as occupational structures and major industrial enterprises, have adjusted to new contexts.

There is a trend towards developing these links anew through the maintenance and renovation of VET in line with new occupations that are demanded by the labour market or by providing opportunities to access higher education from VET at the level of secondary education and post-secondary education. However, none of the national systems have a fully articulated framework of pathways, and there are differences in the extent to which pathways offer progression to on-going education and training.

1.3 SHARED INSTITUTIONAL DEVELOPMENT

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

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

² The Bologna Process is an intergovernmental process of members of the Council of Europe that was initiated in 1999 to create a European Higher Education Area based on international cooperation and academic exchange that is attractive to European students and staff, as well as to students and staff from other parts of the world. See www.ond.vlaanderen.be/hogeronderwijs/bologna/about/ (last accessed 2 April 2013).

³ The Copenhagen Process is a cooperative initiative between EU Member States, commenced in 2002, which aims to improve the quality of vocational training and to encourage more individuals to make wider use of vocational learning opportunities, whether at school, in higher education, in the workplace, or through private courses. See http://ec.europa.eu/education/vocational-education/copenhagen_en.htm (last accessed 2 April 2013).

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

All visions are also affected by resource constraints that limit the realisation of policy objectives in the short term. These constraints are not uniform: for example, Uzbekistan and Kazakhstan invest more in VET than Kyrgyzstan and Tajikistan, and have much larger systems (see **Table 4.1**). This reflects not only their population sizes but also the relative share that VET represents in education as a whole in these countries. In Tajikistan and Kyrgyzstan the VET sector represents only a small part of the education sector and has limited resources. The visions for VET in Uzbekistan and Kazakhstan are being shaped from much larger vocational sectors. This has a significant impact on how VET is developing: for example, in Kazakhstan there is a strong willingness to experiment with different models (e.g. from Germany, Norway and Singapore), and similarly, the size of the VET sector in Uzbekistan makes it viable to invest in an extensive building programme for professional colleges. Differences between the countries in terms of the resources available to them will mean that those with greater resources – either in terms of population or in terms of natural or economic assets – will adapt their systems more rapidly than those without. This may lead to growing disparities between the systems in the region over time.



2. ADDRESSING DEMOGRAPHIC, ECONOMIC AND LABOUR MARKET NEEDS

Four of the five countries in Central Asia – Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan – are characterised by an increase in the proportion of the population who are of working age, providing an opportunity for greater economic growth. Kazakhstan has also experienced significant population growth in recent decades. These countries are moving rapidly from a ‘population explosion’ phase, with a proportionately large share of children, to a ‘window of opportunity’ phase, with more working-age persons. The proportion of the population between 20 and 40 years of age will rise from 30 to 33% between 2000 and 2025. Consequently, the demands on key public services, such as those for maternal and child health, as well as the continued demand for education services at all levels, will continue. The working population between 40 and 60 years of age will more than double among men (110%) and women (114%) during the period 2000–25.

A large youth population presents challenges and opportunities. In Tajikistan 60% of the population is below the age of 25; in Uzbekistan and Kyrgyzstan 60% are below the age of 30; and in Kazakhstan 50% of the population is below the age of 29. The opportunities for these countries lie in the future potential of having a large population who are of working age in the coming decades. The challenge is to ensure that this potential is not constrained through lack of employment opportunities and the absence of relevant skills that will enable the population to progress in the labour market.

2.1 ECONOMIC GROWTH RATES

According to the World Bank World Development Indicators, the region enjoyed strong growth in recent years as it recovered from the economic recession and the loss of traditional markets following independence. The high growth rates have been associated with the service and industry sectors and the move away from agriculture.

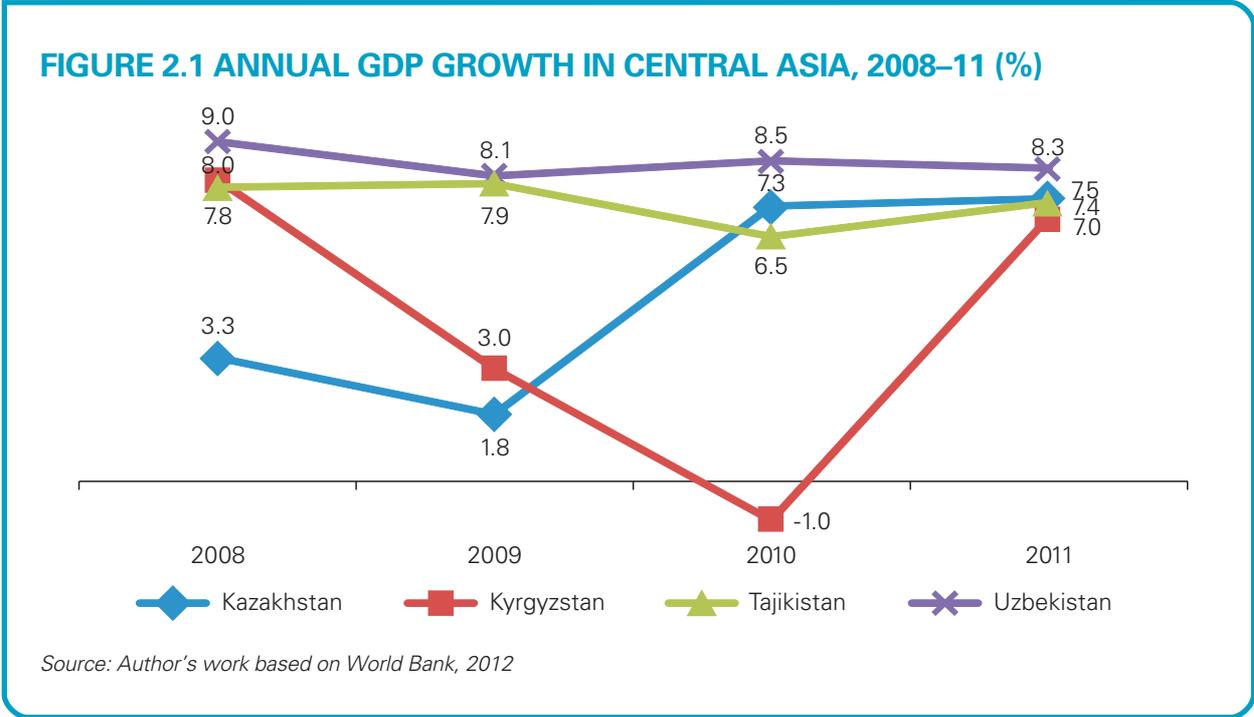


TABLE 2.1 PER CAPITA GDP TRENDS

	KAZAKH-STAN	KYRGYZ-STAN	TAJIKISTAN	TURKMENI-STAN	UZBEKISTAN	RUSSIA
1991	6 270	2 288	2 692	3 474	1 950	11 962
2000	5 406	1 507	969	2 322	1 632	8 613
2005	8 699	1 721	1 500	4 762	2 001	11 953
2006	9 529	1 756	1 583	5 245	2 121	12 878
2007	10 259	1 888	1 674	5 795	2 290	14 016
2008	10 469	2 027	1 781	6 567	2 456	14 767
2009	10 318	2 060	1 895	6 881	2 611	13 623
2010	10 916	2 008	1 940	7 422	2 786	14 183

Note: Purchasing power parity, constant 2005 international USD.

Source: Author's work based on World Bank, 2012

Table 2.1 shows the degree to which countries in Central Asia have recovered following independence.

Patterns of economic development are difficult to discern in employment trends. Agriculture, although declining in all countries in terms of its contribution to GDP, remains an important feature of employment, comprising 31% of employment in Kyrgyzstan (2010), 34% in Uzbekistan 33%(2011 27% in Kazakhstan (2011) and 53% in Tajikistan (2009) (2012 Torino Process country reports).

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

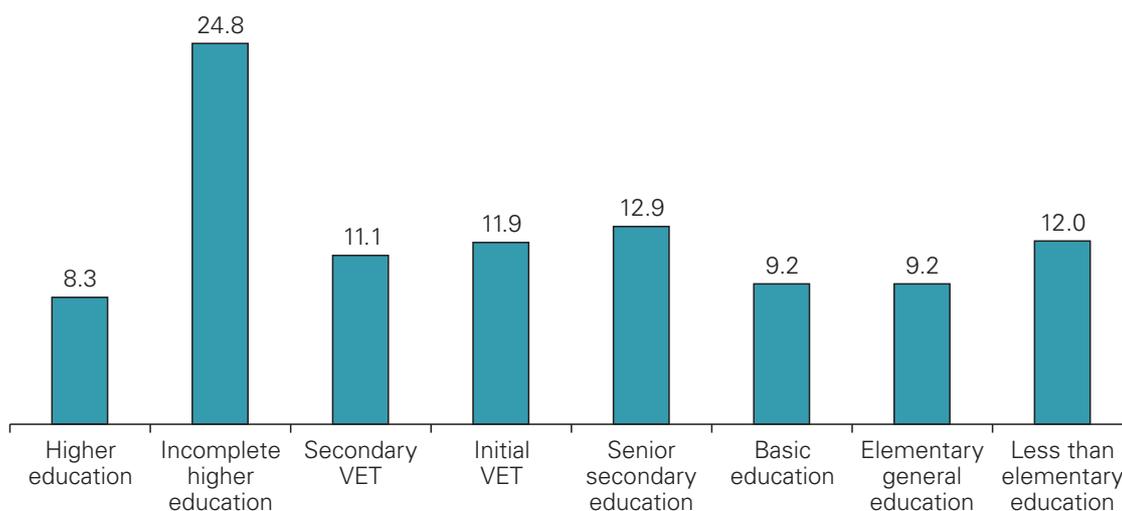
2.2 VOCATIONAL EDUCATION AND UNEMPLOYMENT

The pattern of unemployment in the region is mixed. The trend in unemployment in Kazakhstan is falling, declining from 8.1% in 2005 to 6.6% in 2009 and then to 5.4% in 2011. For young people aged 15–24, the corresponding rates of unemployment have followed this trend, declining from 5.5% to 4.2% in 2011 for males and from 8.2% to 5.0% in 2011 for females. Overall, the rate of youth unemployment fell from 6.7 % in 2009 to 4.6% in 2011.

In Tajikistan the rate for youth unemployment was 12.9% in 2009 for the 15–29 year-old age group. In Kyrgyzstan the aggregate rate of unemployment was 8.6% in 2010, with a higher rate of 13.7% for the youth cohort aged 15–29. In Uzbekistan official administrative figures suggest that the unemployment rate is low, at 0.2%, and stable.

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

FIGURE 2.2 UNEMPLOYMENT RATES BY EDUCATION LEVEL IN TAJIKISTAN (15–75), 2009 (%)

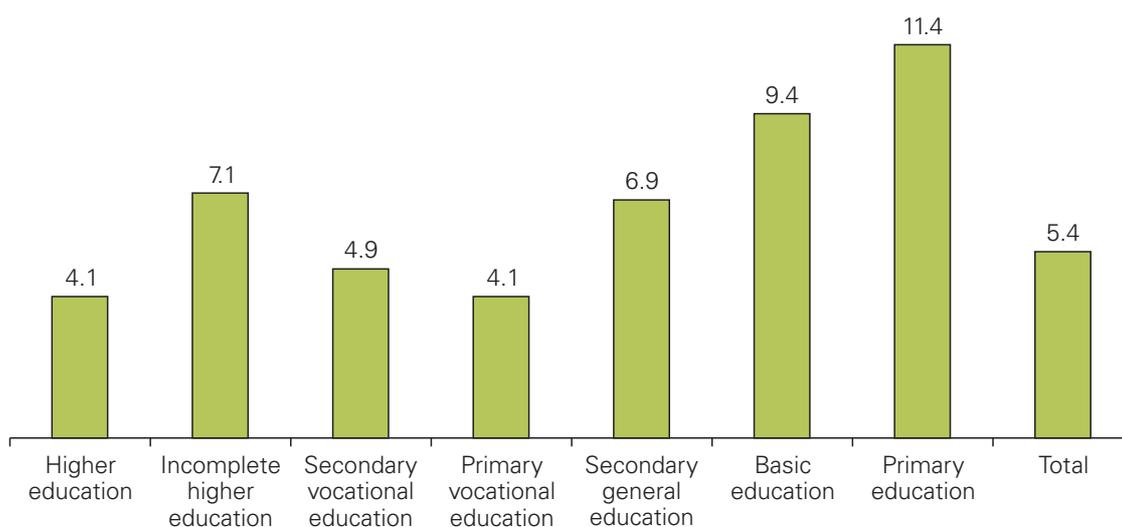


Source: Author's work based on Tajstat, 2009

VET in Tajikistan appears to perform slightly better in terms of unemployment compared with general education (see **Figure 2.2**). The figures for the country indicate a deteriorating situation in the labour market for all education groups: for example, between 2004 and 2009 the unemployment rates for those with initial and secondary vocational education increased by approximately 2%, while the rate for those with secondary general education increased almost 5%. However, although illustrative, the figures are not conclusive and further research and analysis is necessary to confirm the trend in Tajikistan.

For Kazakhstan, there also seems to be an inverse relationship between the level of education and the rate of unemployment (see **Figure 2.3**).

FIGURE 2.3 UNEMPLOYMENT RATES BY EDUCATION LEVEL IN KAZAKHSTAN (15+), 2011 (%)

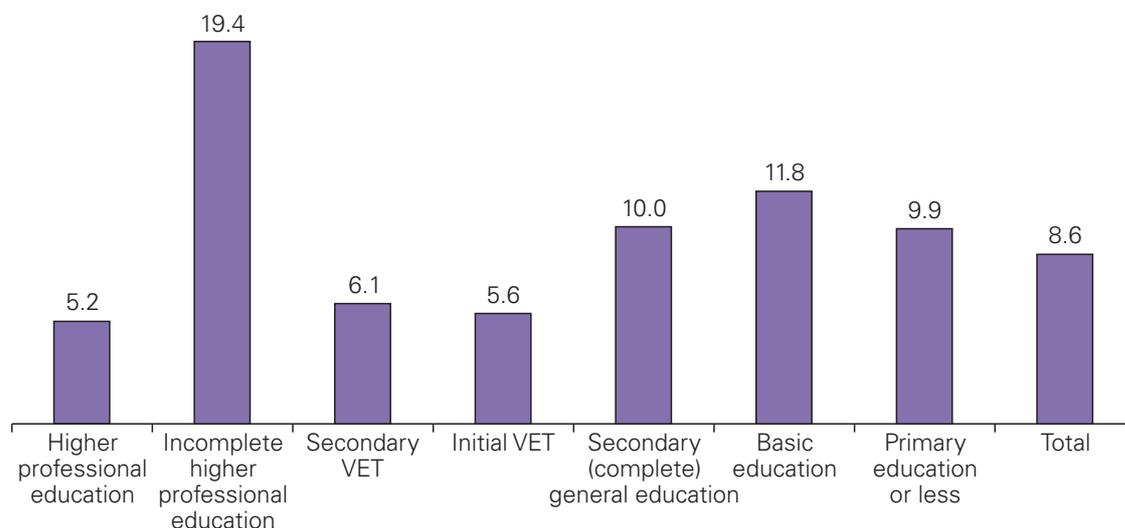


Source: Author's work based on Agency of Statistics of the Republic of Kazakhstan data received on 31 August 2012

The figures for Kazakhstan – like those for Tajikistan – indicate that VET, both initial and secondary, performs better as a form of skill development than general education.

The official data for Kyrgyzstan also indicates a similar relationship between VET and unemployment (see **Figure 2.4**).

FIGURE 2.4 UNEMPLOYMENT RATES BY EDUCATION LEVEL IN KYRGYZSTAN (15+), 2010 (%)



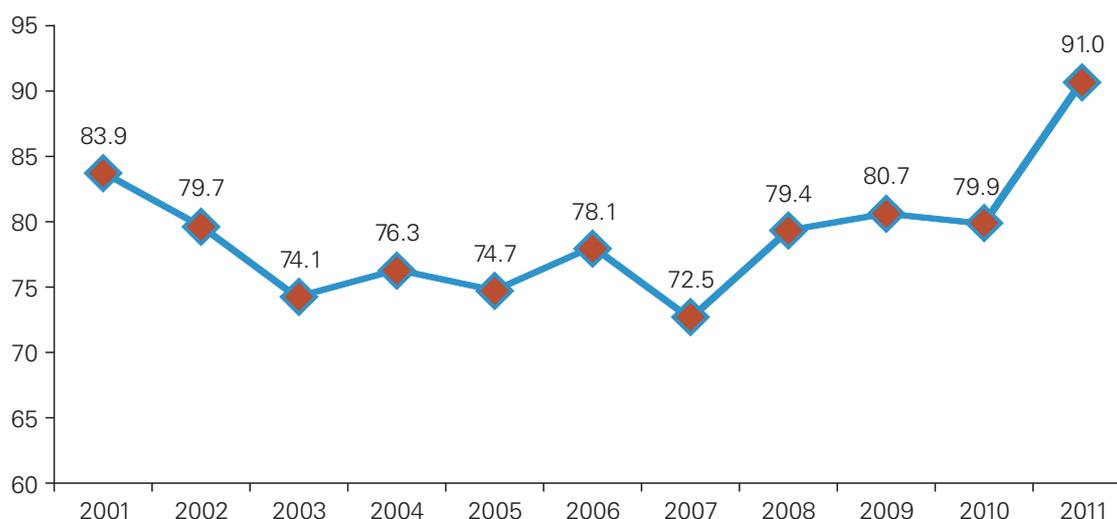
Source: Author's work based on National Statistical Committee of the Kyrgyz Republic, 2011

The unemployment rate is lower for people with initial and secondary VET than for people with any other form of education except higher professional education.

Despite drawing on different data sources and diverse national collection methodologies, they suggest, however, that for Kazakhstan, Kyrgyzstan and Tajikistan there is a likely relationship between levels of education and rates of unemployment, i.e., the higher the level of education, the lower the unemployment rate. As can be observed in both Tajikistan – which seems to have had a deteriorating labour market – and Kazakhstan – which has a stronger labour market – VET seems to be efficient as a form of human capital for the region in terms of supporting employment in the labour market.

For Uzbekistan the low level of unemployment and a high employment rate of 91% of VET graduates reflect a specific approach to labour market policy involving stronger government intervention and coordination in the allocation of labour than that found in the other countries of the region.

FIGURE 2.5 EMPLOYMENT RATE OF VET COLLEGE GRADUATES IN UZBEKISTAN, 2001–11 (%)



Source: Data provided by the Centre for Secondary Specialised and Professional Education, 2012

Beyond the aggregate figures, the data in the national reports suggest differences between countries across the region in terms of unemployment, with some areas having higher unemployment than others. For example, in Tajikistan's Gorno-Badakhshan Autonomous Oblast region, the employment rate fell from 60.4% in 2004 to 34.4% in 2009, with a corresponding increase in the overall unemployment rate in the region from 18.0% to 23.3%. Similarly, the employment rate for the Sughd region of the country fell from 62.3% to 43.8% over the same period, with the unemployment rate rising from 5.0% to 14.1%. In Kazakhstan the data in the national reports also reflect significant differences between urban and rural rates of unemployment. For example, in 2009 the unemployment rates for urban and rural males (6.2% and 4.9% respectively) were higher than the corresponding rates for females (9.8% and 6.8% respectively). Although they decreased between 2009 and 2011, the urban rates for males remained lower than those of females – 5.1% for males compared with 6.1% for females. This is consistent with the official figures for Uzbekistan, which also found differences among oblasts (regional districts): Fergana 15.1%, Samarkand 12.9%, and the city of Tashkent 12.6%⁴.

Regional differences are also evident in Kyrgyzstan, where the data highlight some of the complexities of the labour market trends in the region. While the unemployment rate for the overall working population in the country is higher in urban areas than rural areas (8.6% as against 7.4%), the inverse is true for the youth cohort, for which the unemployment rate is higher in rural areas than in urban areas (15.0% as against 18.6%). This difference may reflect the initial and ultimately unsuccessful employment searches of school graduates in rural areas, and their internal migration to urban areas in search of employment opportunities. While young school graduates in rural areas may at first look for employment close to home, they might accept household work, or move into inactivity or to internal or external migration after spending some time trying unsuccessfully to secure employment. As a result, lower unemployment rates are likely to be found in rural areas for the working-age population as a whole than for young school graduates.

Informal employment also represents a significant and largely unmeasured issue in the region. In Kyrgyzstan almost three-quarters of all employment was in the informal sector; in urban areas half of all jobs were informal, and in rural areas four-fifths of jobs were informal. For men, three-quarters of jobs were in the informal sector, while for women only two-thirds of jobs were organised informally. In Tajikistan the increasing working-age population influences the informal sector, which is mainly made up of household-based enterprises or corporate enterprises owned by households producing goods and services.

⁴ The actual numbers of registered unemployed in Uzbekistan are quite low and may not fully reflect the regional dimensions of unemployment.

The results of the LFS for 2009 show a continuing trend in the increase of informal employment (51 %, excluding the agricultural sector). In the 2010 Torino Process country report, the informal economy and informal employment were identified as challenges for the Uzbek economy, with estimates suggesting that 35% of the employed population were working in the informal sector. However, this was not verified in the 2012 report, and the issue requires further analyses in order to assess its impact and extent in the region.

The external efficiency of VET tends to be clearer in areas where there is strong government coordination or close relationships between enterprises and education providers. The region has examples of both (e.g., in Kazakhstan, business–education cooperation is growing, and in Uzbekistan government support for job placement and labour recruitment is strong), as well as countries in which both are largely, or partially, absent (e.g., in Kyrgyzstan and Tajikistan). The region is still in the process of achieving a balance between the outputs of education and the needs of industry. All governments recognise the challenge, and programmes and initiatives have been, or are being, introduced.

One of the most visible challenges is in the transition process for students between VET and employment, which is a persistent problem in the region, and has remained largely unresolved since the creation of the national economies in the 1990s. The trend is likely to include extended durations between learning and work as a consequence of the decline of traditional occupational structures and large enterprises with internal labour markets capable of absorbing new labour entrants. This has generated extended periods of job search for young people, periods of intermittent employment, and changes in jobs, occupations and industries. Uzbekistan is to a large extent an exception to this trend, as is Kazakhstan, which, with the largest economy of the region, maintains a lower level of youth unemployment.

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

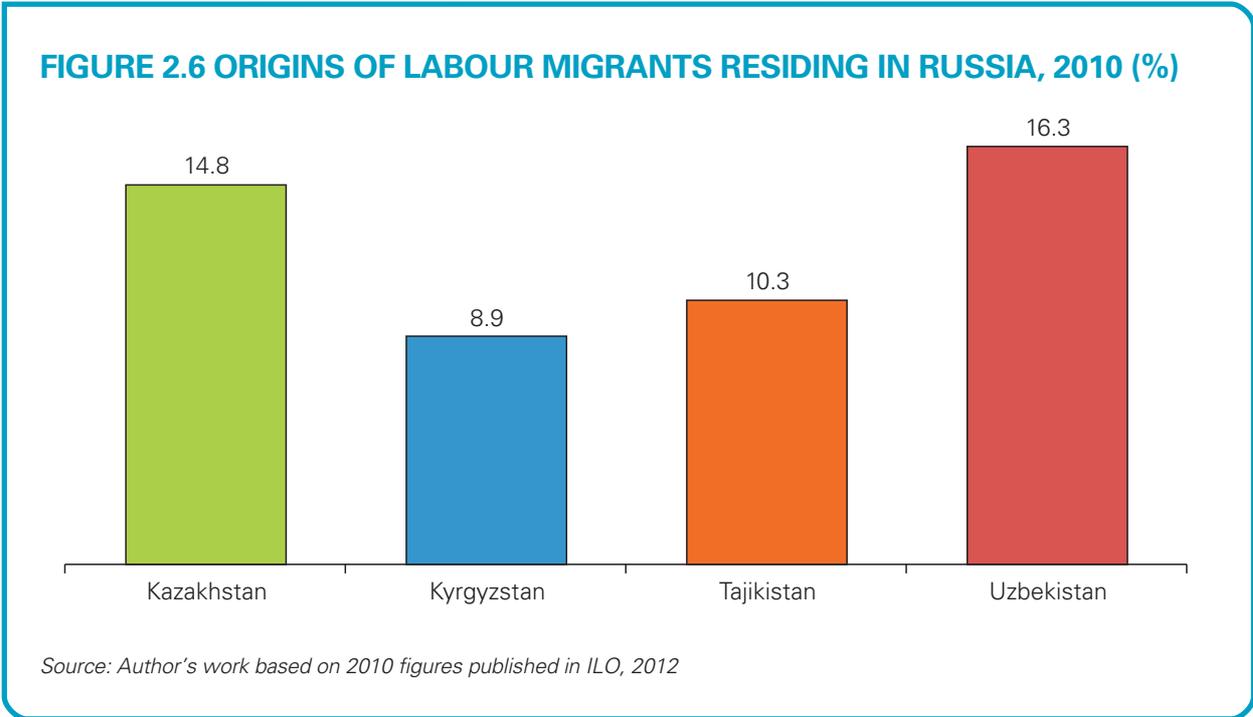
2.3 SMALL BUSINESS

The small business sector represents a dynamic area of development across the region, accounting for 97% of enterprises in Kazakhstan and 74% of employment in Uzbekistan, but only 25% of employment in Tajikistan. Its growth stems from both positive and negative effects of the adjustments that have taken place in the individual economies. The positive trends are generated from the shift from large-scale and publically coordinated enterprises, and reflect the growth of a diverse range of business, commercial, personal, tourist, and retail and information technology services. Small and medium-sized enterprises account for the majority of employment in all four countries, and their numbers have grown over the past decade. This sector, although making large contributions to GDP in all the countries, is not systematically catered for by VET in the region, and its growth has not generally been reflected in reform strategies. Some developments have taken place, and small business training and support services are available to some degree in all countries. These include both initiatives in the formal sector, such as curricula-content measures relating to running a small business, and measures in the non-formal sector, such as community-based initiatives, the many diverse programmes conducted by chambers of commerce and industry associations, and internships developed between schools and enterprises.

On the other hand, the small business sector is also growing because of the negative effects of the limited employment opportunities that exist. Hence, many small businesses are initiated less as a business opportunity and more as a survival mechanism. Although they are qualitatively different, neither of the two forms of small business appears to be comprehensively served by the vocational sectors of the region.

2.4 MIGRATION

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



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

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



3. ADDRESSING SOCIAL DEMANDS

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

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

In Tajikistan the national Education Development Strategy incorporates an initiative to expand the number of people involved in VET, and is explicitly presented as a measure to promote equity and participation. This includes aims to increase the number of vocational schools and to introduce incentives and improvements in the conditions in education, specifically in relation to young girls and those in rural areas. Additional measures include the improvement of boarding schools for students with special needs (as in the National Concept on Inclusive Education approved in 2001). The boarding schools in Tajikistan are critical for social inclusion. In order to improve the operation of boarding schools (84 in total), the Ministry of Education has opened a specific unit for their management with the aim of establishing new curricula and enabling children who are enrolled in such schools to complete secondary education. Teachers and specialists for boarding schools, special pre-school institutions (see 2012 Torino Process country report) (13 in total, covering 9 000 children and 939 teachers in 2010) and home-study schools (6 in total, covering 740 children in 2010) study at the Faculty of Education Science and Psychology, and specialise in working with students with learning difficulties. Education for those who have dropped out – who are estimated to represent 17% of the general education school population – is provided by 78 centres (funded by the state budget) to 32 046 children outside the normal school times. The rate of school enrolment falls significantly for all levels above the basic level of education. Children from low-income families have the highest level of school dropout rates⁵.

In all the countries of the region education is free of charge, and this provides a platform for participation. In Kazakhstan education subsidies are provided to the majority (approximately 93%) of VET students. However, it is recognised that many rural schools are lacking in terms of their facilities, equipment and coverage; for example, in Kazakhstan in 2011, of 894 VET colleges, approximately 20% were in rural areas, with only 8.7% of VET students studying in rural institutions. Since 2010 initiatives to enhance the contribution of VET in terms of social assistance have included a range of measures introduced under the State Programme of Accelerated Industrial and Innovative Development of Kazakhstan 2010–2014, which aims to create 96 000 social jobs for target groups with public co-financing, including practical training for 34 000 young people in enterprises. The programme also aims to encourage the development of various forms of flexible employment and to integrate 65 000 self-employed, unemployed and low-income individuals into productive employment, through training, retraining and advanced training.

VET is recognised as an instrument of social assistance, particularly in Kyrgyzstan, where initial VET is defined as having a social role for vulnerable groups, such as prisoners, school dropouts, and people with special needs, including those with disabilities. Estimates for Kyrgyzstan suggest that only about 50% of people with disabilities below the age of 18 obtain training. In Kyrgyzstan 30% of students in initial VET are female, which represents a decline since 2010, though females are in the majority in secondary VET.

⁵ The ETF survey conducted in 2010 by Sharq shows that 15% of students of secondary education do not attend classes.

In Tajikistan difficulties in accessing services are compounded by the lack of trained teachers to support children with special needs. The initial VET system includes 17 rehabilitation colleges, and offers financial support through various measures such as hostel places and stipends (approximately 15–18% of the budget). Between 2008 and 2012 the funding for vulnerable groups has been stable. However, as a means of social assistance the sector has potential. For instance, the dropout rate from school is estimated at 15.6%, yet only around 1 500 out of a pool of 100 000 potential students attend VET as a pathway back into education.

The introduction of prevention measures, such as the improved career guidance services in Kyrgyzstan (where it is estimated that 17% of students have received career advice), is an emerging trend, and could reduce the number of students entering the labour force seeking employment where there are fewer jobs, low wages or limited opportunities for continuing education and training. Likewise, there is a small but developing trend towards the validation of informal learning in Tajikistan. This offers some assistance to returning migrants in gaining recognition in the national labour market for competencies and experiences obtained in other countries.

Uzbekistan achieved gender equality in primary and basic secondary general education and secondary VET in 2005. The increase in women's involvement in upper secondary education has been an important objective of the reform, and offers great potential for increasing the breadth and depth of women's participation in the labour force and their general position in life (Presidential address, 2012). In higher education male enrolment rates are higher than those for females (World Bank, 2012). However, the gender balance in higher education is expected to improve by 2015 (World Bank, 2011).

The region faces key challenges in using VET as an assistance measure. One remediation measure introduced in Uzbekistan, Kyrgyzstan and Tajikistan is the delivery of short vocational courses through department of labour adult learning programmes. These offer short-term training opportunities to provide skills that are perceived to be in demand. While potentially successful, these courses, although certificated, do not facilitate on-going learning or progression into continuing VET. The main trend in the region in this respect is to maintain these courses separately from the VET programmes conducted by the Ministry of Education.

4. INTERNAL QUALITY AND EFFICIENCY

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

4.1 SYSTEM SIZE

For Uzbekistan, VET has been a main instrument of reform since the 1990s and has received considerable policy support and investment since then, whereas in Kazakhstan, the sector has found itself in policy competition with higher education, and has received policy attention mainly since the beginning of the 2000s. For contextual reasons, in Kyrgyzstan and Tajikistan the sector appears to have only recently been given policy attention with a view to its expansion (2012 Torino Process country reports). These differences in emphasis in policy have an impact on the relative capacities of the various national systems, with those that have only recently been given attention having the greatest distances yet to travel in terms of development.

In terms of system size, the differences are important. Uzbekistan and Kazakhstan have the largest systems in the region, while the systems in Kyrgyzstan and Tajikistan are smaller. Size has an impact on the smaller systems because they are unable to obtain the benefits of economies of scale in relation to infrastructure and teaching programmes that are available in larger systems.

TABLE 4.1 SELECTED VARIABLES ON THE SIZE OF THE VET SECTORS IN CENTRAL ASIA

COUNTRY	YEAR	NUMBER OF VET STUDENTS			NUMBER OF VOCATIONAL INSTITUTIONS			NUMBER OF TEACHERS/TRAINERS		
		Initial	Secondary	Total	Initial	Secondary	Total	Initial	Secondary	Total
Kazakhstan*	2011			604 000			894			45 700
Kyrgyzstan	2012	42 018**	72 323	114 341	109	122	231	3 647	5 590	9 237
Tajikistan	2010	22 316	37 550	59 866	66	49	115	2 287	3 710	5 997
Uzbekistan***				1 724 000			1 430			75 480

Notes: (*) Separate figures for initial VET and secondary VET are not available (further information on the structure of the Kazakh VET system is provided below). (**) Includes 13 189 part-time students. (***) In Uzbekistan there is no distinction between initial and secondary VET. Figures are based on most recent year.

4.2 STRUCTURE OF VET

There are similarities between the VET systems of Kyrgyzstan and Tajikistan. In both countries VET has an 'initial' sector and a 'secondary' sector. In both countries VET has some links with compulsory or basic secondary education (generally secondary education until the end of year 9) and to complete secondary general education (generally secondary education until the end of year 11). In addition, initial and secondary VET are linked, with the former offering a pathway to the latter.

In Kyrgyzstan initial VET comprises a programme of study of between one and three years. The duration varies as there are several possible entry points in the first, second or third year; entry points are mainly in the first or third year, and correspond to completion of basic secondary general education at the end of year 9 or secondary education at end of year 11. The three-year programme is intended to combine general education with a strong professional component. Completion of the three-year programme leads to a secondary education diploma with a professional qualification offering possible access to secondary VET or to higher professional education.

Secondary VET is a four-year programme targeted at the development of technicians or middle managers, and is generally more academic than the initial vocational programme. As with the initial vocational programme, secondary VET can be entered following completion of year 9 or year 11, with the programmes lasting four years or two years respectively. Students who complete the secondary vocational programme have the opportunity to enter higher professional education, and – depending on institutional examinations and the specialisations – the possibility of direct entry to the second and sometimes third year of study in the higher professional programme.

The structure of initial and secondary VET in Tajikistan is similar to that in Kyrgyzstan. Students are able to enter an initial VET programme after completion of compulsory (basic) secondary education following year 9. After one year of study, students can obtain a diploma of technical and vocational education. Students can also combine VET with general secondary education to receive both a diploma for VET and a diploma for completed secondary general education. In the secondary VET system, as in that of Kyrgyzstan, students can complete four years of study following compulsory education to receive a secondary VET diploma, or, after completing general secondary education, can enter a two-year programme of study to receive a diploma combined with secondary VET. Students who have completed a one-year programme of initial VET can also progress to the secondary vocational programme.

A defining characteristic of the national model of education in Uzbekistan is the division of the secondary education system at the conclusion of year 9 (approximately 16 years of age) into professional and academic tracks. The professional (vocational) track accounts for a large proportion of the students and comprises a three-year programme leading to a diploma in secondary specialised professional education, which provides the graduating student with the title of 'junior specialist'. The curriculum is broad based in that it combines general, core professional, and specialist content that aim to prepare the student for a range of positions. The Uzbek system differs from the systems in Kyrgyzstan and Tajikistan in that it accounts for the majority of students, and in addition, it does not divide VET into initial and secondary streams. In Kazakhstan there has been no distinction between initial and secondary VET since 2011: the system is now called 'vocational and technical education' and all VET institutions are now referred to as 'colleges'⁶. In Uzbekistan the vocational system accounts for 91% of students, while that of Tajikistan accounts for approximately 3.5% of students; in Kyrgyzstan the proportion of students in initial VET is approximately 3% of the number of students in years 9–11 in general education, and the proportion of secondary vocational students is approximately 30% of those in higher professional education (based on figures in the 2012 Torino Process country report).

All national systems provide, to a greater or lesser extent, some form of pathway between educational sectors. In Kazakhstan, Tajikistan and Kyrgyzstan there are pathways between upper secondary general education and VET, and between VET and higher education, either directly or by progression from initial VET to secondary VET and thence to higher education. In Uzbekistan there is a pathway between VET and higher education. However, in all these cases the pathways are limited or, in terms of student preference, strongly

⁶ A system description was not included in the Kazakhstan national report.

influenced by the traditional route between general education and university education, or by obstacles such as entrance examinations or the limited number of student places. In all the countries, except Uzbekistan, VET is not perceived to have high status or to be an attractive option, and higher education is often a preferred destination of students.

A key development in Kazakhstan has been the growth in the number of VET institutions, this having increased by 49% in the past 10 years. This increase has mainly been as a result of the growth of private colleges, which increased by 79%, compared with a 15% increase in the number of public colleges. Similarly, in Kyrgyzstan there has been a strong growth in the secondary vocational component of the national system, with the number of colleges increasing from 90 to 122 since 2008/09. Of these colleges, 53 are state owned, 23 private and 46 integrated into higher education institutions. In Uzbekistan the sector has grown by 100 professional colleges since 2010. The growth in Tajikistan has been mainly in the introduction of a target for short vocational courses (frequently lasting 1–6 months) for adults, but in April 2012 the President announced the aim of expanding VET provision and increasing the number of people trained to 100 000 during the 2012–13 period.

4.3 TEACHER TRAINING AND QUALITY ASSURANCE

An on-going development in the region is a move to support teacher training and the overall quality assurance of VET. The national reports highlight a range of challenges relating to teaching and school capacities, including management and professional status, but also suggest that the vocational schools are sensitive to innovations and that vocational student enrolments increase where there is a perception of improvement (2012 Torino Process country report for Tajikistan). All countries in the region have sought to improve the attractiveness of the teaching profession through salary increases in recent years.

The country report for Kazakhstan highlights the fact that 1 600 teachers have been trained since 2011/12 and that the issue is a key priority, with developments encompassing the professional development of teachers and improvements to infrastructure (computers, buildings, facilities). In 2012 six new regional training centres were established, with a new programme for in-service teacher training. In Kyrgyzstan in-service teacher training is being strengthened in the initial VET system by the upgrading of methodological support to the overall initial VET system and to schools on the development of VET education standards, curricula and teaching approaches. No similar initiatives are under way in the secondary vocational sector, despite its stronger growth relative to the initial VET sector.

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

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

TABLE 4.2 INITIATIVES BY COUNTRY

COUNTRY	INITIATIVES AND PROGRAMMES FOR THE PROFESSIONAL DEVELOPMENT OF VET TEACHERS AND TRAINERS	QUALITY ASSURANCE INITIATIVES
Kazakhstan	<ul style="list-style-type: none"> ■ Development of regional centres and four-year modular system of in-service training ■ Increases in teacher salaries and new career steps for teachers 	<ul style="list-style-type: none"> ■ Social partnership engagements ■ Updating of VET structure and content ■ Development of training infrastructure ■ Improving VET system management ■ Introduction of e-learning
Kyrgyzstan	<ul style="list-style-type: none"> ■ Establishment of methodological centre focused on in-service training for initial VET ■ Moves towards performance management 	<ul style="list-style-type: none"> ■ No major developments in quality assurance in secondary VET since 2010
Tajikistan	<ul style="list-style-type: none"> ■ National education strategy plans for the restructuring of in-service teacher training and re-organisation of pedagogical colleges and higher educational institutions 	<ul style="list-style-type: none"> ■ Development of monitoring and evaluation processes ■ National processes for assessing achievement of learning outcomes
Uzbekistan	<ul style="list-style-type: none"> ■ Salary increases and performance-based management ■ Directors' fund and teacher-training initiatives to increase proportion of teachers with higher education 	<ul style="list-style-type: none"> ■ Measures to improve the system of student training and the quality of teachers (2012)

Some initiatives appear to be more established than others. For example, Tajikistan and Kyrgyzstan are only just commencing the implementation of their professional development programmes. In contrast, infrastructure renovation in terms of school building and maintenance is more developed in the larger systems of the region, with Uzbekistan having invested heavily in the development of new schools and colleges and Kazakhstan establishing new regional centres.

4.4 CONTINUING VET

The number of short courses in the region is growing, usually as part of Ministry of Labour initiatives for the training of unemployed workers or the requalification of adults and employees. In all cases, these short courses stand alone and provide course participants with specific occupationally relevant skills for jobs identified as being available in the labour market. The courses, while generally certificated, do not link to other diplomas and cannot be used by participants to build up or contribute to new or higher-level qualifications. In this respect, although the number of short courses is increasing, this does not, except in Tajikistan, reflect the strategic direction of vocational training policy for the region, but rather an initiative based on the necessity of providing skills to match the employment opportunities available.

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

In Tajikistan short-term courses are offered by the Ministry of Education, and by the Ministry of Labour in cooperation with its National Adult Training Centre, to all individuals over the age of 15. In 2011 the centre initiated a process of certification of knowledge and skills, which boosted the number of graduates from

11 000 to 44 500. The system has yet to establish a legal framework in Tajikistan to consolidate and underpin this form of certification and bring it into line with the vocational sector as a whole. In Uzbekistan short courses are provided through Ministry of Labour programmes, often using the professional college infrastructure and curricula of the Ministry of Education. The courses last one to six months; in 2011 50% of the students were aged between 20 and 30. In Kazakhstan vocational retraining for unemployed individuals is limited to employers who request it and who are able to provide guaranteed employment, or as part of entrepreneurship-promotion initiatives for self-employment. In order to provide in-service training, educational institutions must pass a competitive selection process. Costs are often paid by the state or shared with the enterprises.

Short courses have the potential to contribute to the overall efficiency of the systems and provide focused training in skill areas relevant to industry and to individual needs. They can be useful to people who are in employment and who wish to upgrade their skills, or to people who are unemployed and seeking to add to their skill sets in order to ensure these are relevant to the jobs available. The growing interest in short courses has implications for certification and quality-assurance arrangements, which may need to consider how they link with the programmes provided by Ministries of Education. In none of the countries of the region is there currently a link between vocational training certificates provided through short courses and the certificated programmes provided by the Ministry of Education. Similarly, there is a lack of initiatives for the validation of non-formal or informal learning, the single example being Tajikistan's programme for the assessment of skills for returning migrants.

Uzbekistan, Tajikistan, Kazakhstan and Kyrgyzstan are, to differing degrees, working on the development of national qualification frameworks. These could support many of the initiatives that are under way in the region. A framework may help to improve the capacities of each system by enabling the different parts of the system – initial, secondary and continuing VET – to work together and thereby find possible efficiencies, for example through pathways from short courses to longer qualifications and by sharing quality-assurance arrangements across the sectors.

5. GOVERNANCE AND FINANCING

The management and coordination of VET in the region is based mainly on government departments and agencies, with some differences in how these are organised with respect to continuing, initial and secondary VET.

5.1 GOVERNANCE

In Tajikistan initial and secondary VET have been the overall responsibilities of the Ministry of Education since 2008. All 66 schools providing initial VET are under the competence of the Ministry of Education. Responsibility for the 49 secondary VET schools is as follows: Ministry of Education (20 schools), Ministry of Culture (6), Ministry of Agriculture (2), Ministry of Health (15), Ministry of Energy (3), Tajik Aluminium Plant (1), Hydropower Station of Roghun (1), Committee for Youth, Sports and Tourism (1).

The Ministry of Education has a Department of Initial and Secondary Vocational Education, which is responsible for developing and implementing VET policy and strategies, and is divided into two units, one for initial and the other for secondary VET. Coordination of the work of the schools is shared between regional, district and city authorities, with some exceptions; for example, Dushanbe, the Districts of Republican Subordination, Khatlon region and Gorno-Badakhshan Autonomous Oblast region are directly under the Ministry of Education. The Sughd region provides a further exception. It has a VET Unit within the Education Department in the executive branch of the regional government which directly manages the 23 initial and secondary VET schools (7 000 students, 36 professions).

Direct management within initial and secondary VET institutions is performed by directors, who are appointed and dismissed by the Ministry of Education on the recommendation of local authorities. Each school has a pedagogical council that deals with educational activities and acts in accordance with the Charter on Pedagogical Councils of VET schools.

Responsibility for the development of standards, content of subjects, curricula, textbooks, and training material lies with the Academy of Education, which was created in 2009 from the Academy of Pedagogical Sciences. The Academy of Education has direct responsibility for two institutions: the Institute of Education Development and the National Institute of Professional Development and Re-Training.

The Institute of Education Development is a research centre dealing with all aspects relating to the content of education, including developing programmes, producing textbooks, and organising conferences and research. The National Institute of Professional Development and Re-Training is responsible for teacher training and monitoring educational quality.

The continuing VET system is under the competence of the Ministry of Labour and managed by the State Agency for Social Protection and Employment. The Ministry of Labour has a department for policy development for adult education, and the agency has a unit for developing training for unemployed people. Methodological expertise is provided by the National Adult Training Centre.

In Kyrgyzstan one of the key developments since 2010 has been the creation of the Ministry of Employment, Youth and Labour, which shares governance of VET with the Ministry of Education. The Ministry of Education has responsibility for licensing all education providers, including those in initial VET; it is also responsible for secondary VET and adult and informal education. There are approximately 1 000 organisations that hold licences for the provision of adult and informal education.

The Ministry of Youth, Labour and Employment has responsibility for employment (including active labour market policies) and initial VET, which is administered by the Agency for Professional Education and Technical Education (VET Agency). All 109 initial VET schools are state owned and funded⁷. In March 2012

⁷ The legal framework provides for the possibility of private provision at all education levels.

the government announced the establishment of a National Skills Council, with the VET Agency being given the task of acting as a secretariat for the Council.

In Uzbekistan management of the education system is distributed between the Ministry of Higher and Specialised Secondary Education and the Ministry of Public Education. The former ministry covers higher education and specialised secondary education, which includes VET. Other ministries that have responsibility for specialist training institutions associated with their specific industry areas –including railways, tourism and water – cooperate with the Ministries of Public Education and of Higher and Specialised Secondary Education. The Ministry of Labour and Social Security manages and coordinates training for adult learners.

There is also the Republic Testing Centre, which is an autonomous institution that manages the development and implementation of tests for both specialised and general education for the certification of students.

Day-to-day operational management for general and primary education, i.e., education for pre-16 year-olds, is managed by provincial and district boards. The principal governing agency for VET is the Centre for Secondary Specialised and Professional Education under the Ministry of Higher and Specialised Secondary Education. It is responsible for managing the academic, methodological and organisational activities of academic lyceums and professional colleges. It provides services relating to secondary special professional education for the leaders of governance bodies (agreed with the local authorities).

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

Kazakhstan has a centralised structure with standardised regulation. Internal matters concerning VET schools (objectives, content, methodologies and organisation of VET) are the responsibility of the national government, while external matters (finance, maintenance and resources) are under the remit of local executive authorities. The VET Department within the Ministry of Education and Science is responsible for VET policy and development.

In terms of governance, the Torino Process report for Kazakhstan finds that steps have been taken to establish councils at national, regional, local and sectoral levels to implement a vertical management structure with a view to connecting active labour market policies and the process of industrialisation with VET.

In 2011 the Prime Minister established the National Council for Vocational and Technical Education, involving sectoral ministries, employer and branch representatives, as well as those from regional and local administrations. Furthermore, 16 regional councils, 14 sectoral councils, 162 local councils and institutional councils were established in 2012. With the implementation of the council-based structure, at the start of 2011 a diversified system of vertical VET quality management came into force. A key challenge is to make the councils relevant and to encourage interaction with a balanced information stream both downwards and upwards.

The VET systems are in large part adapting to changing contexts. The most stable system in the region appears to be that of Uzbekistan, while in other countries the management arrangements are changing. Such changes are either because of regional development and business–education cooperation initiatives, as in Kazakhstan, or because of the introduction of new capacity development processes, as in the case of Kyrgyzstan and Tajikistan which, as part of their development strategies, are moving in the short to medium term towards the greater use of indicators and performance assessment measures. Significant progress has been made in including the business community in policy consultation at various levels, though enterprises often are contributing to, rather than driving the process.

5.2 BUSINESS PARTNERSHIP

The growing need for engagement between business and education is a key institutional trend in the region. Various forms of such cooperation exist, including simple local or regional partnerships between enterprises and educational institutions (e.g., initial vocational schools, secondary vocational colleges); loosely or tightly formed administrative collaborations between regional and local authorities and schools and enterprises or chambers of commerce; and incipient sector or regional organisations that provide advice on skills required by industry. In general, government coordination is strong in Uzbekistan, while in Kazakhstan there is an emerging network of councils that may evolve to provide intermediary cooperation function between education and business. Industry engagement is weakest in Kyrgyzstan and Tajikistan.

At the end of 2011 the Kazakh government established an organisation called Kasipkor Holding, a national joint stock company financed by the government, as an inter-sectoral and inter-institutional centre. The objective is threefold: to study global best practices and incorporate them into the Kazakh VET system, to create a network of world-class colleges in partnership with leading educational institutions and business, and to strengthen national and international cooperation in VET at all management levels.

A notable aspect of these initiatives is their apparent diversity. Kazakhstan is engaging business in the development of cooperative learning and in establishing modern VET sectors in a number of key economic sectors. The aim in Uzbekistan is to strengthen existing cooperation with business, with a focus on providing students with work-based learning opportunities. In Kyrgyzstan the business community is increasingly involved in national and sector councils. In Tajikistan cooperation between business and education is diverse, with local partnerships existing in different regions. The challenge is to broaden the areas of cooperation and to promote stronger partnerships between employers and enterprises and policy makers and schools. This is a long-term development process, which will nevertheless benefit from clear commitments and agreed tripartite strategies.

TABLE 5.1 MECHANISMS FOR COOPERATION BETWEEN BUSINESS AND EDUCATION

Kazakhstan	<ul style="list-style-type: none"> ■ Cooperative learning developed with business ■ National VET Council (overall coordination) and scientific methodological centre under the Ministry of Education and Science (as working body of the Council) <ul style="list-style-type: none"> ● 14 sectoral councils ● 16 regional councils ● 432 councils of trustees ■ Kasipkor Holding ■ Local partnerships between employers and schools
Kyrgyzstan	<ul style="list-style-type: none"> ■ National Council for the Development of Professional Skills (national body to be supported by recently established sector skills councils) ■ Local partnerships between employers and schools
Tajikistan	<ul style="list-style-type: none"> ■ Local partnerships between employers and schools
Uzbekistan	<ul style="list-style-type: none"> ■ Local partnerships between employers and colleges ■ Administrative coordination between regional and national levels and with chambers of commerce

5.3 FINANCE

In Kyrgyzstan the state budget allocation for initial VET schools is based on a yearly planning exercise and is related to historical allocations. Between 2008 and 2011 spending on education increased from 5.8% to 7.1% of GDP. By 2011 education accounted for around 22% of total government expenditure. In 2011 5% of the education budget was devoted to initial VET and secondary VET. This means that the allocation per student in VET is four times higher than for general education, and has nearly doubled since 2008. An important part of this increase can be linked to the staff cost reform and salary increase implemented in May 2011. Since 2009 the poorest regions have seen the largest growth in per student spending. Funding for initial VET comes mainly from the state budget, and enrolment is free of charge for students taking full-time courses lasting between one and three years. The situation differs for secondary VET, where around 70% of students are fee paying, and thus represent a major income source for secondary VET schools. Short-term courses are funded by sources other than the education budget. School earnings, including those that are strictly linked to the provision of education services (short-term courses) are taxed at 20%. On the positive side, changes within the tax code mean that funds used by enterprises for staff development purposes are excluded from taxable resources.

The principle of per capita financing seems to have gained overall acceptance within the Ministry of Education, is being introduced to a large proportion of general education schools. It is expected to be introduced for secondary VET in 2013, and initial VET authorities are exploring the possibilities of per capita financing, with a first pilot planned for the second half of 2012.

For Tajikistan the state budget allocated to education has increased slightly over the past few years, but remains below 5% of GDP, and below 1% for VET. State expenditure per capita for students of both initial and secondary education has increased significantly over the past five years.

TABLE 5.2 EXPENDITURE ON VET IN TAJIKISTAN, 2006–10 (TJS)

	2006	2007	2008	2009	2010
Initial VET					
Expenditure (TJS million)	9.3	10.7	12.7	17.9	18.1
Expenditure per student (TJS)	395.4	414.6	607.3	812.6	822.5
Secondary VET					
Expenditure (TJS million)	11.3	11.7	11.7	27.2	26.0
Expenditure per student (TJS)	354.7	361.1	344.4	797.7	677.7

TJS – Tajik somoni

The Conceptual Framework for the Financing of Education in the Republic of Tajikistan until 2015 was adopted in 2011 and aims at increasing transparency in the use of public resources; establishing a close connection between the funding and performance of educational institutions; distributing resources by taking into account the number of students and the specific regional or local conditions; and granting educational institutions considerably more freedom and responsibility in the allocation of government resources.

Uzbekistan's level of public spending on education is high and closer to the rates found in higher income countries. According to data from the Ministry of Finance, in 2010 total expenditure on education reached 33.8% of the public budget and 8.3% of GDP. Around 24% of the education budget is being used to finance VET⁸. In 2009/10 around 91% of the total recurrent expenditure was utilised for personnel costs, which include salaries, allowances and social security contributions.

⁸ Calculated using data from the Ministry of Finance (including recurrent and capital expenditure).

Over the past four years the government in Uzbekistan has introduced a number of measures to improve teachers' remuneration, including salary increases and the establishment of a new performance-based incentive system for educational personnel. In 2008 the government introduced a new incentive scheme, including additional monthly 'top-ups' to the basic salary rates to reward high-performing teachers. In order to facilitate reward schemes for teachers, a director's fund was set up in each school to the value of up to 15% of the total annual payroll. Since 2010 per capita financing has been gradually introduced into the financing model of secondary specialised professional education.

There are examples of specific industry support being provided to VET in some sectors. Examples include the automotive sector, where General Motors provides financing for some schools, and the petrochemicals/gas sector, where businesses support provision of vocational training for workers in the industry.

With a total budget of 72.5 billion Kazakh tenge (KZT) (around EUR 0.36 billion), the Kazakh VET system accounts for 0.3% of GDP, or 7.2% of the overall education budget, including KZT 14.7 billion (EUR 0.735 billion) from the Republican State budget and KZT 56.8 billion (EUR 0.284 billion) from the local Akimat (local government) budget. In 2011 the equipment in VET colleges was renewed at a total cost of KZT 2 283.2 million (EUR 11.416 million). The cost of education per student in 2011 was KZT 221 500 (EUR 1 100) not including the equipment costs. Per capita financing will be guaranteed for each VET student in all VET colleges until 2013.

5.4 DATA DEVELOPMENT AND USE

In Tajikistan the Ministry of Education collects data from initial and secondary VET institutions, including aggregated and disaggregated data on students, teachers, trainers, non-academic staff and equipment. A statistical book is published annually by the Ministry of Education, and more generalised information is published by the State Statistical Agency within the framework of the annual statistical report, Education in the Republic of Tajikistan.

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

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

In general, more information and statistics are becoming available and are being used for policy making and implementation, but in all cases, information could be supplemented by additional advice from employers, for example through qualitative or long-term assessments of skill needs. In Uzbekistan public policy on a wide range of issues, including education, the labour market and human capital generally, is also informed by the Centre for Economic Research in Tashkent, which regularly publishes evidence-based policy analyses and assessments⁹.

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

⁹ See for example, 'Demand for human capital'. Last accessed 2 April 2013 at: <http://transformation.cer.uz/2012/08/demand-for-human-capital/>

CONCLUSIONS

The countries that are covered by this report are Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan. The fifth country in the region, Turkmenistan, did not participate in the Torino Process in 2012 and therefore has not been included in the regional report.

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

The engagement of employers in policy dialogue and the development of standards have improved. In addition, more partnerships have been set up at local level between school and enterprises. In Kyrgyzstan enterprises are represented on school boards. In Uzbekistan and Kazakhstan in particular this has become a key policy priority, with the establishment of Kaspikor Holding representing an important development. In Uzbekistan and Kazakhstan progress has been made in creating training placements in companies.

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

Vision and state of the art in vocational education and training

Vocational development is recognised in all countries as being important for economic growth and is being pursued as a key policy option. As many of the issues being addressed in the region are also common to other countries that are reforming their education systems, there is scope for all countries to share their experiences in the context of international trends in VET modernisation, particularly with regard to lifelong learning, quality assurance, and cooperation between different government institutions and between the business community and government institutions.

External efficiency: Addressing demographic, economic and labour market needs

The structural adjustment process is on-going in all four countries, and common challenges are to be found in each system. In order to respond to employment challenges there is a need to focus on updating vocational content to reflect business and labour market needs.

High levels of migration and mobility in the labour markets of the region suggest the need for policies that support VET in the context of mobility, such as the validation of informal learning, credit transfers and flexible learning opportunities.

All four countries are developing new occupational and educational standards, and have had initial discussions about the development of national qualification frameworks. Further development of qualification frameworks could strengthen stakeholders' involvement and the capacities of the systems of the region, assist participation in continuing VET and provide a focus for business–education cooperation.

Small business development is an important feature of all national economies in terms of both GDP and employment growth; vocational policies and programmes need to sustain and extend their focus in this area to ensure that they are addressing the needs of this sector.

The transition from education to sustained employment is a major challenge in all the countries, and there are positive examples from across the region. Identifying the ingredients of successful transitions will strengthen the impact of VET in the face of the growing number of labour market entrants.

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

Since short courses for the updating and requalification of employees' skills, and those of unemployed individuals and (potential) migrants, are a growing feature in some labour markets, there is scope for reviewing the coherence and efficiency of VET at different levels, and the links between such courses and the vocational qualifications of the national education systems.

Rural employment is an important issue in all countries, and there are challenges across the region in ensuring that rural communities are able to access vocational training and related services, such as special needs teachers who support participation in the labour market. Without employment opportunities there are limited opportunities for skills development outside the vocational sector, i.e., there are relatively few jobs in which graduates can develop and enhance their skills and vocational expertise.

The informal labour market is a significant issue in the region, in terms of both self-employment and labour market participation.

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

Although the picture is quite diverse, quality is an important issue in all four countries. Kyrgyzstan and Tajikistan have introduced quality assurance mechanisms, through quality units in schools or the development of an Education Quality Management Centre. All the countries have recognised the importance of teachers by awarding them substantial salary increases. In addition, the opportunities for pre- and in-service teacher training have been improved.

Business involvement, teacher training and infrastructural investments will have an impact on overall quality, but quality levels would also benefit from more systemic quality assurance approaches and mechanisms. There are opportunities to improve the performance of schools. Offering incentives for school development and for removing barriers can contribute to quality improvements.

Except in Uzbekistan, and to a lesser extent Kazakhstan, VET is in most cases still a second choice for students. There are also concerns in the region about dropout rates. Increasing participation in VET and the rise of private VET schools may be an indicator of its improving status. There is little information on the opportunities for graduates to continue studying at universities or other post-secondary VET options, or to find a job. In practice, few VET graduates continue studying at universities.

Although the situation differs in the four countries, in general there is little information about the labour market, and career guidance is an area for development.

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

A key institutional trend in the region is the increasing need for engagement between business and education in the assessment of student competencies. Some VET schools are trying to strengthen their links with local companies, though this is done on an ad-hoc basis.

Per capita funding is being introduced in all four countries; its effectiveness cannot yet be judged.

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

ACRONYMS

ETF	European Training Foundation
EU	European Union
GDP	Gross domestic product
KZT	Kazakh tenge (national currency)
LFS	Labour Force Survey
TJS	Tajik somoni (national currency)
VET	Vocational education and training

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