

Policies supporting youth transition to work in Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine



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PREFACE

Through the European Neighbourhood Policy, the European Union (EU) works with its neighbours of the East and South towards a more stable EU Neighbourhood in political, socio-economic and security-related terms. The European Training Foundation (ETF) has been providing regular input to the European Commission in implementing the work programme of the Eastern Partnership, a joint policy initiative aimed at deepening and strengthening relations between the EU, its Member States and its six Eastern Neighbours – Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine.

In this context, in 2017 the ETF carried out a mapping of policies supporting youth transition to work in these countries, further promoting exchange of experiences throughout the countries in the region and fostering evidence-based policy making.

This synthesis report builds on the information compiled in the six country reports and focuses on policy aspects related to youth education, skills development and employment.

The report was written by Daiga Ermsone, ETF expert, with valuable input from ETF statistical officer Eva Jansova, and it was peer reviewed by ETF experts Cristina Mereuta and Michael Graham.

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EXECUTIVE SUMMARY

All Eastern Partnership (EaP) countries have been undergoing a lengthy transition process, which has brought significant economic and social changes, and challenges for the well-being of young people. Globalisation and technological change are further transforming youth labour markets. Rapidly evolving labour markets require young people to have the capacity to continue learning and develop new skills, both in formal and non-formal settings. However, many young people leave education and training without being sufficiently prepared to enter the labour market and without the skills or mindset to start their own business. Moreover, a common challenge of young people in the region is insufficient availability of good-quality job opportunities.

These challenges create the requirement for a strong government's political commitment and coherent strategies that address youth employment as a priority objective of economic and social policy and include it in national development strategies. A review of the policy framework of the EaP countries shows that although youth transition to work is promoted by various policies that are in some cases part of national development strategies and of employment policies in others, it is quite rare to find a comprehensive policy framework that establishes a clear set of policy priorities, targets and outcomes.

Furthermore, the issue of youth transition is cross-cutting and requires engagement of numerous stakeholders. It is not just a case of different government institutions responsible for youth, education, employment, entrepreneurship and social inclusion working closely together to develop and supervise policies affecting young people, but also the processes should include stakeholders from across all relevant domains such as non-governmental organisations (NGOs) and international actors. In particular, young people must have a voice in the decision-making processes that shape their future.

The transition of young people into working life is closely related to specific country conditions and national differences that have an important impact on the design and implementation of policy measures. Therefore, there is no one holistic solution and no policy can be transferred from one country to another without adaptation to the national context,

as similar instruments can work in different ways and in various combinations. However, mutual learning may contribute to the design of more effective policy measures and policymakers may be inspired by good practice experiences.

This report proposes four key policy directions to address the main challenges affecting youth transition to work in EaP countries.

Lack of job opportunities – supporting youth entrepreneurship

- Create an enabling environment for the development of entrepreneurial culture and entrepreneurship competences of individuals through the inclusion of entrepreneurial learning in school curricula and teacher training, as well as fostering entrepreneurship as a career option for young people and adults.
- Develop support services, for young people, helping them to set up and grow their own businesses, providing a combination of different measures, such as entrepreneurial training, coaching and mentoring, access to credit and the opportunity to network with other new entrepreneurs.
- Promote an enabling environment for digital entrepreneurship (i.e. internet-enabled businesses) and ensure that young people are equipped with the digital skills to benefit from entrepreneurship opportunities, such as online market research, strategic planning and business analysis, using financing and crowdfunding platforms, online marketing.
- Create incentives for development of social entrepreneurship, hence offering young people opportunities to explore innovative ways of achieving their mission, independence and emancipation through entrepreneurship.

Skills mismatches in the labour market – improving education quality and its relevance to labour market needs

- Continue development of tools and approaches to better identify current and anticipate future skills needs. Ensure greater transparency and dissemination of data at national and local levels.

- Ensure access to high-quality and relevant education and training that equip young people with basic as well as transversal skills and key competences such as digital competences, critical thinking, problem solving, learning to learn, and financial literacy. Offer early school leavers and low-skilled young people pathways to re-enter education and training.
- Increase attractiveness of vocational education as a valid pathway for skills development and an effective transition channel between education and the labour market – through modernised curricula, new learning methods, well-prepared teachers, up-to-date workshops, and schools and training providers cooperating closely with the business world, offering work-based learning opportunities and motivating learners to learn.
- Provide high-quality and well-targeted adult learning opportunities, and foster motivation for formal, non-formal and informal basic skills training. Ensure that a regulatory framework and a system for validation of skills acquired in non-formal and informal contexts are in place.
- Foster cooperation between employers and education and training institutions in order to develop up-to-date curricula that are appropriate to the current technologies and practices in the world of work.

Lengthy and uncertain youth transition to work – improving the framework for transition support by providing career guidance and opportunities to gain first work experience

- Ensure that young people get effective career guidance – based on high-quality information about labour market prospects – which should start at an early age, be embedded in the curriculum, be available throughout adulthood, and equip young people with career management skills.
- Ensure that young people obtain appropriate, quality work experience opportunities before leaving school, with rewarding tasks that promote personal improvement and learning.

- Encourage development of different alternatives for gaining first work experience, such as internships, volunteering, job shadowing, piloting entrepreneurship initiatives, – to be recognised as valid learning opportunities.

Disadvantaged young people facing particular problems in entering the labour market – improving provision and better targeting of active labour market programmes

- Strengthen public employment services (PES) for a more efficient delivery of services aimed at facilitating youth transition to work, in particular ensuring effectiveness of employment intermediation services and job search assistance. Ensure PES staff capacity development and regular training.
- Ensure financial sustainability, expand coverage, and increase targeting and effectiveness of the active labour market programmes (ALMPs) so that they can reach a greater number of young labour market entrants, with particular attention to the most vulnerable groups. Pilot new programmes and assess their results prior to their implementation on a larger scale.
- Establish monitoring and evaluation mechanisms, based on clear indicators, to improve the effectiveness of ALMPs – better assess the performance of programmes targeted at young people and determine what works and for whom.
- Foster more active cooperation between PES and employers in identifying employment and training opportunities for young people.

INTRODUCTION

Geographically, EaP countries form two distinct areas: Eastern Europe includes Belarus, Moldova and Ukraine and the Southern Caucasus Armenia, Azerbaijan and Georgia. They also differ significantly in terms of their visions and opportunities for future development. Three countries of the region (Georgia, Moldova and Ukraine) have concluded Association Agreements with the European Union (EU) that included Deep and Comprehensive Free Trade Areas. These raise their relationship with the EU to a new level, bringing the legislation and standards of these countries closer to the body of EU law and constituting a comprehensive reform agenda. In 2017, Armenia signed a Comprehensive and Enhanced Partnership Agreement with the EU, which will also open up wide-ranging opportunities for the country. At the same time, Armenia and Belarus are members of the Eurasian Economic Union.

The definition of youth differs between the countries; however, a common feature is that all countries have adopted a very broad youth definition in comparison with common international practices¹. In general, it covers a range of ages from 14 to 35 years, which is also the range used in Moldova and Ukraine. Azerbaijan and Georgia include those aged 14 to 29, Belarus from 14 to 31 and Armenia from 16 to 30. In this context, the report will analyse both data for the more traditional 15–24 age group, as well as for the age group 25–29 when available². It will be clear from the text which specific definition is being used in each context.

Youth is a priority of the EU's vision, and young people's human and social capital is recognised as one of Europe's greatest assets for the future. Therefore, the EU supports young people's employment, skills development and social inclusion. In December 2016, the European Commission, in its Communication 'Investing in Europe's Youth', proposed a renewed effort to support young people

in the form of a package with three strands of action: better opportunities to access employment, better opportunities through education and training, and better opportunities for solidarity, learning mobility and participation. Within this framework, the EU has adopted a number of initiatives, notably the Youth Guarantee (2013), the European Alliance for Apprenticeship (2013), the Quality Framework for Traineeships (2014) and the European Solidarity Corps (2016).

In the Rome Declaration of March 2017³, EU leaders pledged to work towards a 'Union where young people receive the best education and training and can study and find jobs across the continent'. In November 2017 at the Gothenburg Summit, the European Commission presented its vision and concrete steps to create a European Education Area by 2025, boosting basic skills, inclusive education and skills for the future. In January 2018, the European Commission presented a first package of measures, addressing key competences and digital skills as well as common values and inclusive education. Further, in May 2018, the European Commission proposed a new Youth Strategy for the period 2019 to 2027, aiming to empower Europe's young people and giving them a stronger voice in EU policy making.

While these initiatives are not directly applicable in non-EU countries, EU tools are not system-specific and can, therefore, be a starting point for tailored reforms outside the EU. They can also serve as links between EaP countries and EU processes.

Within the framework of the EaP, the EU provides support to its neighbouring countries through financial assistance, as well as relevant policy dialogues, both at bilateral and multilateral levels. During the 2015 EaP summit in Riga, the countries commonly agreed that economic growth and employability, particularly for young people, are the main drivers for EU cooperation with the EaP countries. Furthermore, in November 2017, the EaP summit agreed on 20 deliverables for 2020, which include a deliverable aimed at strengthening investment in young people's skills, entrepreneurship and employability.

¹ The United Nations defines 'youth' as those persons between the ages of 15 and 24 years.

² The 15 to 24 age range was intended to encompass the normal school-leaving age and the typical age of those entering the labour market. As young people are spending more time in education and are also taking longer to enter the labour market, the use of a slightly broader age range, including those aged 25 to 29, seems more comprehensive in operationally defining young people.

³ www.consilium.europa.eu/en/press/press-releases/2017/03/25/rome-declaration/pdf

Despite differing circumstances, young people in the region are facing a number of common problems and challenges. Although not always reflected in high unemployment rates, in general, since the beginning of the transition to a market economy, which started nearly 20 years ago, the youth situation in the labour market has worsened and youth transition to work⁴ has lengthened and become more uncertain. Young people frequently work in low-quality, temporary jobs and are poorly paid. This has widened the gap between those with more and those with fewer opportunities, leaving some young people excluded from social and civic life and increasing risk of disengagement, marginalisation or even radicalisation. The most vulnerable young people risk entering a vicious circle where their unused skills are likely to deteriorate over time, while employers become less willing to consider employing them.

Youth employability and employment is a complex issue as it is also linked to external factors that countries have little say about. Globalisation, technological progress, digitalisation, the move towards a greener economy, demographic ageing and the call for better work–life balance are changing the nature of work, job profiles and the skills required (European Commission, 2016a). Nevertheless, within these big forces that have an impact on the labour market situation, there remains scope for governments to improve the circumstances of young people who are already in the labour market or to support their smoother transition into it. Therefore, governments need to develop and implement policies that support young people in their transition to the world of work and help them realise their full potential. The policies have to be tailored to specific national demographic, social, economic and institutional conditions.

In the framework of the EU Neighbourhood Policy, the European Training Foundation (ETF) has been providing regular input to the European Commission, in particular in implementing the EaP work

programme. In this context, the ETF, in 2017, carried out mapping of policies supporting youth transition to work in six EaP countries. For the country work, the mixed-method approach was applied and included the following: review and analysis of existing documents, conducting semi-structured background and individual interviews with key stakeholders (ministries, NGOs, youth organisations, etc.), and organising a workshop in each country to discuss preliminary findings with different stakeholders. The national reports provide a review of progress in the labour market situation for young people, analyse key policy measures that countries have recently developed and identify good policy practices, as well as highlighting options for further development.

This regional synthesis report builds on the information compiled in the six national reports. The national analysis is complemented by the information provided in the ETF 2016 Torino Process country reports. Little information is available on the effectiveness of policies and programmes for young people due to the low number of evaluations that have been carried out relating to youth employment programmes. This also limits identification of the types of measures that are most effective in easing youth transition to work.

As definitions and methodologies of data collection in the areas of employment, education and training vary greatly between the EaP countries, it is difficult to make a regional comparison of compatible indicators. Therefore, available international data sources are used. Care should be taken when comparing labour market data provided by different sources and when the most recent data is not for the same year, as is the case in analyses presented in this report.

In general, the purpose of youth policy is to enable young people to play an active part in both civil society and the labour market. Thus, youth policy addresses a range of aspects of young people's lives, such as participation in society, their health and cultural development. This synthesis report focuses only on aspects related to youth education, skills development and employment. Although employment protection legislation and wage setting policies are important policy tools for promoting youth employment, this report does not address these aspects in detail.

⁴ The International Labour Organisation (ILO) defines transition to work as 'the passage of a young person (aged 15–29) from the end of schooling (or entry to first economic activity) to the first stable or satisfactory job. Stable employment is defined in terms of the employment (written or oral) contract and the duration of the contract (more than 12 months)' (Elder et al., 2015).

The purposes of this report are to describe national practices in supporting youth transition to work, to identify priority areas for future action by governments to serve as a basis for development of more comprehensive national youth policies, and to promote mutual learning and transfer of good practices between EaP countries and deeper cooperation with the EU.

The report is structured in five chapters. The [first chapter](#) presents a brief overview of the youth situation in the labour market. The [second chapter](#)

analyses the main structural challenges affecting the youth transition to work. The [third chapter](#) describes the youth policy framework and main stakeholders involved. The [fourth chapter](#) describes policy measures implemented in support of the youth transition to work and examines the main institutional and operational constraints that have a negative impact on the quality and efficiency of youth policy measures. Finally, the [fifth chapter](#) proposes policy directions to address the main challenges identified in the report.

1. YOUNG PEOPLE IN THE LABOUR MARKET

1.1 Demographic situation

A shrinking youth population

In general, EaP countries show a similar age structure to EU countries. The region is characterised by demographic trends that are driven by a natural decrease in population, which is a consequence of adverse age structure and migration. Population growth is very weak or negative in all countries except for Azerbaijan. Moreover, the long-term projections (to 2050) foresee both a further population decrease (except in Azerbaijan) and a shrinking share of young people in the total population (UN, 2017).

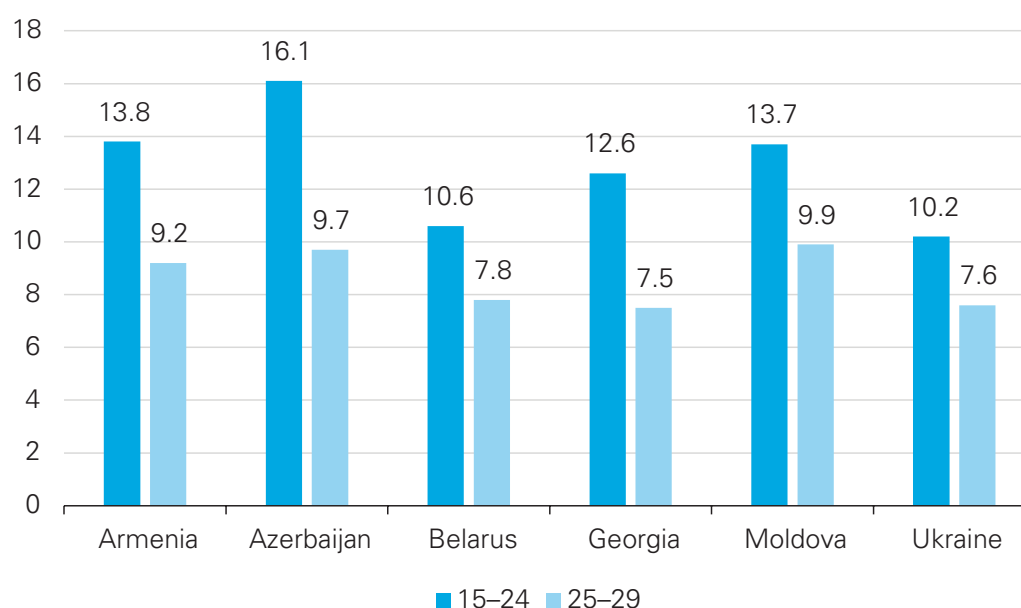
Currently, the youth percentage in overall population is the largest in Azerbaijan (25.8%), around 23% in Armenia and Moldova, 20.1% in Georgia and less than 20% in Belarus and Ukraine (see [Figure 1.1](#)). Although the relative size of the youth population is declining across the region, in the medium term (2020 and 2025), the young population will remain important in all countries. This means that pressure on the education and training system and on mechanisms to improve the transition from school to work will continue to be high on the policy agenda.

Migration patterns contribute to a worsening demographic imbalance

Migration is a significant phenomenon in all six EaP countries to varying degrees, with flows both ways (emigration and immigration). Migration patterns in the region have become highly complex with different features that reflect the economic context of each country. Labour migration, in particular, is far more widespread in Moldova, Georgia and Armenia than in Azerbaijan (which has in fact become a net importer of labour) and Belarus. Remittances of migrant workers have become an important source of income that have helped to alleviate poverty, but to a certain extent have also encouraged inactivity among family members who stayed in their home country.

Although accurate labour migration data disaggregated by age group is scarce, there is evidence that young people aged between 18 and 35 constitute a large share of migrant workers. For instance, young migrant workers from Moldova represent nearly one quarter of all migrant workers, with young women accounting for over one third (ETF, 2018e). Weak incentives to stay in the region and a lack of appropriate jobs, especially for medium and highly skilled workers, have made emigration a popular option for young people.

Figure 1.1 Share of youth population by age group (15–24 and 25–29), 2016 (%)



Note: Data refers to the beginning of the year. Belarus values refer to the beginning of 2017.

Sources: National statistical offices.

The educational background of migrants has changed significantly over the past decade, with increasing shares of migrant workers having completed tertiary education (Barbone et al., 2013). The growing outflows of educated young people indicates the increasing risk of 'brain drain' in the region. For example, in Azerbaijan, the information technology (IT) sector suffers from emigration of relatively large numbers of graduates while there is a growing need for professionals in this sector (ETF, 2018b).

An additional problem is that many highly educated migrants do not find jobs at their education level and move abroad. If young generations are strongly overrepresented among emigrants, this may accelerate ageing of the population and worsen the sustainability of pension and social security systems (European Commission, 2016a). More analysis is needed to capture these trends and influence them through relevant measures and incentives.

1.2 Education attainment

In general, the EaP countries have relatively high levels of education attainment (see Annex 1). Most of the active population aged 25–64 have attained a medium level of education (general secondary, vocational, secondary specialised). The share ranges from less than 50% in Belarus and Ukraine, 55% in Moldova and more than 60% in Armenia, Azerbaijan and Georgia. The smallest share of the population has attained only a low level of education (general basic

and lower). This group accounts for less than 10% in all countries except Moldova where the share of the population with a low level of education was 20.5% in 2016.

Also, upper secondary education attainment for youths in the region is relatively high. However, there are considerable differences between the countries. In 2016, the upper secondary education attainment level in Ukraine was 97.4% (2015 data), in Georgia 94.0% and in Azerbaijan 93.6%, which in fact is higher than the EU average of 83.1%, while it was 78.1% in Moldova and 72.2% in Armenia (2015 data) (see Table 1.1). There are also rather significant differences between young males and females: for example, in Moldova the male youth education attainment level was 6.9 percentage points lower than the female level, and in Armenia the rate for men was 5.9 percentage points higher (2015 data) (Eurostat, 2017).

Data on early school leavers is not available for all countries. The national reports indicate that it is a problem in Moldova (20% in 2016) and Armenia (almost 30% in 2015). In Azerbaijan, early disengagement with school is a serious issue for young girls in rural areas and in Georgia, it is a problem for ethnic minorities in rural areas.

Overall, there is a trend in the region of a growing number of young people participating in higher education. More than 40% of the population aged 30–34 in Georgia had completed a tertiary level of education. For other countries for which data is

Table 1.1 Proportion of young people (20–24) having attained at least an upper secondary education level*, 2006, 2011 and 2016 (%)

	Total			Male			Female		
	2006	2011	2016	2006	2011	2016	2006	2011	2016
EU-28 ⁽¹⁾	78.1	79.7	83.1	75.3	76.9	80.8	81.0	82.5	85.5
Armenia ⁽²⁾	42.3	39.9	72.2	47.4	46.3	75.2	37.9	34.2	69.3
Azerbaijan	92.6	93.6	93.6	93.4	94.5	94.5	91.6	92.6	92.6
Georgia	90.9	93.2	94.0	89.0	91.1	93.9	92.8	95.2	94.1
Moldova	75.5	75.5	78.1	72.7	70.6	74.8	78.4	80.8	81.7
Ukraine ⁽³⁾	93.8	95.6	97.4	92.3	94.0	98.3	95.5	97.2	96.5

Note: * Upper secondary, post-secondary non-tertiary or tertiary level of education. ⁽¹⁾ 2016: break in series. ⁽²⁾ 2009 instead of 2011; 2015 instead of 2016. ⁽³⁾ 2015 instead of 2016; 2011 and 2015: excluding the illegally annexed Autonomous Republic of Crimea and the City of Sevastopol; 2015: excluding also the territories which are not under effective control of the Ukrainian government.

Source: Eurostat (online data code: edat_lfse_03).

available, the rate was 24.1% in Azerbaijan, 31.0% in Armenia and 34.2% in Moldova, which is less than the EU rate (39.1%). At the same time, enrolment rates in tertiary education show that in 2016, almost one quarter of the total number of pupils and students in Belarus and 23.5% in 2015 in Ukraine attended a tertiary education establishment (Eurostat, 2017).

1.3 Youth labour market situation

In general, the labour markets of the EaP countries are characterised by diverse youth activity and employment rates (see [Figures 1.2 and 1.3](#)). Countries vary widely in the characteristics of their youth labour markets, the nature and duration of youth transition to work, and the forms of employment and/or economic activity in which young people are involved.

For the age group 25–29, Belarus has the highest activity rate (94.1%), Azerbaijan, Georgia and Ukraine all have an activity rate above 70%, while in Moldova only 46.7% of young people are active. This can be partly explained by the high number of labour emigrants who are classified as inactive in Moldovan statistics. However, although activity rates are comparable with those in the EU, they are significantly distorted by the large contribution of rural self-employment and the high level of informal activities. A specific feature of the region is a relatively high female activity rate, although at a slightly lower level than the male rate. The gender disparities are particularly remarkable in Armenia and Georgia, and to a lesser extent in Ukraine. In Armenia, the activity rate among male workers is 85.5% and for female workers the figure is 49.2%.

Also in terms of employment rates, the countries have significant differences. For the age group 25–29, the employment rate is very high in Belarus (88.1%). In Azerbaijan and Ukraine, the employment rate is around 70%, while in Armenia and Georgia it is slightly above 50%. Moldova has the lowest employment rate of 43.7%.

Armenia, Georgia and Ukraine have the biggest gender gaps. Employment rates of women in Ukraine are traditionally lower than those of men. This is due to the greater overall duration of women's education and the fact that they take care of household and childcare burdens, as well as there being insufficient support for working mothers.

Youth unemployment remains a challenge

Despite the fact that youth employment is a government policy priority in most of the EaP countries, young people have higher unemployment rates than the overall working population (see [Figure 1.4](#)). Unemployment is inversely correlated with age: younger age groups are affected to a greater extent than mature age groups. The difference is particularly high for the age group 15–24, for which the youth unemployment rate was between 2.0 and 2.7 times higher than the overall rate. The difference was least marked in Belarus, where the youth unemployment rate was 10.7% in 2016, less than double the 5.8% rate for the population as a whole.

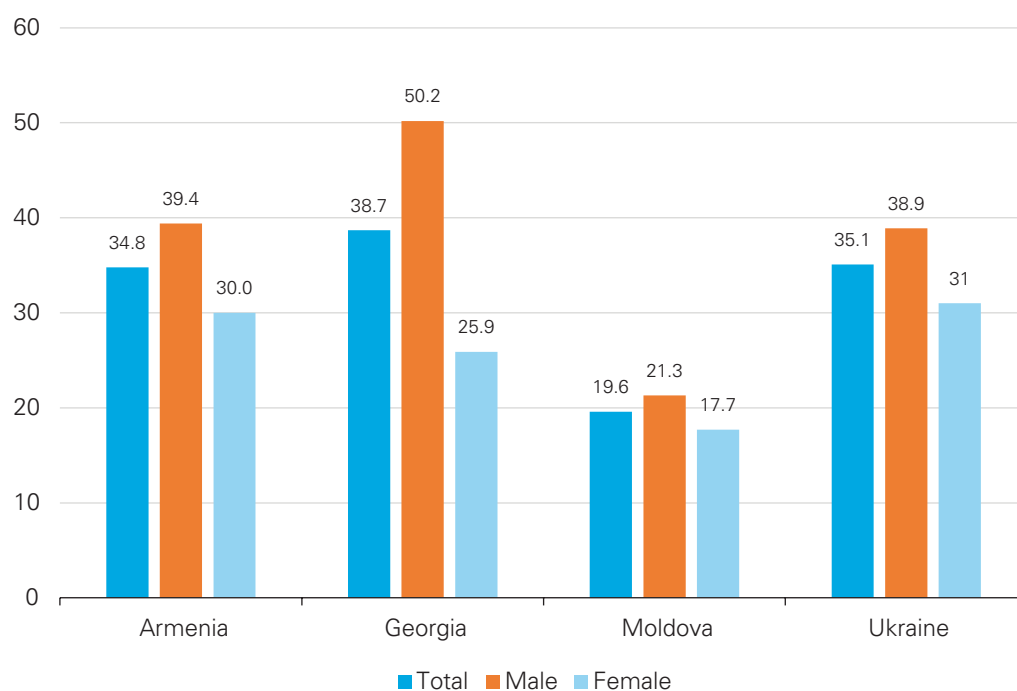
For both 15–24 and 25–29 age groups, youth unemployment is particularly high in Armenia (36.6% and 19.8% respectively) and Georgia (30.5% and 21.6% respectively). Belarus has the lowest unemployment rate for both age groups (10.7% and 6.5% respectively).

Young women are more severely affected than men in Armenia and Azerbaijan (see [Figure 1.5](#)). In Armenia, almost half of young females in the age group 15–24 have no job. Meanwhile, in other countries young men experience higher unemployment rates than young women.

The correlation between educational attainment and unemployment – in the sense that the higher the level of educational attainment, the lower the rate of youth unemployment – is generally valid in EaP countries. In general, the unemployment rate is highest among workers with only a basic education. Nevertheless, the issue of young 'educated' unemployed is emerging in nearly all EaP countries.

Figure 1.2 Activity rate by gender, 2016 (%)

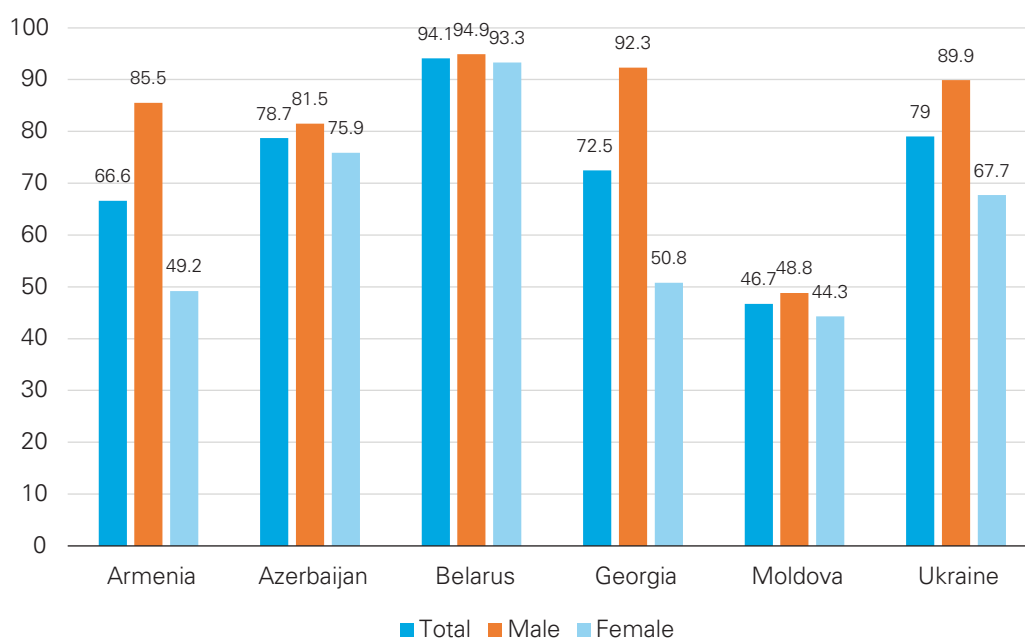
Age group 15–24



Note: Georgia: ETF preliminary calculations; Ukraine: values exclude the Autonomous Republic of Crimea and Sevastopol.

Sources: National statistical offices and ILO.

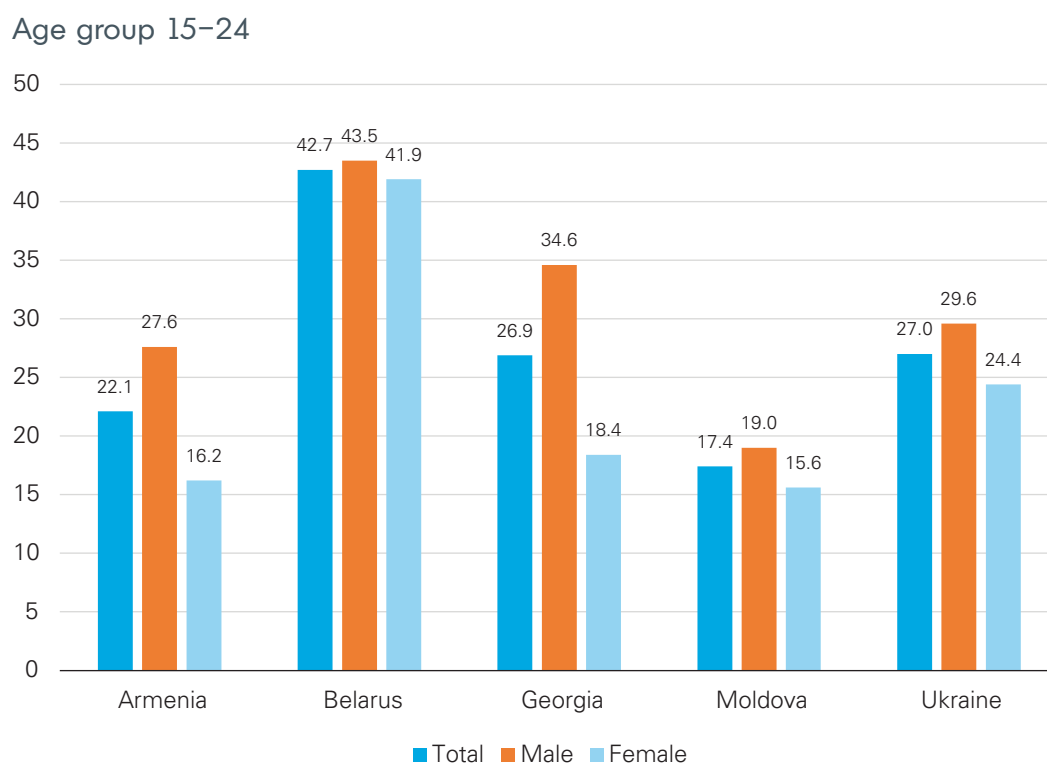
Age group 25–29



Note: Belarus: values refer to the private sector only; Ukraine: values exclude the Autonomous Republic of Crimea and Sevastopol.

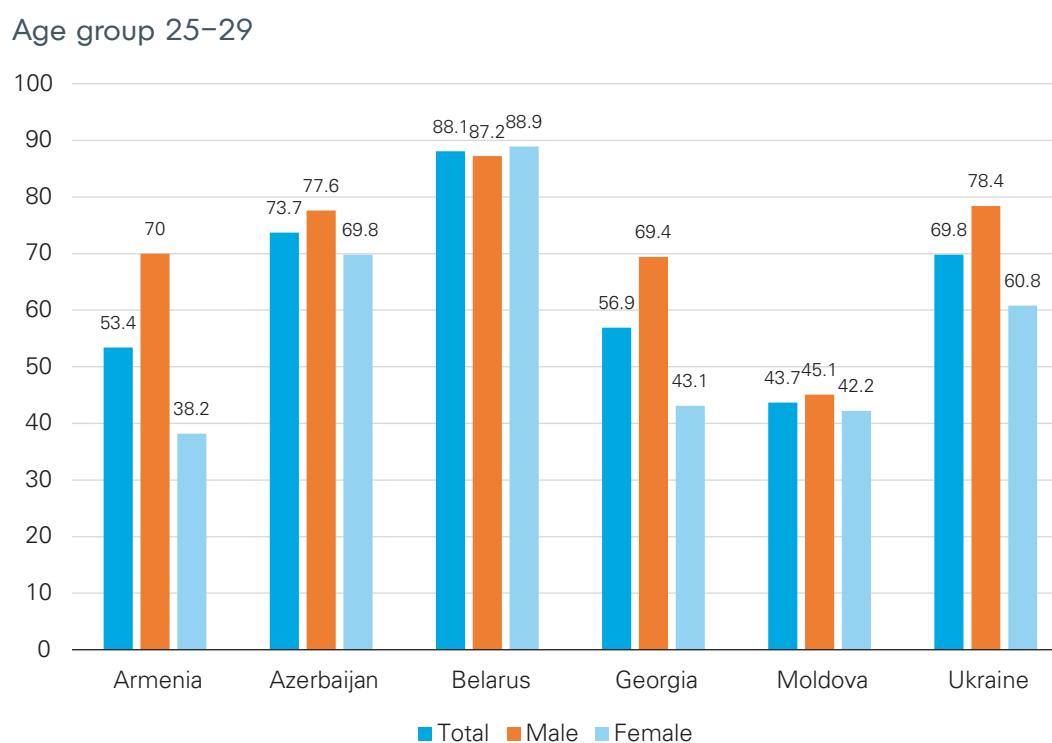
Source: ILO.

Figure 1.3 Employment rate by gender, 2016 (%)



Note: Georgia: ETF preliminary calculations; Ukraine: values exclude the Autonomous Republic of Crimea and Sevastopol.

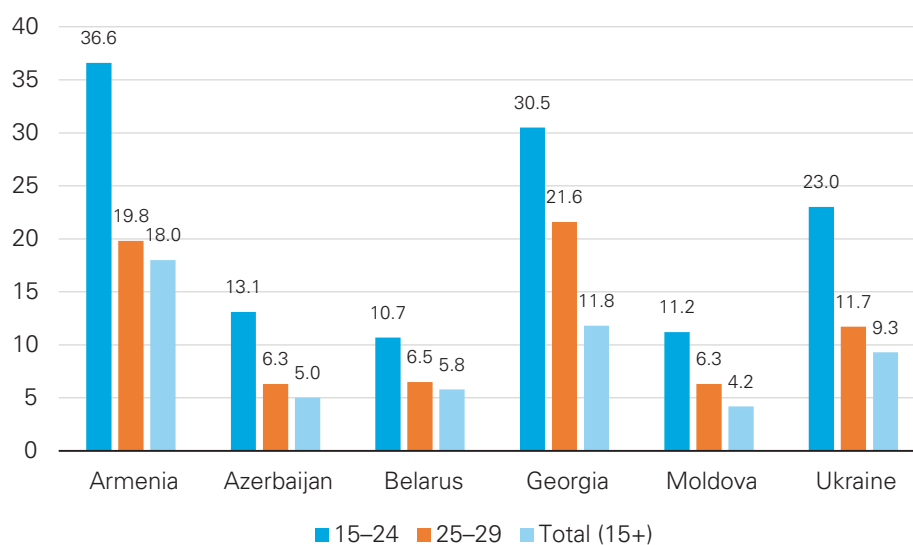
Sources: National statistical offices and ILO.



Note: Belarus: values refer to the private sector only; Ukraine: values exclude the Autonomous Republic of Crimea and Sevastopol.

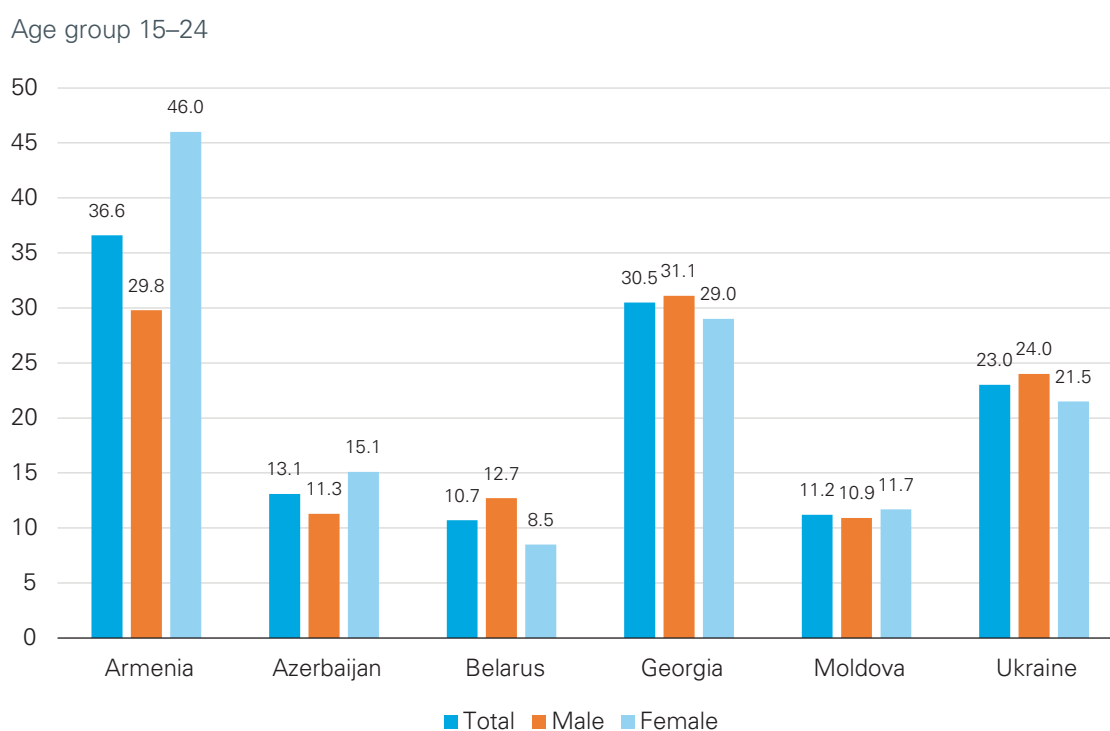
Source: ILO

Figure 1.4 Unemployment rate by age group, 2016 (%)



Sources: National statistical offices and ILO.

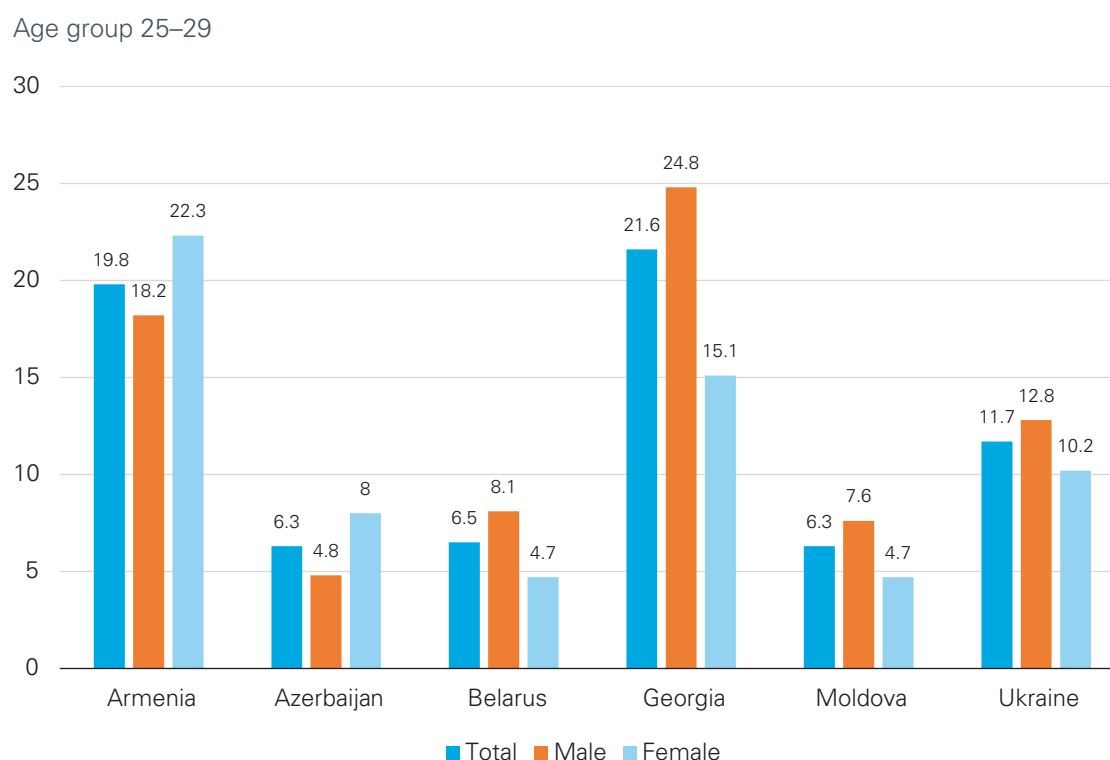
Figure 1.5 Unemployment rate by gender, 2016 (%)



Note: Azerbaijan and Georgia: ETF preliminary calculations; Ukraine: values exclude the Autonomous Republic of Crimea and Sevastopol.

Sources: National statistical offices and ILO.

Figure 1.5 Unemployment rate by gender, 2016 (continued)



Note: Azerbaijan and Georgia: ETF preliminary calculations; Belarus: values refer to the private sector only; Ukraine: values exclude the Autonomous Republic of Crimea and Sevastopol.

Source: ILO.

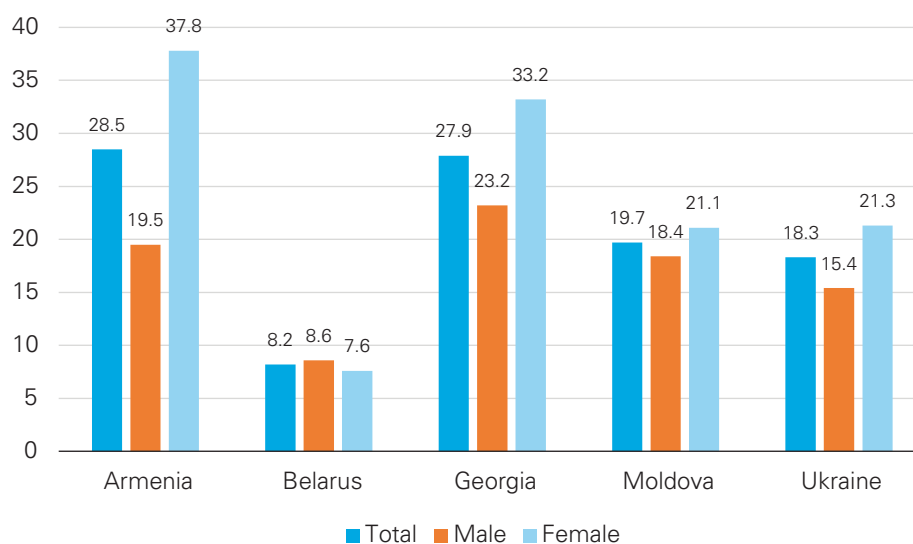
A particularly worrying challenge in youth employment is the growing number of young people who are NEET. The situation of inactivity (not learning, not employed) of young people adversely affects their skills (cognitive, job-related and social) and their employability. The lesser use of these skills, in combination with a difficult school-to-work transition, may pose limits to their employment possibilities. The NEETs rate is particularly high in Armenia (28.5%), Georgia (27.9%) and Moldova (19.7%). In general, the rate is higher for young women than men, except in Belarus (see [Figure 1.6](#)).

‘Young women are much more likely to be inactive and out of school in order to tend to family

responsibilities. The problem lies in the fact that being inactive at a time in life usually associated with the acquisition of skills, knowledge or experience is likely to undermine the future prospects of finding a job’ (Serrière, 2014).

The evidence shows that the NEETs rate increases with age, as NEETs become more numerous between the ages of 25 and 29. The positive effect of education in lowering the number of NEETs is not always guaranteed. More education clearly decreases the risk of being NEET in some countries, while in others, graduates of upper secondary/post-secondary education perform less well in entering the labour market (ETF, 2015a).

Figure 1.6 Persons not in employment, education or training (NEETs, 15–24) by gender, 2016 (%)



Note: Georgia: ETF calculation, preliminary data; no data for Azerbaijan.

Sources: National statistical offices and ILO.

2. YOUTH TRANSITION TO WORK: CHARACTERISTICS AND CHALLENGES

2.1 Structural challenges affecting youth transition to work

Jobless economic development

There are fewer jobs for young people

‘One of the most consistent, indeed universal, findings in the literature on the causes of youth labour market outcomes is that aggregate demand is a fundamental determinant of the state of the youth labour market. It is firmly established that what happens to young people as they enter the labour market is very much dependent on what is going on in the economy as a whole’ (O’Higgins, 2017). Overall, EaP countries continue to face challenges in creation of quality jobs with decent conditions and wages, especially for young people. In general, a lack of domestic as well as foreign direct investment, a restrictive and inefficient business environment, unclear and changing rules, and political instability and uncertainty all contribute to weak job creation.

The countries in the region differ significantly in terms of their industrial economic structures, their restructuring policies, visions and opportunities for future development. In 2017, all EaP countries were classified by the World Bank as middle-income economies, based on their gross national income per capita. Azerbaijan and Belarus are considered upper middle-income economies, while Armenia, Georgia, Moldova and Ukraine are classified as lower middle-income economies.

The starting conditions for macroeconomic growth were already quite different in the beginning of the 1990s: relatively high per capita income (gross domestic product (GDP)) in Belarus and Ukraine (with important production industries), low GDP in Armenia, Georgia and Moldova, and Azerbaijan in a middle position. Furthermore, the countries have followed divergent pathways from state-planned to market economies. However, despite the differences, there are some important common features that the EaP countries have encountered in their economic transition.

First, all countries experienced the shift from state-owned to private enterprises. This shift was

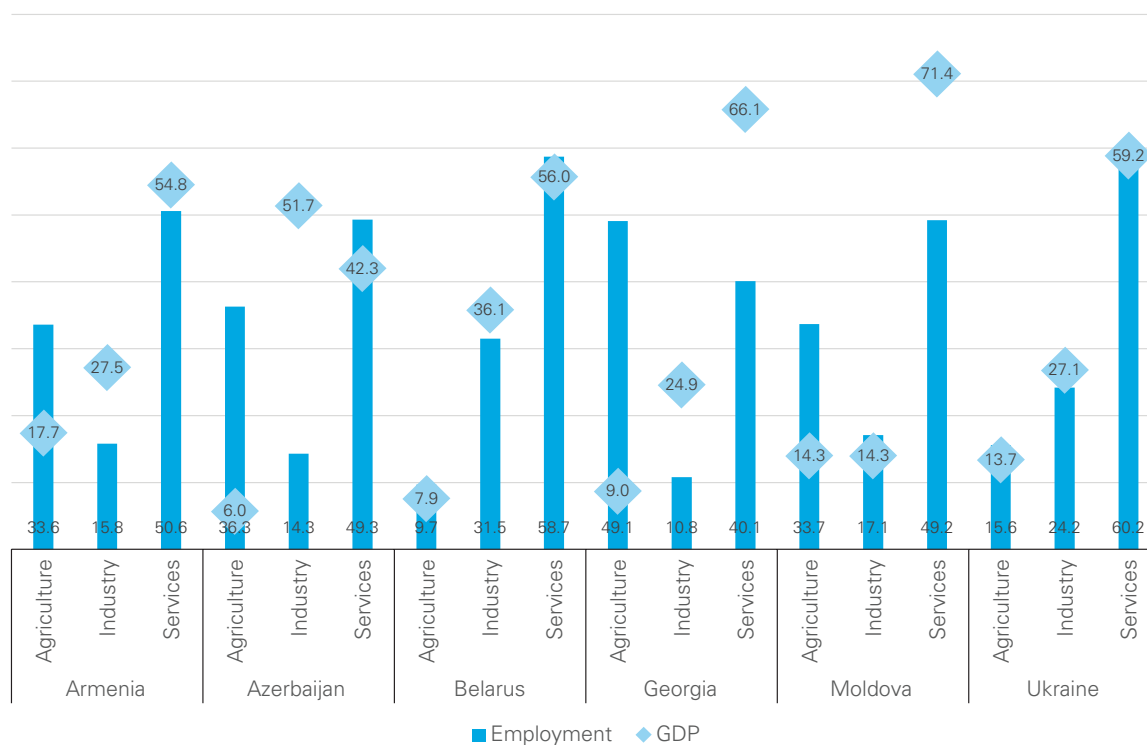
marked by a sharp decline in industrial outputs (de-industrialisation) and job destruction and underemployment in the state-owned enterprises that was not accompanied by increasing job creation in the new private sector. Although over the past few years the small and medium-sized enterprise (SME) sector has been growing across the region, the process is rather slow, particularly in Armenia, Moldova and Ukraine. Most SMEs in the region continue to operate in low value-added sectors of the economy, with retail, trade and agriculture being their main activities. This concentration in low value-added sectors accounts for their limited contribution to GDP and employment (OECD et al., 2015).

The second feature is a shift in employment by economic sectors that was associated with significant job flows between sectors. The shifts generally show a decrease in employment in agriculture and industry and an increase in services. The service sector is the largest area of the economy in terms of employment in all countries (except Georgia, where almost half of all workers are employed in agriculture) with around 60% in Belarus and Ukraine. Agriculture plays an important role in absorbing employment in Armenia (33.6%), Azerbaijan (36.3%) and Moldova (33.7%). However, agricultural value added to GDP is extremely low in all these countries (to a lesser extent in Armenia and Moldova), indicating low productivity and possibly high poverty levels (i.e. subsistence agriculture). Industry is still an important employer in Belarus (31.5%) and Ukraine (24.2%). Industrial employment in the rest of these countries is much lower, at around 10–15%.

The relation between employment and GDP share indicates differences between the sectors and countries. In Azerbaijan, the industrial sector represents only 14.3% of employment but 51.7% of output, which can be explained by the dominance of the oil industry. Similarly, in Georgia, the industrial sector accounts for almost a quarter of GDP but only 10.8% of employment. In Moldova, the service sector contributes over 70% of GDP, but less than 50% of employment.

The substantial increase in the service sector’s share of total employment has been mainly in low value-added sectors such as trade, repairs and personal services. Although some higher value-added sectors

Figure 2.1 Employment and GDP (value added) by sector, 2016 (%)



Note: Armenia: population aged 15–75; Ukraine: population aged 15–72.

Sources: World Bank, ILO and national statistical offices.

such as business, finance and telecommunications have also seen an increase in the share of employment, this has not occurred as rapidly as in low value-added sectors.

Third, during the transition period, when job destruction far exceeded job creation, work in the informal economy became a coping strategy for many people unable to find a job in the formal economy, or for those who had to supplement their earnings from low-paid jobs (multiple job holding).

Furthermore, the global financial crisis (2008–09) had a strong impact on the region, with a sharp decline in GDP in all countries. Growth patterns were also negatively affected by geopolitical factors such as conflicts in Armenia, Azerbaijan, Georgia and Moldova, and recently in East Ukraine, as well as a deep recession in the Russian Federation, which was a key export market and source of remittances for most EaP countries. Although growth recovered in the region in 2017, growth rates have been uneven,

with Armenia's economy reaching 7.5% growth, followed by Georgia, which had 4.8% growth. Belarus (2.4%), Moldova (2.8%) and Ukraine (2.5%) had moderate growth above 2%, while Azerbaijan grew more slowly at 0.1%.

Young people often have poor-quality jobs

A common challenge for young people in the region is the low quality of job opportunities, as young people are more likely than adult workers to have to accept jobs that offer limited labour market stability, social protection and opportunities for training and career progression. New entrants to the labour market are frequently hired in temporary jobs or informally, although the requirement for labour contracts is provided for in legislation. Low salaries are a typical feature of youth labour markets in the region. Many young people have lower salaries than average wages and, traditionally, women receive lower salaries than men.

In Armenia, 30.6% of young people in paid employment work without formalised labour contracts and informal employment affects two thirds of young workers, with a big difference between urban (less than 20%) and rural areas (more than 67%) (ETF, 2018a). In Azerbaijan, only 32% of the employed population have labour contracts (ETF, 2018b), while in Belarus, 80–90% of all employees have fixed-term employment contracts (ETF, 2018c). In Georgia, the majority of working youths have regular jobs and written contracts; however, a tracer study of the vocational education and training (VET) graduates in 2015 revealed that 32% of the graduates did not have a written contract (ETF, 2018d). In Moldova, every fourth young person (aged 15–29) is working informally, and informal employment is more common among young men and young people in rural areas (ETF, 2018e). In Ukraine, incidences of temporary contracts and part-time employment are not too high, and there is no evidence that insecure employment is found proportionally more among the younger than the older population. However, more than a fifth of workers have informal jobs that are mainly low paying, with poor working conditions, unstable employment (by term or duration), and limited training opportunities (ETF, 2018f).

Performance of education and training systems

Skills mismatch is a growing concern

The supply of skilled labour largely depends on the formal education system and its quality. Public expenditure on education (percentage of GDP, years 2015 and 2016) varies in the region, with Moldova investing most (6.3%), followed by Ukraine (5.9%) and Belarus (5.0%). Armenia (2.8%), Georgia (3.8%) and Azerbaijan (3.0%) have expenditure patterns that are much lower in comparison with other countries and the EU average (4.7%) (Eurostat, 2018). In general, EaP countries have achieved near universal primary education (a key United Nations (UN) Millennium Development Goal) with the primary net enrolment rate close to 100% and high youth literacy rate (around 100%).

However, education systems in terms of quality are not performing so well. Although the type of

education on offer has not changed, the quality is not as high as it was previously, as a result of underinvestment in updated teaching, learning materials and infrastructure. Despite improved educational attainment of the younger generations, skills mismatch⁵ has become a persistent problem in the region. Skills mismatch is complex to assess as many factors affect the equilibrium between demand and supply. The findings of the research and analysis undertaken by national institutions and international organisations⁶ show that, first, labour markets in the region are facing a sizeable qualifications mismatch. The accessibility of higher education and an overall negative image of vocational education that prevails in the region have increased the influx of graduates from higher education institutions, which has not been matched by increased availability of graduate-level jobs, forcing many young people to work in roles for which they are highly overqualified.

Second, the structure of youth education relating to fields of study remains unbalanced, with regard to both current and anticipated needs in the labour market. There is a growing disparity between the share of young students focusing their studies on the social sciences, business and law and those opting to study the natural and technical sciences.

Third, there are shortages on the labour market, as in some countries there is a persistent need for skilled workers with vocational education (ETF, 2018c). Finally, the mismatch between skills supply and the requirements of modern jobs is widening. Employers throughout the region report a significant gap between the type of skills their employees have and those they need to achieve their business objectives. They claim that the education system produces too few people with problem-solving and practical skills,

⁵ Skills mismatch means that there is a gap between the needs of the labour market and the professional qualifications of the workforce, resulting in the lack of adequately skilled employees and/or a workforce misfit to the local or national market.

⁶ World Bank, Systematic Tracking of Exchanges in Procurement (STEP) skills measurement surveys (in Armenia, Azerbaijan, Georgia); ILO, school-to-work transition surveys (in Armenia, Moldova and Ukraine); ILO, Enabling Environment for Sustainable Enterprises (in Armenia, Georgia and Moldova); OECD, Identifying and Addressing Skills Gaps in Ukraine.

the right kind or level of skills, up-to-date knowledge, good attitude and self-discipline.

The links between education institutions and business are weak

The poor quality of education is also a consequence of weak relations between schools and companies. Although legislation in some countries provides a requirement for schools to communicate with employers and coordinate the curricula design, in practice this does not happen to a sufficient extent. Employers are not often interested in cooperating with schools, which may be due to the low demand for workers, which is often satisfied through informal channels rather than through a rigorous selection process. Consequently, increasing youth unemployment has led governments to seek better involvement of employers by encouraging local partnerships between educational institutions, employers and communities.

Capacity of public employment services

Public employment services (PES) are the principal labour market institutions directly accountable to

governments. Although structured differently in each country, all PES help match supply and demand in the labour market through information, placement and job search assistance. PES also contribute to successful youth labour market transitions, particularly the most disadvantaged, by implementing ALMPs. All six EaP countries have established PES. In Belarus, PES are integrated in the structure of the Ministry of Labour and Social Protection, while in Georgia, the Employment Support Service was established in 2014 within the framework of the Social Services Agency.

The common feature of PES in the region is that they have to operate in a context of demand-deficient labour markets and high informal employment. Registration rates across the EaP countries are low and the outreach of employment services is very limited. In general, PES deal with a small fraction of potential beneficiaries, as many young people, such as NEETs and those who live in rural areas, usually do not register. This is partly due to the fact that young people do not trust public institutions and do not have sufficient information about the services offered by employment offices.

Initiatives to improve public employment services

In 2016, [Armenia](#) introduced a new monitoring system for state employment programmes.

In [Azerbaijan](#), the World Bank Social Protection Development Project (2009–2015) assisted the reform of ALMPs and established the information and management system for PES.

In [Belarus](#), Minsk, Grodno and Vitebsk PES worked in cooperation with Swedish PES on improving methods for cooperation with employers.

[Georgia](#) is in the process of drafting an Employment Services Act to transform the current employment support service into a modern and efficient public employment service. In 2017, the country, with support from the EU-funded twinning project, piloted a new service model in two employment offices in Tbilisi.

In [Moldova](#), the National Employment Agency has introduced new methods of communication and interaction with jobseekers and companies, through expanded IT usage in matching processes. For example, the e-platform www.e-angajare.md/ was established with the help of Swedish PES and provides an alternative to more traditional job fairs. Recently, a United Nations Development Programme (UNDP) project provided training for PES staff in using social media for more effective communication with jobseekers.

In 2017, [Ukraine](#) started to reorganise employment services to simplify access to services by introducing new methods of work, such as electronic services for job searches, online job interviews, opening of a hotline, as well as by piloting new approaches to better integrate people from vulnerable groups into the labour market, following a methodology developed by the UNDP.

In general, the lack of financial and human resources and often the lack of motivation among staff create difficulties in the service delivery, especially in rural areas. PES offices are often insufficiently equipped and staffed, and are hampered by bureaucracy and passivity in promoting employment. Usually, PES do not have specialised staff for dealing with young people. There is also weak coordination across different services providing youth support, especially between social and employment services. However, in recent years, all countries in this study have made efforts to improve their services and provide capacity building for the staff, often using donor support and expertise.

2.2 Characteristics of youth transition to work

Lengths of transition

All over the world, young people's participation in education and the labour market has changed significantly over the past 20 years, with an increase in the proportion of young people (15–24) in full-time education. More significant shifts have taken place among 20- to 24-year-olds, where the share of those in employment and not in education has fallen gradually, while the share in education has risen. Also, the transition to the labour market has become more gradual: the share of young people who combine work and study has increased for 25- to 29-year-olds (OECD, 2015).

The research results show that the length of school-to-work transitions varies among the EaP countries. In Armenia, time spent on job searches is often very long, which adversely affects the active use of the skills of young people, as more than half of young

jobseekers, in 2014, were looking for work for longer than 12 months (Serrière, 2014). In Moldova, it takes a young person an average of 8.6 months from graduation to attain the first job that was deemed to be stable/satisfactory, and women's transition is longer (9.6 months) than men's transition (7.4 months) (Ganta & Shamchiyeva, 2016). In Ukraine, young people do not have to wait long to find work. The average length of transition from school to first job that is considered to be stable/satisfactory is 4.9 months. It takes more time for young women than for young men to make the transition from school to work (6.6 months versus 3.6 months). The transition length depends on education attainment and, for example, is twice as long for those young people who leave school with elementary level compared to those who hold a higher-level degree (Libanova et al., 2016).

Job search methods

In all EaP countries, the most frequently used job search method for young people is asking family, friends and acquaintances. This situation partially reflects the traditional paradigm of trust and security in society, as people rely on their family and friends rather than on state or private institutions. Another popular method is searching internet resources, as new technologies and social media have changed the way young people look for jobs. They are using new tools such as mobile recruiting, jobs boards and career pages that offer increased opportunities for making more informed decisions on finding or changing jobs. There are also a large number of different job portals available in all EaP countries.

Many young people use a proactive approach, such as by placing notices about their job search on the internet, directly contacting employers or attending

A compulsory distribution system in Belarus

Belarus has maintained a system of distribution in the form of a graduate work placement in public sector or state-owned enterprises. The system intends to provide a guaranteed first job for those graduates who have completed education at the institutions of vocational, specialised secondary and higher education at the expense of the state budget. The placement is mandatory for one year upon completion of vocational education and two years upon completion of specialised secondary and higher education (as a rule, it cannot be terminated early). Opinions about the effectiveness of the current distribution system differ. The government considers it an effective means of social protection of young citizens by providing them with an opportunity to get their first job. Opponents argue that the current system is not able to meet the needs of the rapidly evolving labour market and has the potential for being misused.

job fairs. Less often, young people use PES and private employment agencies. In general, PES typically serve those individuals at lower skill levels and with limited education, while private employment agencies serve the better skilled and better educated. Private agencies offer more specialised services. They are also more proactive and use different methods when looking for a specific profile, such as advertisements, the agency's network – personal contacts and recommendations – and collaboration with other private agencies or educational institutions.

In general, young people are hindered in their search for jobs by a number of factors. First, many enterprises do not advertise vacancies and rely on informal means to recruit workers, which is a disadvantage to inexperienced and ill-connected youths. Second, when jobs are advertised, the qualifications and work experience requirements seem to automatically exclude many young applicants. Third, many young people lack the basic job search skills that would allow them to take advantage of employment opportunities.

Factors affecting youth vulnerability

The success or failure of young people in the labour market is significantly influenced by personal factors that disadvantage young people. Understanding these factors is critical to the formulation and implementation of more effective and tailored youth employment interventions. The key determinants of disadvantage in the EaP countries can be summarised as follows:

- **Gender:** There are significant gender differences in the employment characteristics of young people. Young women are more attracted by secure employment, such as that offered by state-owned enterprises, while self-employment and paid employment in the private sector are more common among young men than among women. Women often choose less well-paid occupational categories and spheres of economic activity. Also, young women face extra hurdles to integrate into the labour market, very often because they face low incentives to do so as a consequence of limited or costly childcare facilities and parental leave policies, or because of social norms. Young pregnant women and young mothers (especially single mothers) are a particularly vulnerable group.
- **Level of education:** ILO school-to-work transition surveys in several countries in the region showed that the lower the educational attainment, the higher the chance of falling into the category of either unemployed or inactive. Also, these surveys showed that obtaining higher education qualifications protects young people, to a certain degree, from unemployment (Serrière, 2014; Ganta & Shamchiyeva, 2016; Libanova et al., 2016).
- **Geographic location:** In general, young people in rural areas face a higher risk of vulnerability. The underlying reason is not only that the job offers are more limited in rural areas in comparison with urban areas, but this can also be explained by the seasonal nature of some agricultural work. Additionally, in rural areas a greater number of people work in household production activities, which are difficult to capture in the statistics since they tend to fall outside the standard boundaries of economic activity. Also, young people living in rural areas often lack access to the same range of information, advice, infrastructure and opportunities found in urban areas, and are more likely to work in the informal sector.
- **Disabilities:** The number of young people with disabilities has been growing in most countries in the region. People with disabilities face greater difficulties finding jobs and are at higher risk of unemployment and inactivity.
- **National and ethnic minorities:** Young men and women from these groups face more difficulties in the transition process.
- **Socio-economic background:** Youth joblessness is often experienced by young people belonging to low-income households. Given that early school leavers tend to come from low socio-economic backgrounds, these young people are at a high risk of entering a vicious circle of under-education, reduced access to gainful employment and poverty, which will only increase socio-economic inequality.

■ **Internally displaced young people and**

refugees: Sudden poverty, as a result of armed conflicts in the region, constitutes a further source of vulnerability.

Very often, disadvantages cumulate in the labour market, leading to vicious circles. Low-skilled youths living in rural areas cannot afford to leave their parents' homes to look for jobs, and they become discouraged, possibly leading to mental health problems, which further harms their employment chances. Tight housing markets and high house prices in some cities and regions have reinforced the difficulties for young people in making successful school-to-work transitions, especially when doing so involves geographical relocation, lengthening the period of transition and increasing the risks of skills loss and possible mental illnesses.

By contrast, young people who are not financially constrained can afford to do a sequence of unpaid

jobs as 'interns' in the hope of gaining relevant work experience and access to permanent, paid employment. Young people from high socio-economic backgrounds can rely on their social capital (including networks) to find the right jobs (OECD, 2015).

In all countries, governments rely on VET as an instrument of social inclusion to create access to the labour market for people facing some form of disadvantage. First, it is used as an alternative education stream within secondary education for students that have been identified as being unlikely to complete upper secondary education. Second, VET is used in short courses to provide skills to unemployed people or those seeking to upgrade their skills. Third, VET is commonly used as a programme of assistance to vulnerable groups or to people with special needs (ETF, 2017).

3. POLICY FRAMEWORK

3.1 Legal framework

Since the 1990s, all EaP countries have been developing youth policies and relevant legislative and institutional frameworks. The approaches and speed of this process differ significantly. Some countries have already established policy frameworks, while in others this process is still in progress. In general, youth policy in the region is a highly dynamic policy area and the legal basis has grown considerably over the last couple of years (see Annex 2).

The common feature of the strategic youth policy documents is that they are cross-sectoral, covering many different areas, such as education and training (including non-formal education), entrepreneurship and employment, health and family, youth rights and justice, and cultural and leisure time activities. The important priority of youth policies is promoting citizenship learning. Another common aspect is their social emphasis, as most of them recognise youth employment as a priority.

Main strategic youth policy documents

The [Armenia](#) Development Strategy 2014–2025 underlines the need to increase employment levels through creation of high-quality and high-productivity jobs as its main objective. It also recognises the need for better-targeted and better-informed policy measures to effectively address the challenges of youth employment and unemployment. The country is currently working on the new state youth strategy, as the previous Youth Strategy 2013–2017 has ended.

[Azerbaijan](#) is currently implementing the state programme Azerbaijani Youth 2016–2021, which has a focus on youth education and employment including skills development, career guidance and entrepreneurship. The programme is a framework document that neither provides concrete activities nor sets up indicators. The main legal document in the field of youth policy is the Law on Youth Policy.

In [Belarus](#), the Law on the Foundations of State Youth Policy (2009) establishes a system of social, economic, political, organisational, legal and other measures aimed at supporting young citizens. Its overall goal is to promote comprehensive education of young people and provide assistance to their spiritual, moral and physical development. According to the law, the state provides young people with their first job placements and implements a set of measures aimed at fostering employment, including measures providing economic, organisational and legal support for youth entrepreneurship. Implementation of the most important areas of youth policy is carried out within the framework of the state programme of Education and Youth Policy for 2016–2020.

In [Georgia](#), a four-point government programme for 2016–2020 establishes the vision for the country's development and acknowledges youth employability as one of the key priorities. Currently, the main act governing youth policy is a National Youth Policy document (approved by government resolution in 2014). The document establishes a strategic framework for youth policies by compiling the relevant activities included in other state action plans.

In recent years, [Moldova](#) has made progress in developing a youth policy framework. The Strategy for Youth Sector Development (2014) and the new Youth Law (2016) define youth policy in the country. The strategy recognises the creation of economic opportunities for the young generation and their inclusion in social and economic life as one of the priorities. The new Employment Strategy (2016) includes measures targeting young people, in particular self-employment and apprenticeships.

In [Ukraine](#), there is no comprehensive national youth strategy. The main strategic issues are covered by four documents: the Declaration of the Verkhovna Rada on the Overall Background of the State Youth Policy in Ukraine (1992); the Strategy of Development of National Youth Policy for 2013–2020, adopted by decree of the Ukrainian President; the Roadmap for Reform: Youth Policy in Ukraine; and the state target social programme Youth of Ukraine 2016–2020. The key legal act in the youth policy area is the Law on Promotion of Social Development of Youth in Ukraine (1993), which outlines the main parameters for implementation of the youth policy and declares state support in helping young people get their first job.

3.2 Institutional framework

No single model of youth policy governance prevails in the region; instead, diverse country contexts and policy processes are leading to different approaches. However, all countries have state structures responsible for young people. For example, the Ministry of Youth and Sport is the main government institution that develops and implements youth policy in Armenia, Azerbaijan and Ukraine. In 2017, Moldova and Georgia had a reorganisation of public administration: the Ministry of Youth and Sport was merged into the new Ministry of Education, Culture and Research in Moldova, and it was merged with the Ministry of Education and Science in Georgia. In Belarus, the Ministry of Education coordinates implementation of youth policy.

In all countries, youth policy is a cross-cutting issue across many government institutions that develop policies that directly or indirectly affect young people as part of their sectoral work programmes. This may include, for example, labour, social affairs, health, education, culture, planning, information and justice. For example, in Belarus the state programme of education and youth policy lists 15 ministries that are taking part in the implementation of the programme within the scope of their competences.

Cooperation between different government institutions is challenging in all EaP countries. The concentration of different government agencies on their departmental objectives, functions and tasks restricts effectiveness of implementation of interrelated measures. Despite numerous efforts to make youth issues mainstream and improve cooperation across different sectors, the line ministries in charge of young people still encounter considerable difficulties in development and implementation of adequate cross-sectoral frameworks. This is partially due to limited understanding and traditions in cross-sectoral

cooperation (also in other policy areas) and strong centralisation of public policies across all countries in the region.

In general, there is a lack of understanding in sector ministries about how their mandates and activities link up with national youth policy priority areas. In most countries, involvement of different ministries in the implementation of youth policy is based on ad hoc inter-ministerial working groups and/or meetings, leading to a lack of cohesion and strategic vision on youth policy. Moreover, policy dialogue is sporadic and deals with sector-specific and technical issues rather than strategic priorities. To improve overall collaboration, some countries have established institutional mechanisms to foster discussion on youth policy at the highest political level and in the context of the national economic and structural industrial policies. For example, Armenia has established the Council on Youth Affairs as the main platform providing cross-sectoral coordination of youth policy. It is chaired by the Prime Minister and all main ministries that have youth-related functions are represented by deputy ministers.

Successful youth policies require not only cooperation among various government institutions, but also close collaboration with different stakeholders including NGOs and international organisations, which provide technical support to different government institutions and, in many cases, co-finance actions directed at young people. Although different state and non-state organisations provide similar services, they do not always cooperate with each other. Also, the positive experience of different initiatives is not always widely covered in the media, nor analysed by decision-makers at the national and local levels. A lack of financial and human resources for many NGOs is another serious obstacle in the proper implementation of youth-related initiatives and in reaching out to wider audiences to make an impact on society.

4. POLICY MEASURES FOR YOUTH TRANSITION TO WORK

Developing young people's employability by helping them to acquire the right set of skills, knowledge and attitudes is a key policy issue for ensuring their successful transition to the labour market. Acquiring skills is a lifelong process that starts very early in a primary school. Rapidly changing labour markets require from young people the capacity to continue learning and developing new skills, both in formal and non-formal settings. However, many young people leave education and training without being sufficiently prepared to enter the labour market and without the skills or mindset to start their own business.

The increasing difficulties met by young people have led governments in the region to pay more attention to youth employability and to develop a range of policy measures aimed at supporting the youth transition to work. The objective of this chapter is to provide an illustrative mapping of the areas where recent policy action has been taken to improve youth employment outcomes and to share information on potentially new and innovative approaches. Measures are divided into three broad policy areas covering skill development, policies facilitating youth transition into the labour market, and ALMPs aimed at integrating unemployed youths into the labour market.

4.1 Skills development policies

Understanding skills demand

In the current fast-changing global economy where skills are considered a catalyst in the circle of job creation, growth and prosperity, efforts to provide the right mix of skills are essential. The interest of policymakers and stakeholders in development of effective skills intelligence⁷ has grown in all EaP countries. In general, they share the view that a skilled and competent workforce is a key condition for creating more and better jobs and for increasing the competitiveness of enterprises and national economies.

Although skills governance systems – the way information on current and future skills needs and trends is generated, disseminated, coordinated and used – varies between countries, there are some common features. Some countries still apply the so-called 'state order system', a traditional system of government-planned, top-down allocation of resources and study places (quotas) for VET and higher education institutions (for example in Azerbaijan, Belarus and Ukraine). The state order system aims at regulating future supply of skills (more precisely qualifications), and is based on forecasts of skills demands, using macroeconomic forecasts (econometric models) and reports from the public enterprise sector. However, in the context of changing labour markets, this approach is not able to produce the required results. Thus, all countries in the region are in the process of improving their labour market analysis systems.

A few countries have made attempts to develop quantitative forecasts with a longer time horizon (Azerbaijan, Ukraine). Ukraine, with the support of the ETF, has developed a skills forecasting model, based on modern international methodological approaches. This will enable forecasting of demand and supply of the labour force in the mid-term outlook, taking into account occupational and qualification developments, and using different scenarios of economic growth. It is important to incorporate the model in the structure of the country's skills intelligence system.

There are large differences between data collection and dissemination practices of PES. In most countries, PES regularly prepare short-term labour market forecasts based on administrative data and vacancy registers, and they also conduct employer surveys. For example, in Moldova and Armenia, PES implement annual employer surveys to identify workforce requirements and labour shortages, and they publish the results in a labour market barometer. In 2017, Georgia conducted its first nationwide Establishment Skills Survey covering over 6 000 companies from all sectors of the economy. In general, PES still have rather weak links with employers in the private sector. Some PES collect data only from the public sector (Azerbaijan, Belarus). Consequently, data about vacancies is rather limited. Also, all countries in the region need to measure the informal economy and informal employment.

⁷ Information on current and future labour market trends and skills needs as well as on the availability of relevant skills development opportunities (European Commission, 2016a).

In general, systems for tracking graduates are underdeveloped. Only Georgia, since 2014, has been implementing a regular tracer study of VET graduates. In 2016–17, the ETF in cooperation with Liechtenstein Development Service supported Moldova in the development of a methodology for a school-based tracer study and piloted its implementation in 2017 in 26 vocational schools. The country is preparing for implementation of tracer studies in all VET institutions.

One of the key elements of a skills governance system is the development of a network of organisations that work with the information generated. They can provide feedback on outcomes, give interpretations of results and take part in the discussion of possible policy approaches. Effective collaboration usually involves clear leadership and allocation of responsibilities among stakeholders. Countries are using a variety of devices to establish coordination mechanisms at different levels; for example, Georgia has its Interagency Coordination Council on Labour Market Information System operating at the national level. Sector skills cooperation mechanisms exist across the region in different structures, both formal, such as skills councils, and informal, such as working groups of different stakeholders. In Azerbaijan, sector skills councils function on an ad hoc basis in 10 sectors, while Moldova recently adopted a new law on sector skills councils to enhance their role.

Although there is a wide range of initiatives to identify and anticipate skills supply and demand in all EaP countries, they are often carried out on an ad hoc basis and their effectiveness is not validated. Most countries analyse current and future skills needs; however, use of this information to adjust their education systems is rather limited.

Improving education systems

Successful economic reforms and innovation-led growth cannot be achieved without improving the education and training systems, the main supplier of skills for the national economy. Traditionally the role of education in the region has always been very important. All EaP countries inherited highly centralised and state-controlled education systems from the socialist period. Therefore, the EaP

countries have been reforming their education and training systems to respond to the requirements of a market economy, as well as to those stemming from increased globalisation, trade liberalisation and technological change.

The main challenges that education and training systems have been facing include the following: ensuring access to education and training opportunities for all young people, which requires reducing the number of early school leavers in rural areas; increasing the quality of education across the board, while also ensuring its relevance to labour market skills needs; and addressing the skills needs of the adult population due to the ageing population profile and further economic restructuring (ETF, 2011). Three interrelated impediments to improving quality and relevance of education systems in the region are the lack of systematic data on key skills-related performance issues (i.e. how much students are learning and whether they are finding jobs after they graduate), the legacy of central planning, and inefficient use of resources (Sondergaard et al., 2012).

A policy response to meet these challenges has been an attempt to reform and improve education and training systems. Quality assurance represents a major reform element in all countries with improvements targeting input and output measures, for example improved teacher training, a new curriculum, or the adoption of new assessment arrangements based on learning outcomes. All countries are developing national quality frameworks (NQFs) to modernise qualifications. Progress varies; for example, Georgia has a specialised agency to implement its NQF and is producing new qualifications based on outcomes. Ukraine and Azerbaijan are developing new standards to make qualifications meet labour market needs. However, Belarus is still in its early stages and needs to consolidate its legal basis and define a coherent strategy with defined institutional roles and functions.

The higher education sphere, in particular, is currently undergoing a number of reforms due to the Bologna Process the countries joined. As in VET, reform implementation is slow and partial, applying mainly at system level and not yet absorbed into regular practice in individual universities; in particular, many programmes and qualifications are outdated and do not meet students' employment needs.

Policy initiatives in the education sector

Several countries have adopted new strategies for the development of the education system. For example, [Azerbaijan's](#) National Strategy for the Development of Education (2013) establishes a long-term vision for education development. It focuses on the development of competence-based education; new management mechanisms based on partnerships; lifelong learning; modern infrastructure; and the development of new financing mechanisms, which are economically sustainable and meet the necessary standards.

[Moldova's](#) strategy Education 2020 aims at linking the education system with labour market needs, increasing access to education and lifelong learning, ensuring the relevance of studies for life, and developing an effective system of evaluation, monitoring and quality assurance in education.

To improve the access and quality of higher education, [Georgia](#) has established Unified National Examinations, which students have to pass to enter higher education institutions. This is acknowledged as one of the important accomplishments within education improvement initiatives in the country, which will help to significantly reduce corruption rates.

In 2017, [Ukraine](#) adopted a new framework law on education that endorses the concept of the New Ukrainian School with four main components: development of new modern education standards in secondary education that have a competence-based approach; revision of the national curriculum according to new education standards; introduction of the teachers' certification procedure and new certified programmes for enhancement of professional qualifications; and systemic de-bureaucratisation of the education system management and introduction of a transparent and effective governance system. The law also provides for the establishment of a National Agency for Qualifications.

In [Belarus](#) in 2015, the World Bank approved a USD 50 million loan for the Education Modernisation Project that aims to improve access to quality learning environments in 120 general secondary schools through the rehabilitation of school facilities and modernisation of the management of the education sector by bringing it in line with international best practices. Moreover, the World Bank is preparing a new project to realise Belarus's commitments under the Bologna Process and to modernise its higher education system. The project is expected to start in 2019.

Increasing VET attractiveness

All over the world, VET is valued for fostering job-specific and transversal skills, facilitating the transition into employment and maintaining and updating the skills of the workforce according to sectoral, regional and local needs (European Commission, 2016a). However, in the EaP region, the public perception of VET is negative, with such education seen as a last resort for the weakest students. VET was a neglected area in the early transition process and most countries focused on either maintaining previous programmes or rationalising vocational school networks through closures and mergers in order to improve efficiency. Consequently, curricula gradually became obsolete, the infrastructure deteriorated and students, by voting with their feet, left vocational schools in favour of general secondary education and the prospect of

pursuing a tertiary degree. For example, in Armenia, VET has almost disappeared. However, the recent trends in some countries show that attitudes of young people towards vocational education are slowly changing in a more positive direction. For example, in Georgia, this is reflected in the increased enrolment of young people in vocational schools.

In recent years, VET has been gaining new momentum in the region, as policymakers have started to realise that VET can play an important role in economic development, as well as increasing productivity and competitiveness. All of the EaP countries have started reviewing legislative and institutional frameworks for VET and are making efforts to modernise their VET systems, aiming to improve relevance, flexibility and quality. In general, the main policy priorities being followed relate to creating new content for VET and developing new modes of VET delivery.

Changes frequently relate to the reorganisation or rationalisation of schools, the updating of standards and curricula, and the modernisation of qualifications and their placement in a national framework. In general, the region is improving its capacity to identify problems in VET and develop responses, as well as to absorb international experiences. There is a shift from strategy to implementation in the region with the search for improved connections with employers, but there are delays due to institutional and budgetary limitations (ETF, 2017).

Further, sustained efforts are needed to reinforce employer involvement in the design and delivery

of education and training provision; strengthen the capacity of professional institutions to modernise methodologies for training delivery; strengthen the capacity of training providers to introduce flexible demand-driven training courses that cater for the needs of different learners; make efficient use of the limited funds available; and develop qualifications and qualification frameworks that are transparent and relevant to the labour market. More systematic efforts also need to be directed at supporting training provision and at providing incentives to adults to participate in training.

Policy initiatives in increasing VET attractiveness

In [Azerbaijan](#), the Strategic Roadmap for VET (2016) sets out a short-, mid- and long-term vision for VET development. In April 2017, Parliament adopted the country's first law on VET, which at the time of drafting this report was awaiting sign-off. Also, a new VET Agency was established as a key institution responsible for initial VET policy.

In [Belarus](#), a large-scale EU project on employment and VET will be implemented from 2018 to 2021. The main objective of the project is to enhance the employment prospects of young people by ensuring greater synergy between the VET system supply and the needs of the labour market; improving the quality and attractiveness of VET; and improving the labour market information system.

In [Georgia](#), the Strategy for the VET Reform (2013–2020) aims to form a modern, inclusive and attractive system. The reform priorities include increasing VET enrolment, development of public–private partnerships, work-based learning (WBL), quality enhancement, and improved cooperation with the private sector. An important challenge in the country is VET accessibility, not only for vulnerable groups but also for the general public, as the geographical distribution of vocational schools is not optimal.

In [Moldova](#), restructuring of the VET system includes introduction of a new financing formula on the basis of cost per student and per programme to improve the mechanisms for allocating financial resources. Development of quality assurance and quality management in VET is another reform field aimed at improving the quality and relevance of education and promoting VET attractiveness. Eleven 'centres of excellence' have been established that provide not only VET education, but also professional training of VET teachers, certification of skills acquired in non-formal and informal education, and career guidance and promotion of VET.

In [Ukraine](#), the VET system has already been undergoing considerable transformation for many years via the transition to a degree system and informatisation of the educational process, introduction of new organisational and teaching forms and learning technologies, and upgrading content. Further reforms include decentralisation of VET; establishment of regional stakeholder boards for VET; vocational school network optimisation and introduction of region-led funding of VET; and the development of modern VET standards. The consultation process on the draft concept entitled Modern VET 2017–2030 is ongoing and the new law on VET is being drafted.

Work-based learning practices

In [Armenia](#), WBL is in the embryonic stage and, in general, functions inefficiently. The Programme of Preliminary and Middle Professional Education and Training development for 2017–2021 for the first time recognises WBL as a tool for increasing attractiveness of VET and its relevance to the needs of the regions and agriculture sector, and also foresees concrete actions for the development of WBL in the VET sector. With German support, dual education is being piloted in four sectors (IT, tourism, winemaking and agriculture).

In [Azerbaijan](#), due to very weak ties with the world of work, VET is mostly school-based. The following types of WBL currently exist in the country: internships (mostly a formality); traineeships and advanced training, which usually take place in the public sector (mostly a formality). Apprenticeships exist mainly informally with no links to formal education. Although cooperation between schools and enterprises is emerging, it needs to be developed further.

In [Belarus](#), WBL is an integral part of the education process in VET and in the system of additional adult education. A range of legal acts provides a framework for organisation of WBL in formal education by defining the functions of educational institutions, the types of practices, their organisation and management, and financial support. Although WBL is steadily expanding in VET, the resource base of educational institutions is limited, and this affects the quality of learning.

In [Georgia](#), in recent years, the importance of WBL and dual education has gained lots of attention. The VET Strategy 2013–2020 acknowledges school-based and work-based practical training as essential parts of the system. In 2016, with the support of the UNDP, a concept note on WBL was developed. These changes have resulted in an increased share of practical training, both at school and in work settings. In the framework of the reforms, donors have been providing significant support. For example, the UNDP implements the large WBL programme in the agricultural sector in partnership with the Georgian Farmers Association, which cooperates with 11 private companies.

Since 2014, [Moldova](#) has been developing a set of regulations and initiatives to introduce and organise WBL in its VET system, such as apprenticeship regulation, apprenticeship contracts, information about the obligatory hours for practical training and internship periods, and a Vocational Training Diary. As the VET Strategy 2013–2020 identifies the implementation of a dual education system as a benchmark, the country has started piloting a dual VET system through apprenticeships in the workplace as an alternative to traditional VET in secondary schools (70% practical plus 30% theoretical training). However, despite the existing regulatory framework, overall implementation of WBL in the VET system is still weak.

[Ukraine](#) has an established legal framework for WBL. Although the current law on VET does not define WBL, it provides forms of practical training and the new Education Code introduces the concept of dual education and defines the relationships between the education institutions and the enterprises. However, due to the outdated technical equipment in the majority of vocational schools, there are limited opportunities to gain practical experience. To increase the attractiveness of VET, the social partners have started an initiative to create sector-specific practical training centres (in the format of structural units such as workshops or production facilities) at state-owned VET institutions. There have also been some initiatives aimed at developing elements of the dual system in VET provision. The dual education system (or its elements) has been introduced into the vocational schools of seven oblasts (regions). Another initiative is the development of vocational school clusters, closely connecting them to businesses and employers of respective areas and thus attracting resources from companies. Knauf was one of the companies that joined the VET reform initiative in Odessa oblast. The company contributed to the development of national professional standards, provided teacher training and assisted in new curriculum and teaching materials development.

Providing work experience while in education

Work experience is highly valued by employers, and a lack of such experience constitutes a major obstacle for first-time jobseekers. Many young people feel trapped in a vicious circle in which they are unable to acquire work experience because they cannot find a first job, and they cannot obtain a job because they do not have work experience. Therefore, WBL is an important component in preparing young people for the transition to work by developing practical skills needed in the workplace, including the soft skills that employers look for in entry-level workers, increasing knowledge about workplace settings and establishing connections with potential employers that can aid in future job searches. The evidence in EU countries shows that transitions are faster in countries where school and WBL are closely connected (European Commission, 2016b).

Overall, in the region, the search for means to make education more relevant to labour market needs has increased an interest in WBL as a policy initiative. The apprenticeship⁸ system, which used to be quite widespread in most of the six countries in the Soviet period, has practically disappeared during the transition period. In recent years, the countries have started a number of reforms to introduce opportunities for gaining practical experience. However, the development of WBL throughout the region is uneven.

In general, all countries face similar constraints in the implementation of WBL, in particular a lack of capacity to implement WBL programmes on the part of both vocational schools and employers. Schools do not have modern technological equipment and machinery, nor the financial resources to purchase the materials necessary for the training. There are not enough big companies that can provide WBL, and small companies are not motivated to provide training places in view of the additional administrative burden

WBL creates and of the lack of financial resources and incentives.

Another important issue relates to the quality assurance of WBL outcomes due to a lack of proper monitoring and evaluation. While donor-led programmes provide positive impetus for the development of WBL, the scope of these programmes is often rather small and their impact on the systemic development is negligent; furthermore, there are doubts about their sustainability after the funding of the programme ends.

To develop high-quality WBL, structural change is needed, involving long-term commitment from employers and policymakers. It also requires putting into practice the three key components: governance (effective collaboration and strong commitment by a wide diversity of stakeholders, together with a clear definition of their roles and responsibilities); quality (both the qualification gained and the learning process itself should be of high quality); and effective partnerships between vocational schools/institutions and companies, which are fundamental to successful WBL (European Commission, 2013).

Promoting entrepreneurial learning

Experience shows that the education system is an ideal platform for developing key competences of young people, including the entrepreneurship key competence that equips citizens with skills, knowledge and attitudes necessary for successful career management and self-realisation, both in waged employment and in entrepreneurship or self-employment. Entrepreneurial learning is successful in fostering the entrepreneurial skills of young people, bringing benefits not only to the individual, but also to the economy and to society at large. Entrepreneurial skills also have a more general impact on the employability of young people, contributing to higher employment rates (European Commission, 2016a).

In recent years, EaP countries have made good progress in including entrepreneurial learning in the wider policy environment, interfacing with other policy areas (e.g. employment, SME policies). While entrepreneurship promotion in VET is well developed across the region, particularly in terms of more business-oriented skills, embedding entrepreneurship

⁸ Apprenticeships are defined as formal VET programmes that include alternation between company-based training (periods of practical work experience at a workplace) and school-based education (periods of theoretical/practical education in a school or training centre).

as a key competence within the curriculum in secondary education is still a challenge for most countries. There are good examples of non-formal entrepreneurial learning in all countries, but little effort is made to share and compare experience in both formal and non-formal entrepreneurial learning.

This undermines the value and potential of these good practice examples. Finally, despite its potential for boosting local, regional and national economies, entrepreneurship in higher education remains considerably underdeveloped in all EaP countries (OECD et al., 2015).

Policy initiatives promoting entrepreneurial learning

[Moldova](#) has made remarkable progress in developing the entrepreneurship key competence, including clearly defined learning outcomes in the curriculum, and support tools for both pupils and teachers. The entrepreneurship key competence is an integral part of the formal curriculum, ranging from a compulsory course in VET to an optional element at various levels of education, and training has been built into the system of teacher training.

In 2017 in [Ukraine](#), the Government adopted the new Education Law and the Strategy for Small and Medium Enterprise Development in Ukraine until 2020 that both refer to the EU's policy recommendations for the development of key competences, and specifically mention entrepreneurship key competence development as one of the national objectives. In the current major education reform framework, ETF supports the development and road-testing of the new competence-based education standard for the New Ukrainian School (12-year education, including VET) linked to the European Entrepreneurship Competence Framework (EntreComp) and applying the 'integrated learning outcomes approach'.

In [Armenia](#), entrepreneurial learning is a strategically important area. The government is introducing modules for entrepreneurship key competences across all levels of formal education. A module for entrepreneurship that will be compulsory in all vocational education and cover a series of skills relevant to starting a business has been developed. By the end of 2019, the government plans to further develop and introduce state education (qualification) standards and relevant syllabi in VET including the teaching of entrepreneurship as a core topic.

In [Georgia](#), the concept of entrepreneurship has been introduced into vocational education, and it is in the focus of the Government's reform plans for the next period to build entrepreneurship key competence development into the formal VET and general secondary curricula as part of a gradual transition to a competence-based approach in formal education. Entrepreneurial learning has also been specifically included in the SME development strategy and has become an important area of the Georgia–EU cooperation agenda.

In [Azerbaijan](#), key competences such as literacy, numeracy, IT and entrepreneurship are included in the national curriculum for lyceums and technical and vocational schools. Entrepreneurship is included as a key competence in 56 new pilot curricula developed based on occupational standards.

In [Belarus](#), there is a growing interest in entrepreneurship competence development in VET and general education, especially in the development of programmes that provide practical entrepreneurship experience for young people through student mini-companies and a variety of extracurricular activities. Major actors like the National Bank have been involved in the provision of programmes for the development of financial literacy of young people that contributes to promotion of the entrepreneurship key competence. Entrepreneurship competence development programmes are currently available at various levels of pre-university and higher education (mostly as optional subjects).

Providing lifelong learning opportunities for young people

All EaP countries have a system of extracurricular ‘interest education’ that has been inherited from the Soviet past. It mainly includes extracurricular activities for pupils and students outside the formal school day. Institutions such as music and visual arts schools, youth sport schools, martial arts schools, youth clubs and camps, centres for creativity and aesthetic education, ecological clubs, language clubs, centres for technology and different hobby groups are available and quite popular. They offer a wide range of sports and entertainment activities, as well as training in non-formal settings about soft skills such as leadership, creative thinking, teamwork and problem solving. For example, in Georgia, youth camps are organised with an aim to promote a healthy lifestyle for young people. However, the development of extracurricular education today is hampered by objective and subjective reasons, such as a gradual reduction in the number of extracurricular education institutions, as well as poor financial and technological support.

Fast-paced and continuous technological progress changes skills requirements and thus strengthens the need for lifelong learning. As demand for certain occupations decreases and skills required for other occupations shift, workers will need to reskill and upskill (ILO, 2017a). EaP countries have started to recognise the importance of adult learning⁹; however, most of them have not yet begun to adequately promote it as a means of addressing the current skills deficit. The legal regulation of this sector in some form exists only in Armenia, Belarus and Ukraine. Even in countries that have relatively high availability of continuing vocational training programmes, the people who take part in these programmes tend to be already skilled workers, rather than non-skilled and ‘non-productive’ workers. Most of the training is oriented towards business skills requirements, for example financial services and IT training or development of personal skills and abilities, such

as foreign languages, computer literacy skills and creative abilities (e.g. music and painting).

Most adult learning is informal and non-formal¹⁰ with limited regulation relating to curriculum, assessment and qualifications. Non-formal learning is provided by a wide range of actors, including state agencies, public and private educational institutions, private entrepreneurs and NGOs.

Initiatives to promote non-formal learning

In [Belarus](#), the Association of Lifelong Learning and Education (a non-commercial association uniting 13 educational organisations and establishments) has been established to promote non-formal education.

In [Armenia](#), the Lifelong Learning League, an umbrella organisation for 12 NGOs, supports the formation of a lifelong learning culture in the country.

In [Moldova](#), the Republican Centre for Children and Youth (Artico) was created to promote non-formal education. The centre offers children and young people opportunities to develop, learn, train, consult, get support, and network through social, cultural and sport activities and technical projects. It also ensures national-level coordination of other centres or similar institutions running extracurricular services for children and young people, providing information, coordinating their activities and helping improve their initiatives.

Many NGOs combine non-formal skills development with other activities, such as job intermediation and mini-grants. For example, World Vision International’s [Georgia](#) office implements a Youth Empowerment Programme that has two components: the non-formal learning component comprises a series of training in soft/life skills (e.g. communication and leadership); while through the mini-grant component, local youths get the opportunity to develop project ideas for local community development and apply for funding.

⁹ Adult learning covers the entire spectrum of what we learn after leaving initial education and training. This includes work- and career-oriented learning, obtaining new qualifications, upskilling or reskilling for employment, and also learning for personal development and active citizenship.

¹⁰ UNESCO defines ‘non-formal education and training’ as education and training which takes place outside the formal system either on a regular or intermittent basis, and ‘informal learning’ as learning resulting from daily life activities related to work, family or leisure. Informal learning is part of non-formal learning.

Nevertheless, efforts made so far in encouraging participation in adult learning remain limited and inadequate in terms of ensuring both access and quality. The forms and methods of adult learning need further improvement regarding content and methods of training, as well as their relevance to the labour market needs. There are several common challenges: first, there is no uniform approach towards provision of non-formal learning, or its certification. Involved actors implement their activities using various formats and settings. There is also very little cooperation between various involved stakeholders. Second, NGO activities are often funded by international organisations. The heavy dependence on the non-state actors for provision of non-formal learning undermines the sustainability of the sector. Third, there is no information, neither on the quality of non-formal training provided by the different state and non-state actors, nor on the concrete/tangible results of such training. Most countries do not have established and integrated systems to validate adult learning with qualifications, which may discourage participation and impede full usage of newly acquired skills.

Progress in developing validation systems varies between the countries. Georgia and Ukraine have already established a legal basis for recognition of non-formal and informal vocational learning and have started its implementation in pilot occupations. The pilots showed that legislation alone is not enough to kick-start a validation system and there are still many aspects related to the preparation of candidates, capacities of validation practitioners (mentors, assessors, etc.), the availability of standards and the appropriate certification methods that need additional work. Armenia, Azerbaijan and Moldova are all in the process of developing the legal basis and methodologies for the validation systems, while in Belarus no progress has so far been made in this area.

Fostering links between the education system and business

There have been some positive, albeit modest, steps to improve education and business cooperation. Employers participate in NQFs, national VET standards and curriculum development, as well as provision of internships and industrial

training. In Ukraine, for example, the Federation of Employers has taken the lead in setting up the Institute of Professional Qualifications to promote the establishment of sector skills councils for the development of occupational standards. This initiative provides an opportunity for public-private partnerships that can increase the institutionalisation of the role of employers. However, industry and employers still receive limited support from the government for skills upgrading, and few mechanisms are in place for employers to provide regular feedback. Although some initiatives are demand-driven, policy making remains a top-down process, and the private sector's engagement with broader skills development remains limited.

4.2 Policies facilitating transition into the labour market

Career guidance

All countries in the region recognise career guidance as an important tool to ensure a more efficient youth transition to work and, accordingly, are making efforts to improve their career guidance services. In general, the focus has been shifting away from an approach that tries to 'match' young people's abilities and interests to particular jobs or courses, towards an approach that places more emphasis on active career planning and personal development. A key challenge for policymakers is how to ensure universal access to high-quality information and guidance services at an affordable cost.

Vocational guidance is conducted at all levels of formal education. However, variation can be observed in most of the basic dimensions of guidance, such as whether or not it is mandatory, who provides it and the quality and level of services that are provided. For example, in Moldova, general education curricula for gymnasium (grades 5–9) and lyceum (grades 10–12) students include modules on personal development and career guidance that constitute 25% of civic education courses, while Georgia only recently launched a pilot project introducing career classes to students in the last three grades of secondary school in 20 schools in Tbilisi. Although the initiative is highly relevant, it needs to be expanded nationally

to provide support for all Georgian students in making their career choices.

In general, career guidance services in VET and higher education are more developed than in general education. Armenia has developed a sustainable national approach and instruments, building on the Methodology Centre under the auspices of the Ministry of Labour and Social Affairs that provides assistance through methodological materials, training provision and a wide range of awareness campaigns. Georgia has introduced career managers in each VET college, who provide a mix of services such as general and employment counselling of students, job mediation, and initial recruitment of students. In higher education, Armenia and Moldova have introduced mandatory requirements for universities to establish career guidance centres to provide professional counselling to their students, while in Georgia only the largest state and private universities offer career development and employment support services to their students.

Some countries provide special services to assist young people with special needs. In Moldova, the resource centres for inclusive education at pre-university education institutions provide support for children with special educational needs, specialised psychological (including speech therapist) and other pedagogical support services for their inclusion, and methodological assistance for teachers in

education institutions regarding the particularities of interventions designed to solve the problems faced by children in the education process. They also help improve the conditions for child development according to their individual choices and potential, and coordinate the activities of inclusive educational processes and collaborate with other relevant institutions.

PES in the EaP countries play an important role in providing career orientation and guidance to future graduates and young jobseekers. This subsection discusses career counselling for pupils, students and graduates, while guidance services for jobseekers are described in section 4.3.

NGOs are also gradually getting involved in different career guidance initiatives. For example, in 2015, in Ukraine several NGOs together with employers established an alliance called Ukraine Career Guidance Development Group, which aims to improve the career guidance system in the country.

An important aspect in ensuring good-quality career guidance services is the professionalism of individuals providing these services. In this regard, Georgia is developing national standards on professional orientation and career guidance and sub-standards for specific target groups and creating respective tools and instruments for professionals working in the field.

Involvement of public employment services in youth vocational guidance

In [Belarus](#) and [Ukraine](#), in addition to educational institutions, PES play an important role in provision of youth vocational guidance. The activities include provision of information sessions in the general secondary education institutions, organisation of open days and master classes, and tours of enterprises. PES also organise a wide range of labour market orientation activities in regions, such as job placement fairs, professional awareness campaigns and meetings, seminars on occupational topics or vocational training, tours for schoolchildren to workplaces, training, publication of materials, and motivational contests (for example, with information about the occupations that are in demand).

In [Moldova](#), with the support of PES and the Centre for Entrepreneurial Education and Business Support, the Re-Engineering Moldova Vocational Orientation and Career Counselling project has been implemented to upgrade the current vocational orientation system and career counselling for pupils from secondary general education and VET and to develop similar services for people who are out of school. Within the framework of the project, three centres for career guidance were created within the local employment offices of Chisinau, Soroca and Cahul. These centres organise seminars on education and training opportunities available, the trends and evolution of the labour market, debates with successful people on different career development perspectives, visits to employers, self-discovery through psychological testing and vocational marketing.

IT use in career guidance services

Georgia has developed an online career guidance platform (<http://myprofession.gov.ge/>). The portal contains a wide range of tools such as self-administered self-assessment tests, a guidebook on career guidance, description of professions (both text and videos), case studies and regular updates about news in the world of work. The portal also contains links to education institutions, training institutions and other relevant actors.

In Ukraine, with the support of the UNDP, a career guidance and career building website has been created (www.mycareer.org.ua).

Armenia plans to develop electronic libraries for young people involved in agriculture and small businesses.

A number of countries have embarked on the development of new and innovative outreach and counselling activities for students and graduates. Along with traditional methods of informing and consulting, new approaches have been introduced, such as simulation platforms, laboratories or opportunities for children and young people to get to know an occupation not only by listening or observing but also by doing or practising in real companies, economic roundtables with representatives of local authorities, mobile centres to take professional guidance services out to young people in more isolated areas. Peer-to-peer approaches and active involvement of employers are being used for such career guidance practices.

The use of internet-based services is particularly important in targeting young people. Youths see IT as a powerful tool for creating and maintaining relationships with their peers and for helping them feel part of a society. For marginalised youths who are relatively isolated from other young people, technology helps them overcome feelings of separation and disconnection. Several countries have been developing modern online career guidance resources and tools.

Although a variety of good practice examples can be found in all of the EaP countries, a systematic approach to vocational and career guidance is lacking and the main challenges in provision of career guidance remain, including a lack of in-house career guidance specialists in education institutions; insufficient career guidance training of teaching staff; poor level of material, technical, information and methodology provision; lack of clear coordination between different career guidance actors; limited outreach of services as many young people, in

particular disadvantaged youths, have problems with access to the right information; and poor availability of relevant labour market information, with little or no information on the likely value of qualifications in the labour market. Also, despite the fact that parents and family are the most important group influencing the career choice of young people, there are few career guidance initiatives that take parents and family into consideration.

Work experience outside formal education

All countries in the region are implementing measures to provide young people with work experience outside formal education, including internships, student work teams and volunteering.

In many developed countries, internships¹¹ have become a very common approach for young people to get their first work experience. On average across European countries, 33% of young people report having completed one or several internships after graduation (OECD, 2015). In most EaP countries, however, there are limited internship opportunities. A recent youth survey conducted in Georgia confirmed that the lack of internship opportunities is an important problem for young graduates, as well as students who are eager to learn new things and grow professionally. In general, the important impediment for development of internships is a lack of regulatory framework (ETF, 2018d).

¹¹ Internships are short work periods that can be undertaken as part of and during the school year, or at the end of study, generally with learning content (OECD, 2015).

Initiatives promoting internships

In [Ukraine](#), a new initiative for education–business partnership – the Ukrainian Pact for Youth 2020 – was launched in 2016. The goal of the initiative is to unite the efforts of companies, government and education to contribute to employing young people, in particular by creating new good-quality places for apprenticeships, traineeships or entry-level jobs. In 2016–17, 275 partnerships between education and business sectors were established and 11 414 places for apprenticeships, traineeships or entry-level jobs were created. The other initiative is the Internship Programme of German Business for Ukraine (2014–18), financed by the Government of Germany. The primary aim of the project is to provide practical knowledge and skills through internships lasting three to five months at German companies. The internships take place at German companies operating in sectors that play a key role in Ukraine's economic development, including agriculture, mechanical and plant engineering, heavy industries, IT, and the energy and mining sectors.

In [Georgia](#), the Internship in Public Service programme was launched in 2014 on an initiative of the Prime Minister and the Civil Service Bureau, aiming to increase the talent pool of civil servants. In the framework of this programme, students and recent graduates are given the opportunity to spend short-term internships in selected public institutions.

In [Moldova](#), the State Chancellery has created a government website (www.stagii.gov.md/) to advertise public internship programmes in public institutions and state-owned enterprises. The target group is students and graduates of higher education in Moldova, as well as Moldovan migrants, students and graduates abroad. After completing the programme, they receive a certificate to prove work experience, but it is valid only in public institutions and state-owned enterprises.

Some countries promote alternative opportunities for young people to gain work experience during their free time while studying. A significant role in this sphere is played by student work teams, with temporary employment of young people during summer holidays in activities such as agriculture, construction, environmental improvement, and restoring historical or cultural monuments. Although the structure and functions of these organisations inherited from the Soviet past seem quite rudimentary in the modern market economy, in some countries they are still working (Belarus, Georgia and Ukraine).

For example, in Belarus, a special government decree has been adapted to foster the development of student work teams. For the students of vocational, specialised secondary and higher education institutions, this work can be acknowledged as an internship provided it is relevant to the occupation profile of the student.

In Belarus, to encourage young people's involvement in socially useful work and to provide them with an opportunity to gain work-based skills, PES organise temporary employment for young people who study

in education institutions during their free time, including the summer vacation period. It is carried out based on contracts between PES and the organisers of the work. The organisation providing temporary employment for young people can receive funds for the purchase of equipment, tools, materials, books, and wages at the minimum salary level.

The concept of youth volunteering is rather new in the region and is still under development. This might be explained by the inheritance from the Soviet past where volunteering did not exist. For young people, there are both structural barriers, such as a lack of support for volunteering, and individual barriers, such as a lack of information, an absence of free time, and the need to invest time in paid activities. However, there is positive potential for the development of volunteering in the region.

For example, in Ukraine the government's objective is to create a National Volunteer Service as a vehicle to engage young people in activities that are meaningful and significant for society, deliver non-formal education and encourage young people to gain their first work experience. The Law on Volunteering (2015) defines the directions of

volunteer activities and introduces provisions that contribute to the development of volunteer activities. Although volunteering is encouraged at the state level, it has no widespread following or support in society yet. However, the attitude has started to change, in particular in the context of the ongoing military conflict in East Ukraine. Many Ukrainians including young people are now involved in collecting necessary provisions for the army or taking care of wounded people in the hospitals. There are various initiatives that support volunteering, such as the Orphanage Volunteer Programme in Ukraine, United Nations Volunteers and Volunteers for Peace.

Youth entrepreneurship

Youth entrepreneurship can be a pathway to successful transition for many young people. Young people could quickly learn how to deal with risks and use new opportunities pertaining to self-employment or entrepreneurship. However, in the region, a lack of entrepreneurship key competence, motivation and knowledge on how to start a business, financial problems, a sometimes negative image of entrepreneurship, and a lack of knowledge of business opportunities are the major causes of the low level of youth entrepreneurship in the region.

Young people might have greater difficulties starting and growing their own businesses than adult entrepreneurs and they face a broad range of challenges. The lack of knowledge, skills and initial capital and difficulty in obtaining finance from private lenders are often identified as the most significant barriers to business start-ups for young entrepreneurs, as they do not have either collateral or a track record of successful repayments. Another common problem facing new entrepreneurs is a situation of isolation in the start-up phase.

Business networks are important for young entrepreneurs because they provide opportunities to make contacts and represent interests, but also because they present opportunities for access to coaching and mentorship support from more experienced entrepreneurs, as well as peer learning activities. Finally, many young entrepreneurs state that they need more managerial skills and help to

run a business and develop it beyond the initial start-up phase. Therefore, support programmes for youth entrepreneurs are especially effective when they provide a balanced, comprehensive range of support methods, such as training/skills development, mentoring and counselling, access to networking, dedicated funding or easier access to finance (Eurofound, 2015).

In recent years, all over the region there have been developments towards fostering youth entrepreneurship initiatives. The entrepreneurship support initiatives are implemented by different stakeholders, such as state agencies, universities, NGOs, private organisations and donors. They often include different types of services in one integrated package (e.g. training, consultancy, access to funding, post-finance monitoring and mentorship).

Although growing attention has been paid to the development of entrepreneurship culture and various initiatives are being applied in this area, their implementation still faces several challenges.

First, the number of young people covered by these initiatives is insignificant and they do not address particular needs of vulnerable youth groups. Second, cooperation and interaction between the organisations involved in provision of entrepreneurship support is limited. The available evidence shows that policies targeted at promoting entrepreneurship among young people are most beneficial when they bring together different actors and policy sectors, such as the labour market, social protection, education, health-care services (especially mental health), youth business organisations, financial institutions, individual companies and chambers of commerce (Eurofound, 2015). Third, the training and support is provided for a short period. It is important to ensure that training and support are available for a long-term period, and that the programmes supporting enterprise development are extended over a relatively long time span to be fully effective, as the first years of any enterprise are usually the most critical ones for survival. In particular, it is important for young entrepreneurs who, in many cases, lack experience. Fourth, there is no mechanism for impact evaluation of entrepreneurship support initiatives.

Initiatives promoting youth entrepreneurship

[Azerbaijan](#) has been implementing measures to foster youth entrepreneurship since 2003. In the period 2003–16, 5 300 young entrepreneurs received business loans from the National Fund for Entrepreneurship Support and as a result over 16 000 new jobs were created. Recently, two business incubators have been created to provide training and premises for start-ups, support preparation and financing of business plans.

[Belarus](#) is devoting significant effort to foster innovative aspects of economic development and creation of high-tech jobs, as well as formation of national human resources potential that would meet the changing needs of the national economy. The country promotes entrepreneurship as a behavioural model and life strategy. The support is provided to help the establishment and functioning of firms, companies, technological parks, business incubators, start-up centres, etc. For example, the Youth Social Service (Minsk city) and the Belorussian High-Tech Park business incubators both provide practical support to new start-up companies that develop their own products, with the aim to contribute to the favourable and successful development of business and other export industries, including new and high technologies.

In [Georgia](#), entrepreneurship development has become a priority since the announcement of the government's four-point strategic plan. The country is implementing two major programmes: Start-up Georgia, which focuses on ICT and technology, and Produce in Georgia, which supports development of Georgian manufactured products and also has a special sub-component focusing on young entrepreneurs. The programmes are complementary to each other and around 70% of their beneficiaries are young people aged 18–35.

In [Ukraine](#), the regulatory environment has not been favourable to entrepreneurship, but it has been improving gradually due to the new opportunities of cooperation with the EU. However, the support network available to young entrepreneurs is still limited. Some local administrations, universities, NGOs and private investors have launched new acceleration projects. For example, the National Technical University of Ukraine has established a successful school for start-ups, which provides two months of free business education focused on technology transfers and innovative entrepreneurship. It also runs a 'pre-incubator' to help aspiring entrepreneurs validate business ideas. Moreover, the university has created three venture capital funds and is engaged as a partner in seven venture capital funds.

There are also several donor-funded projects supporting the development of youth entrepreneurship in the region. For example, the Erasmus+ project entitled Development of a Network Infrastructure for Youth Innovation Entrepreneurship Support on Fablab Platforms (2015–18) is being implemented in [Belarus](#) and [Ukraine](#). The aim of the project is to develop an environment that stimulates engineering creativity, entrepreneurial activities and fosters youth employability via university/business/industry networking on fabrication laboratory (fablab) platforms. Five university fablabs with innovative equipment will be created at universities for implementation of students' engineering projects and will serve as university–enterprise 'meeting points', opening networking opportunities in both directions. Another example is a business education programme, Young Entrepreneurs, which aims to bring together ambitious business-minded young Norwegians and Ukrainians to foster investment and trade between Norway and Ukraine.

4.3 Active labour market programmes

The main goal of ALMPs is to increase employment opportunities for jobseekers and to improve matching between jobs (vacancies) and workers (i.e. unemployed people). They have increasingly been used to improve youth labour market integration

as the evidence suggests that investing in young people through ALMPs may pay off. The evidence also shows that youth-targeted ALMPs in low- and middle-income countries do lead to impacts on both employment and earnings outcomes. Specifically, skills training and entrepreneurship promotion interventions appear to yield positive results on average. This is an important finding, which points to the potential benefits of combining supply- and

demand-side interventions to support young people in the labour market (Kluve et al., 2017).

All EaP countries are in the process of developing or reforming their ALMPs. For example, in Moldova the new Employment Promotion Law has been recently drafted that will essentially extend the ALMPs and put the emphasis on activating jobseekers and persons searching for a job, including programmes for supporting youth employment. Georgia has adopted the State Strategy and Action Plan on ALMPs, which aims to define concepts of labour market services, improving PES, implementing more ALMPs and establishing linkages between the different line ministries who are implementing ALMPs.

PES usually provide both passive and active labour market services with most of the available funds being spent on passive labour market measures (unemployment benefit) that, usually, cover only a small percentage of unemployed people and offer only a low level of benefits. As the level of unemployment benefits is rather low, it is difficult to effectively introduce and apply the concept of activation policies. Some countries have introduced the concept of 'jobseekers' obligations'. For example, in Ukraine, individuals registered as jobseekers with PES have an obligation to actively search for a job and to participate in events organised by PES, such as seminars, career days, open doors days, and regularly visiting the employment centre.

The EaP countries have a wide diversity of programmes in terms of size, scope and activities. However, the common feature is that most of them do not have a special focus on young people; rather, they target the broader public that also includes young people. Weak support for unemployed young people and NEETs can be partly explained by an attitude that sees young people as strong, full of energy and thus able to find employment (not necessarily what they want, but a source of income) whenever needed. Unemployment is seen as a personal choice or laziness of a young person rather than a result of lack of inclusion or a societal problem (Polese, 2017).

Despite increases in funding in some countries in recent years, investment in ALMPs in general remains well below the EU average of 2%¹² of GDP in all EaP

countries. Resource constraints hamper service and programme delivery, as well as the scaling-up of good practices and initiatives piloted with support of donors. Therefore, the key requirement for the effective implementation of ALMPs remains the long-term and sustained commitment of the governments to provide adequate financial resources.

Given the resource constraints and challenges under which many PES operate, efficient and effective solutions for improving employment services are needed to enable PES to play an active role in the facilitation of youth transition to work. Many countries in the EU have addressed similar challenges to what the EaP countries are currently facing. The following box summarises the main lessons learned in practice in dealing with young people.

Lessons learned from EU countries

- Individualised approaches to counselling and guidance appear to be more effective than standardised approaches. In addition, individualised counselling and the establishment of an individual employment plan early in the period of unemployment is an effective tool for the implementation of activation strategies for young people.
- Profiling systems that build on accurate, timely and reliable labour market information and take into account the whole personal/life situation of young clients make labour market integration strategies more effective.
- Outreach activities need to focus on employers who are potentially willing to employ disadvantaged young people or to offer them work-based training measures. This includes good relationships with local enterprises and links to employers, social enterprises and the voluntary sector.
- In the case of young drop-outs, non-formal types of learning may be more successful than formal education alone.
- If well targeted, training subsidies for firms that take on low-skilled youths can expand work-based training places for disadvantaged young people. Their effectiveness depends on their design and targeting.

Source: European Commission (2011).

¹² http://ec.europa.eu/eurostat/statistics-explained/index.php/Archive:Labour_market_policy_expenditure

Employment services and job search assistance

Employment services and job search assistance are one of the core functions of PES in all EaP countries. Employment services are generally based on the intermediation approach and aim at improving the job-matching process by providing information and support to both sides of the labour market. On the one hand, they inform young jobseekers about suitable job opportunities. On the other hand, they provide information to potential employers about unemployed young people. Job search assistance services include job search training, educational or career guidance, counselling and monitoring programmes. Their primary aim is to improve the motivation and effectiveness of participants' job searches. Job search assistance programmes are often found to be the most cost-effective for young people, providing positive returns in the form of higher earnings and employment (OECD & ILO, 2014).

In recent years, all EaP countries have been making continuous efforts to improve, modernise and increase the efficiency of employment services for both jobseekers and employers. The improved services often include opportunities to use the internet for job searches, upload video CVs or have online interviews. For example, in Azerbaijan, the PES in Baku, with financial support from Norway, is implementing a project that aims to train jobseekers to improve their job search capacities and facilitate the integration of unemployed people into the labour market. In 2016, 500 unemployed young people were

trained through this project and 80% of them found jobs.

In the context of human resource and financial constraints, it is important to move towards the extension of self-service facilities for jobseekers and employers. Therefore, countries have been developing nationwide PES vacancy registers that can be easily accessed via workstations/computers in local labour offices or online.

PES usually collect information on open vacancies through direct contact with employers. Typically, employer contacts are established through workplace visits, telephone contact, direct mail, or local employer group meetings. However, in the region, the passive approach by PES of waiting for the employers to post vacancies still dominates. In some countries (Belarus, Moldova, Ukraine), employers are obliged to register their vacancies with PES, although enforcement of this obligation is commonly weak. Consequently, all countries face a problem of low registration of vacancies and usage by employers of the public vacancy banks.

A primary reason for the low registration of vacancies is that most employers do not need to advertise, as they have enough applicants. Another reason is that employers prefer to hire on a referral basis from someone they trust. Also, vacancies registered with PES tend to be largely for unskilled or semi-skilled workers, with low wages, in public sector jobs or jobs with poor working conditions. Therefore, many companies do not hire people registered as unemployed and prefer other recruitment channels. To improve collaboration with employers, PES need

Initiatives in developing vacancy registers

In [Belarus](#), since 2014, PES have been providing free access to the Nationwide Database of Job Openings. The database also includes information about different occupations and opportunities to obtain relevant education. Users of the portal can subscribe to regular dispatch of their CVs to potential employers, as well as an email notification any time a new job vacancy is posted on the database. To improve the relevance of the information kept in the database, amendments were made to the law that now require employers to inform PES about new vacancies within five days (previously 14 days), as well as to notify them once a vacancy is filled.

[Armenia](#) has launched an improved online system for matching jobseekers and job vacancies and a new job exchange online platform is due to be fully operational in 2019.

Examples of job fairs

In [Armenia](#), the government pays particular attention to job fairs as they are very popular with young people (almost 85% of the participants are young people).

In [Azerbaijan](#), job fairs are the major ALMP as measured by coverage and number of people reached. PES organise specialised job fairs for graduates and students under the motto 'First Step in Career' in the country's leading universities.

In [Moldova](#), PES organise both physical and online job fairs such as 'jobs in manufacturing', 'jobs' and 'jobs for young people'.

to develop and modernise a range of services for employers and improve their public image.

Another cost-effective service that is widely used in the EaP countries is job fairs. Usually they are open not only to registered jobseekers but also to the general population, and thus they are used as a tool to reach a broader scope of young people.

Career guidance for jobseekers

Career guidance is an essential part of PES for young jobseekers. Career guidance efforts of PES are realised in the form of individual consultations and career guidance events for different groups of people. Special emphasis is placed on motivating individuals for work and selecting the most efficient ways to ensure employment.

The role of PES in the provision of career guidance services differs significantly across the countries. In Georgia, PES provide a limited scope of services and deal only with registered unemployed people. In Moldova, career guidance centres are available in three local employment agencies (Chisinau, Cahul and Soroca). They provide the whole range of career exploration services (self-assessment, attitudinal testing, exploration of occupational profiles, job fairs and visits to enterprises) to unemployed individuals as well as students. Also, in Azerbaijan, Belarus and Ukraine, PES are involved in providing career guidance to schoolchildren and students.

In some countries, PES have been introducing new innovative approaches in career guidance to young people. For example, in Ukraine, PES have created a living library – a place to meet people with different

experiences (e.g. young people who have been abroad for study or work or people who have been subject to violence or victims of trafficking) and to listen to their stories. The aim of this initiative is to give young people first-hand knowledge about a variety of experiences and provide them with role models or ideas about how to engage with or avoid particular situations and opportunities.

Additional career guidance support is provided to vulnerable jobseekers in some countries. For example, in Belarus additional support is provided to people with disabilities. The vocational guidance includes analysis of medical, psychological, educational, vocational and social levels of people with disabilities and possible development, vocational information and consultation, and selection of an appropriate occupation.

Training and retraining

The main objectives of training programmes are to increase the employability and productivity of jobseekers and to combat skills shortages in specific sectors and occupations. Training programmes can provide a wide range of skills, from basic skills such as literacy or computer skills to vocational skills, as well as non-technical soft skills, such as self-management, teamwork and communication. Very few PES (Ukraine, Azerbaijan) possess their own training centres. Thus, the governments are moving away from the role of direct provision of training. Many countries in the region, for example, purchase training programmes from various providers through public tenders.

A number of conditions determine whether training programmes are successful in supporting youth transition to work. Evidence shows that training programmes work best when they are carefully tailored to local or national labour market needs. In this respect, it is important to mobilise and involve the private sector, social partners and community leaders to assess local or national demand for skills (OECD & ILO, 2014). Furthermore, success relies

on the assumption that the (correct) target group participates in the training and that the training is appropriate and conducted in a way that actually augments the skill sets that are relevant to the labour market. Finally, a crucial element may be the award of a certificate on successful completion of a programme to prove the acquisition of increased knowledge and skills to potential employers in the job market (Kluve et al., 2017).

Examples of training programmes

In [Georgia](#), training/retraining programmes (continuing VET) make up the largest ALMP provided in the country. The number of participants quadrupled between 2015 and 2016, and increased by 25% in 2017, although the total number of beneficiaries is insignificant, i.e. 2 290 in 2017. The overall goal of the programme is to train registered jobseekers in the most 'demanded occupations' (i.e. those with most vacancies), thus increasing jobseekers' employment opportunities. The training courses are usually short term (three to four months) and are provided by VET colleges based on a service contract with PES. The programme does not have an exclusive focus on young people, but it puts disadvantaged groups of the population, i.e. people with special needs, ex-offenders and women who have not completed secondary education, on a priority list. The main challenges in implementation of the programme relate to identification of demanded occupations and a missing link with employers. Programme participants are provided with training in what is believed to be a demanded occupation and left alone in their search for employment, as no further job search assistance, intermediation with the employers or WBL is offered.

In [Moldova](#), PES implement special WBL programmes to improve the employability of long-term unemployed people, low-skilled jobseekers, persons with a profession not required in the labour market, and jobseekers that plan to change their professional career. The training programme is implemented by a contracted private vocational school, Insula Sperantelor, in cooperation with employers. The training programmes usually last four to eight months and 60–70% of content is practical training in companies. Annually around 800 to 900 trainees complete a training programme and 60–70% of the graduates are employed afterwards, while another 20–25% find jobs abroad.

In [Belarus](#), PES offer an opportunity to registered jobseekers to get vocational training, retraining and advanced training in demanded occupations. Vocational training is carried out in more than 120 professions. PES outsource the provision of training, and service providers are selected on a competitive basis according to state procurement rules. During the training period, jobseekers are entitled to several social guarantees including financial support (scholarship). Young people have a preferential right to participate in vocational training courses. Since October 2016, women who are on parental leave for children up to three years are entitled to be referred to vocational training courses even if they are not registered as unemployed.

In [Ukraine](#), PES provide opportunities for jobseekers to get training at the request of employers. In 2017, more than 53 000 young jobseekers were provided with this type of training. The other relatively new measure is a one-time voucher for training in occupations in priority economic areas. People are allowed to choose a profession (speciality) from the approved list and also an institution that provides training. The voucher programme does not require its beneficiaries to be unemployed. Initially, only persons older than 45 years of age were entitled to this support. In 2015, the scope was expanded by adding new groups of persons: ex-soldiers, veterans of anti-terrorist operations and internally displaced people of working age. Although young people are not a direct target group, many young people may participate in the programme as they belong to these groups.

Examples of employment incentive programmes

In [Belarus](#), PES organise temporary employment of unemployed young people (youth practice) which aims to provide young jobseekers with skills and practical work experience and to improve their competitiveness in the labour market. Young people are employed on a fixed-term employment contract for up to six months. Employers who organise this form of temporary employment are entitled to receive partial compensation to cover expenses for the payment of salary that cannot exceed the minimum wage.

In [Georgia](#), PES provide support for the first job experience through internship and job subsidy programmes. Registered jobseekers can apply for internship stipends that are provided for no longer than three months. A job subsidy programme is provided for people with disabilities and people with special needs in order to support their attachment to the labour market. The subsidy envisages covering up to 50% of the employee's salary for a maximum of four months.

In [Ukraine](#), there are several types of financial incentives for employers, such as compensation of social security contributions to SMEs for hiring in priority economic sectors and compensation of 50% of social security contributions to employers who create new job opportunities for those who are unemployed. However, neither of these incentives is targeted at young people. Only the compensation of social security contributions to employers who create new jobs for 'socially protected employees' indirectly targets young people, as young graduates, young people who have completed mandatory military service and young people who are being employed for the first time are considered socially protected employees.

In [Azerbaijan](#), PES, with ILO support, started implementing a pilot project entitled Support for Employment of Young People with Higher Education Seeking a First Job (2014–2015). However, due to financial constraints, the implementation was interrupted. At present, the Ministry of Labour is negotiating renewal of this programme with the ILO.

Employment incentive programmes

Employment incentive programmes facilitate the hiring of new workers or promoting opportunities for improving employability through work experience. They usually take the form of direct wage subsidies (directed to either the employer or the worker) or social security payment offsets. These programmes typically are targeted at special groups of jobseekers, including young people and other vulnerable groups. They can be particularly helpful for young people, as many employers assume that young workers are less productive and are reluctant to hire them if they do not have experience. In this regard, employment incentive programmes often include an explicit training component. Even where they do not, they still encourage the acquisition of some skills through learning on the job.

In the region, currently Armenia, Belarus, Georgia and Ukraine are implementing employment incentive programmes. Formal evaluation evidence of national programmes is limited. However, the national reports

indicate that only a minority of subsidised places lead to ongoing employment. Experience in a number of countries shows that, to be successful, the subsidies need to be targeted at the most disadvantaged – e.g. low-skilled youths – and at employers who are expanding their workforce (OECD & ILO, 2011). The impact of employment incentive programmes can also be enhanced by combining measures, for example by supporting the needs of vulnerable groups (job search, counselling, etc.) and by easing access into jobs (e.g. transport and childcare).

Support for entrepreneurship

Entrepreneurship support programmes aim to provide assistance to jobseekers starting their own businesses. Programme conditions vary: participants may receive assistance to set up their businesses as a lump-sum payment or periodic allowances and may also get advisory support, such as training, counselling and assistance in developing and implementing a business plan.

Examples of entrepreneurship support programmes

In [Belarus](#), the PES entrepreneurship support programme includes consulting and training services, financial support in the form of a subsidy that can be used to buy equipment, raw materials and services, as well as for other purposes related to the organisation of entrepreneurial activities.

In [Ukraine](#), PES provide information and consultation services in the form of individual consultations and group seminars. PES also provide a one-off unemployment allowance for starting an enterprise equal to the annual sum of unemployment benefit.

In [Georgia](#), PES are planning to implement the Supporting Youth Entrepreneurship project, with EUR 111 000 from Slovak Aid. The project will target unemployed young people under 35 years of age.

‘The overall impression from the various recent reviews is that programmes promoting self-employment and entrepreneurship among young people can indeed have significant positive effects on post-programme employment and income’ (O’Higgins, 2017).

In EaP countries, PES support for entrepreneurship is rather limited. It mainly includes lump-sum financial support and some advisory services. In general, the number of beneficiaries is very limited and the programmes do not target young people specifically. To be effective, the support needs to be better adapted to young people to ensure that their unique attributes, such as their aptitude to acquire digital skills, are better employed for creating successful businesses.

Special programmes for vulnerable groups

Most of the EaP countries implement programmes aimed at supporting vulnerable groups; in some countries, this includes young people. For example, Belarus and Ukraine provide special support measures for people who are particularly in need of social protection and are not able to compete in the labour market on an equal footing. The list of beneficiaries includes young people seeking their first job before the age of 21, orphans aged 18–23, parents in single-parent families and people with disabilities. For this, PES establish employment quotas for employers.

The scope of vulnerable groups differs between the countries, but the most common group concerns

people with disabilities, as in the period of economic transition their situation has deteriorated sharply. A large number of jobs performed by people with disabilities have disappeared and employers are not willing to offer them new jobs. Moreover, the number of people with disabilities has been growing. Some countries (Azerbaijan, Belarus and Ukraine) apply an employment quota system for people with disabilities. However, the system has not been strictly enforced and enterprises failing to fulfil the quota usually avoid the penalty.

As of 2018, the Armenian government is introducing a new programme that will support young unemployed mothers to enter the labour force, through professional training and support for childcare (for children up to three years of age). In Moldova, PES provide specific assistance services to persons released from prison and minority groups.

Special programmes for vulnerable groups differ between the countries; however, they typically include training, career guidance and employment incentives. For example, in Belarus, people with disabilities are entitled to professional rehabilitation through vocational guidance, as well as vocational training. PES also provide funding and reimbursement of costs for creation and maintenance of suitable workplaces and measures for adaptation for inclusion of persons with disabilities.

Public works

In general, in the region, paid public works are organised to provide job opportunities for those who do not have any other source of income and ensuring motivation for work among jobseekers; they also

possess social value. Public works usually include work in housing and communal services, work on ecological improvement of territories (landscaping), work in construction organisations, work on social infrastructure and restoration of historical monuments, and agricultural work. There are some social and psychological aspects of participation in public works, such as low prestige and low qualifications for the work, which are not desirable or sufficient to satisfy certain jobseekers.

Other specific measures

Belarus and Ukraine implement measures aimed at fostering labour mobility. In Belarus, support is provided in the form of financial assistance to registered jobseekers and members of their family who move (with their consent) to another locality for employment purposes. In order to facilitate employment in certain professions in rural areas, Ukraine provides support to young employees who complete their employment contract for a minimum of three years with companies established in small towns and villages. The support includes free accommodation for the period of employment, and one-off financial assistance up to 10 times the minimum wage, at the expense of the state budget. Those young employees who have worked at least 10 years may acquire ownership of the accommodation.

Challenges in implementing ALMPs

In general, although all EaP countries have good practice examples in development and implementation of ALMPs and PES are continuously working on improvement of employment services, there are several common drawbacks and challenges.

- **Low coverage:** Due to the limited financial resources and low registration rates at PES, the number of actual beneficiaries is small, although some improvements can be observed in most countries. There is a need to make services more 'youth-friendly' to attract young people and better inform them about employment services.
- **Poor programme targeting:** Most ALMPs are designed for the whole population, and the number of measures directly supporting youth

transition to work is very small. There is a need not only for more programmes, but also for better design of programmes as the current youth programmes do not take into account the diversity of youth groups, with different (sometimes conflicting) needs. A particular focus is needed for vulnerable youth groups, such as early school leavers, young jobseekers without qualifications, rural/poor youths, young people with disabilities and groups with ethnic/linguistic diversity.

- **Programme fragmentation:** In some countries, different institutions and organisations are involved in provision of ALMPs. They often deliver independent and uncoordinated programmes that lack synergies, thus undermining the overall effectiveness of the system. For example, NGO projects are often functional equivalents of the employment services offered by PES, but the links between them are rather weak.
- **Weak monitoring and evaluation mechanisms:** Although monitoring and evaluation are essential for assessing and increasing effectiveness of ALMPs, as well as for better adjusting them to the needs of young people, assessment and evaluation culture, in general, is underdeveloped in all EaP countries. The existing monitoring activities are limited to measuring participation in the programmes, with little attention being paid to the quality of the programmes. There is a need to establish results-based monitoring systems that provide data on programme outcomes, such as insertion rates and wages after programme completion, as well as a need to analyse qualitative aspects such as the quality of jobs found, whether jobs match labour market needs and employee expectations, whether employment is sustainable and whether job placements are effective.
- **Weak cooperation with employers:** Limited cooperation with the private sector is a cross-cutting issue. Employers' involvement is an important precondition for developing demand-driven training programmes and crucial to improve matching between supply and demand.

As indicated above, evaluations of ALMPs are lacking in most EaP countries. However, evidence from evaluations conducted in other countries and regions helps to identify the main lessons learned in the development of effective programmes targeted at young people (ILO, 2011).

- Formulation and implementation in the early stages of joblessness (unemployment, discouragement or inactivity) are less costly, increase labour market attachment and are more likely to improve the employment of young people.
- A design that responds to labour market requirements improves the employment opportunities of participants. Labour market information and control groups are essential for the design, monitoring and evaluation of initiatives.
- Targeting and tailoring to individual needs and labour market disadvantages have produced better programme results. Generic targeting based on age may benefit better-off youths.
- Comprehensive packages of services that combine various components relating to both labour demand (e.g. tax incentives and entrepreneurship) and supply (e.g. training, career guidance and job search assistance) can be more effective than single measures.
- Links to work experience and the involvement of the private sector (e.g. through in-company training and work placement) increase employment opportunities, especially where programmes place participants with private companies.
- The involvement of social partners contributes to the effectiveness of programmes and helps in connecting young people with the world of work.

5. FUTURE PERSPECTIVES FOR BETTER YOUTH POLICIES

The 2030 Agenda for Sustainable Development places full and productive employment and decent work for young people at the centre of the new development vision. It emphasises the catalytic power of youth employment in poverty alleviation, economic growth, and peace and prosperity for all. Targets under Goal 4 aim at ensuring inclusive and equitable quality education and promoting lifelong learning opportunities for all and targets under Goal 8, in particular, recognise the centrality of youth employment challenges, and open pathways for consistent and focused action on decent jobs for young people, and youth development overall (UN, 2015). However, achieving this goal will be a major challenge unless demand for work increases along with skills and productivity (ILO, 2017a).

All EaP countries have been undergoing a lengthy transition process, which has brought significant economic and social changes, and challenges for the well-being of young people. Globalisation and technological change are further transforming youth labour markets. These challenges create the requirement for a strong government's political commitment and coherent strategies that address youth employment as a priority objective of economic and social policy and include it in national development strategies. A review of the policy framework of the EaP countries shows that, although youth employment is promoted by various policies that are in some cases part of national development strategies and of employment policies in others, it is quite rare to find a comprehensive policy framework that establishes a clear set of policy priorities, targets and outcomes for youth employment. Therefore, national action plans on youth employment should be developed to ensure coherence between the youth employment provisions contained in the various policy areas and to identify clear and measurable outcomes using specific resources within a given timeframe.

Furthermore, policies aimed at supporting youth transition to work have to be comprehensive, mutually reinforcing and should cover different aspects. First, stronger economic growth and a sound combination of macroeconomic and structural policies are needed to lay the ground for better youth employment. In most countries, it will require

reforms ranging from business and labour regulation that fosters labour market flexibility to economic diversification and industrial and trade policies. Second, the countries should ensure that young people develop the skills needed for participation in the labour market (both technical and transversal skills). This requires developing comprehensive educational policies covering the full educational cycle: from early childhood interventions through the entire period of compulsory schooling to adult lifelong learning. Third, more effort could be made to ease youth transition, by ensuring that young people get good-quality and timely career guidance and obtain practical experience that would help them to enter the labour market. Fourth, well-designed and targeted ALMPs need to provide assistance to those young people who face particular difficulties in entering the labour market. Finally, young people at social risk (e.g. poverty, exclusion on various grounds and discrimination) need holistic and sustained support and services, tailored to their needs.

Policies supporting youth transition to work may need a longer period before their full impact on employability can be assessed, as is the case with education reforms. Therefore, it should be a goal, in the longer term, to rigorously assess the systemic impact of policy measures and to derive policy advice accordingly. In the shorter term, it is important to continuously evaluate and monitor implementation of initiatives and programmes, and to use evaluation results to improve their effectiveness and ensure efficient spending of public resources. A system to monitor both quantitative and qualitative indicators could help in assessing the performance of youth-targeted interventions in determining what works and for whom and designing specific programmes for youth subgroups, such as NEETs, that need additional support.

The issue of youth transition is cross-cutting and requires the engagement of numerous stakeholders. No single ministry can address the range of topics affecting young people. Therefore, different ministries and government institutions responsible for young people, education, employment, entrepreneurship and social inclusion should work closely together to develop and supervise policies affecting young people. Inter-institutional coordination is more

achievable through coordinated planning, action, monitoring and evaluation. Moreover, the processes should include stakeholders from across all relevant domains, such as NGOs and international actors. In particular, young people must have a voice in the decision-making processes that shape their future. Currently, in most EaP countries, young people only play a consultative role. Therefore, young people should be enabled to participate in the planning, elaboration, implementation, monitoring and evaluation of youth programmes. Policy-making processes also need to consider local needs and specificity of local communities.

The transition of young people into working life is closely related to specific country conditions and national differences that have an important impact on the design and implementation of policy measures. Therefore, there is no one holistic solution and no policy can be transferred from one country to another without adaptation to the national context, as similar instruments can work in different ways and in various combinations. However, mutual learning may contribute to the design of more effective policy measures and policymakers may be inspired by good practice experiences.

EU Youth Guarantee

Since 2014, the EU has been implementing the Youth Guarantee programme, which ensures that all young people under the age of 25 years receive a good-quality offer of employment, continued education, an apprenticeship or a traineeship within four months of becoming unemployed or leaving formal education. It is based on the following principles (European Commission, 2016b):

- An integrated strategy is required, and should not be the sum of existing and often uncoordinated measures. It needs to entail structural reform of the way in which the public, private and voluntary sectors engage and support young people to complete education and enter the labour market.
- There is a need for a strong partnership-based approach, based on the clear definition and distribution of roles and tasks, and a high degree of trust in one another. Effective coordination and partnerships across policy fields (employment, education, young people, social affairs, etc.) and key stakeholders (including public authorities, employment services, career guidance providers, education and training institutions, youth support services, businesses, employers and trade unions) are particularly important for reaching inactive young people who are not registered with employment services.
- Early intervention and activation are required. The supportive measures should be designed on the basis that prevention is better than cure. Early identification of young people 'at risk' and the accompanying provision of orientation and support to a young person when they are at risk of unemployment and inactivity can be less time-consuming and resource-intensive than facilitating the reintegration of an inactive young person who is already disengaged.
- A personalised approach is required that meets individual needs and addresses specific barriers to enter the labour market, taking into account the fact that young people are not a homogeneous group in similar social environments.
- There needs to be mutual obligation for young people to take individual responsibility for the opportunity that is offered.
- Monitoring and continuous improvement of the scheme to adjust measures and reforms to the changing socio-economic context and the labour market situation should be adopted.

This report proposes four key policy directions to address the main challenges affecting youth transition to work in EaP countries.

Lack of job opportunities – supporting youth entrepreneurship

- Create an enabling environment for the development of entrepreneurial culture and entrepreneurship key competences of individuals through the inclusion of entrepreneurial learning in school curricula and teacher training, as well as fostering entrepreneurship as a career option for young people and adults.
- Develop support services, ranging from entrepreneurship-friendly career guidance to professional support services for young people, helping them to set up and grow their own businesses. Provide a combination of different measures, such as entrepreneurial training, coaching and mentoring, access to credit and/or guarantee funds, and the opportunity to network with other new entrepreneurs. Mentoring is particularly important, given that entrepreneurial culture is a relatively new phenomenon in the region.
- Promote an enabling environment for digital entrepreneurship (i.e. new internet-enabled businesses) and ensure that young people are equipped with the digital skills to benefit from entrepreneurship opportunities, including online market research, strategic planning and business analysis, using financing and crowdfunding platforms, online marketing, online networking and establishing mentoring relationships.
- Create incentives for development of social entrepreneurship. Experience with social enterprises gives young people opportunities to explore innovative ways of achieving their mission, independence and emancipation through entrepreneurship.

Skills mismatches in the labour market – improving education quality and its relevance to labour market needs

- Continue development of tools and approaches to better identify current and anticipate future skills needs. Reliable and timely information

on labour demand developments is crucial for guiding education and training policies and career guidance services. Ensure greater transparency and dissemination of data at national and local levels.

- Ensure access to high-quality and relevant education and training that equip young people with basic skills, including literacy, numeracy, science and foreign languages, as well as transversal skills and key competences, such as digital competences¹³, critical thinking, problem solving, learning to learn, and financial literacy. Offer early school leavers and low-skilled young people pathways to re-enter education and training.
- Increase attractiveness of VET as a valid pathway for skills development and an effective transition channel between the education system and the labour market to encourage more young people to opt for technical and vocational qualifications. The attractiveness of VET can be increased with modernised curricula, new learning methods adapted to today's way of learning, enthusiastic and well-prepared teachers, up-to-date workshops and equipment, and schools and training providers that have strong links with the business world, offering WBL opportunities including apprenticeships and motivating learners to learn.
- Provide high-quality and well-targeted adult learning opportunities, and foster motivation for formal, non-formal and informal basic skills training. A strategic, long-term focus on sustainable adult learning provision, with strong governance and a systemic approach to improving national basic skills, will benefit a broad range of policy areas. This needs a regulatory framework and a system for validation of skills acquired in non-formal and informal contexts.
- Foster cooperation between employers and education and training institutions. Such cooperation is needed for the development of up-to-date curricula that are appropriate to the

¹³ To promote a shared understanding of the competence, the European Commission has developed the Digital Competence Framework.

current technologies and practices in the world of work.

Lengthy and uncertain youth transition to work – improving the framework for transition support by providing career guidance and opportunities to gain first work experience

- Ensure that young people get better career guidance that is based on high-quality information about labour market prospects. To be most effective, career guidance needs to start at an early age, to be embedded in the curriculum and be more widely available throughout adulthood. It should equip young people with career management skills which can give them increased capacity and empowerment to self-manage various transitions.
- Ensure that young people obtain appropriate work experience opportunities before leaving school. WBL needs to be of good quality, with rewarding tasks that promote personal improvement and learning.
- Encourage development of different alternatives for gaining first work experience, such as internships, traineeships, volunteering, job shadowing, piloting self-employment and (social) entrepreneurship initiatives. These practical training methods need to be recognised as valid learning opportunities.

Disadvantaged young people facing particular problems in entering the labour market – improving provision and better targeting of ALMPs

- Strengthen PES for a more efficient service delivery. PES should offer a comprehensive package of services with a view to facilitating youth transition to work, in particular ensuring

effectiveness of employment intermediation services and job search assistance. Interaction with young people requires a high level of professionalism from specialists in PES. This requires capacity development and regular staff training.

- Ensure financial sustainability, expand coverage, and increase targeting and effectiveness of the ALMPs so that they can reach a greater number of young labour market entrants, with particular attention to the most vulnerable groups such as low-qualified people, NEETs, and young women. They should include preventive, reintegration and compensation measures. Pilot new programmes and assess their results prior to their implementation on a larger scale.
- Establish monitoring and evaluation mechanisms to improve the effectiveness of ALMPs. Every programme should have an in-built evaluation and follow-up system with clear indicators to ensure accountability of results. A system to monitor both quantitative and qualitative indicators could help in better assessing the performance of programmes targeted at young people and in determining what works and for whom.
- Foster more active cooperation between PES and employers in identifying employment and training opportunities for young people.

Annex 1. Main statistical data

ANNEXES

	Armenia (AM)		Azerbaijan (AZ)		Belarus (BY)		Georgia (GE)		Moldova (MD)		Ukraine (UA)	
	2011	2016 or lay	2011	2016 or lay	2011	2016 or lay	2011	2016 or lay	2011	2016 or lay	2011	2016 or lay
Activity rate (15+) [%]	63.0	61.0	64.4	66.0	81.8	82.5	65.2	67.5	42.3	42.6	64.3	62.2
Employment rate (20–64) [%]	59.1	56.5	73.0	73.1	N/A	77.8	65.2	68.1	48.1	48.4	59.2	56.3
Unemployment rate (15+) [%]	18.4	18.0	5.4	5.0	N/A	5.8	15.1	11.8	6.7	4.2	7.9	9.3
Youth activity rate (15–24) [%]	30.0	34.8	N/A	N/A	N/A	N/A	40.2	38.7	22.3	19.6	N/A	35.1
Youth activity rate (25–29) [%]	68.3	66.6	74.1	78.7	N/A	94.1	75.5	72.5	48.8	46.7	79.7	79.0
Youth unemployment rate (15–24) [%]	39.2	36.6	14.7	13.1	N/A	10.7	35.6	30.5	14.9	11.2	18.6	23.0
Youth unemployment ratio (15–24) [%]	14.6	12.7	4.9	5.0	N/A	5.1	14.3	11.8	3.3	2.2	7.8	8.1
Incidence of self-employment [%]	44.4	41.9	68.3	68.2	N/A	4.1	61.6	57.3	29.4	37.0	19.3	16.0
Skills gaps [%]	N/A	6.4	N/A	0.5	N/A	17.9	N/A	9.9	N/A	31.2	N/A	7.5
Tertiary educational attainment (30–34) [%]	25.3	31.2	N/A	N/A	N/A	37.3	44.1	41.5	N/A	27.8	N/A	N/A
Underachievement in PISA (Programme for International Student Assessment) [%]	N/A	N/A	N/A	N/A	N/A	N/A	N/A	57.1	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A	N/A	51.7	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A	N/A	50.8	N/A	N/A	N/A	N/A
Early leavers from education (18–24) [%]	N/A	N/A	N/A	N/A	N/A	1.3	8.7	7.6	22.4	20.0	N/A	N/A
Persons not in employment, education or training (NEETs) (15–24) [%]	42.1	28.5	N/A	N/A	N/A	8.2	31.5	27.9	20.2	19.7	N/A	18.3
Students in VET programmes in upper secondary [%]	23.3	26.2	N/A	N/A	42.7	42.4	N/A	9.0	34.8	45.7	31.3	29.4
Students in VET programmes in upper secondary [000]	21 659	19 563	N/A	N/A	114 039	85 748	N/A	12 421	33 445	30 296	257 951	193 164
Educational attainment of active population (25–64) [%]	78	5.4	N/A	6.5	N/A	1.3	4.4	3.5	16.9	20.5	6.6	2.0
	66.8	65.8	N/A	76.8	N/A	45.1	61.6	63.5	59.5	55.1	45.3	45.5
	25.4	28.8	N/A	16.8	N/A	53.6	34.0	36.3	23.5	24.5	48.1	52.6
Public expenditure on education as % of GDP	3.1	2.8	2.4	3.0	4.7	5.0	2.7	3.8	8.3	6.3	6.2	5.9
Public expenditure on education as % of total public expenditure	12.6	10.2	8.2	9.0	18.1	17.2	9.3	12.7	21.4	17.7	13.5	13.1
Total population [000]	3 018.9	2 998.6	9 111.1	9 705.6	9 481.2	9 498.4	4 469.2	3 720.4	3 560.4	3 553.1	45 598.2	42 590.9

Legend:

lay – latest available year

Education levels – Low: general basic education and lower; Medium: general secondary, vocational, secondary specialised (or primary and secondary vocational); High: tertiary.

Notes:

Activity rate – AM: 15–75; AZ: data refers to the end of the year; BY: administrative data for the age group 16–59 (males) and 16–54 (females) in 2011 and the age group 20–64 in 2016; MD: information presented without the data on districts from the left side of the river Nistru and municipality of Bender; UA: 15–70, data without the population of the Autonomous Republic of Crimea and Sevastopol.

Employment rate – AZ: data refers to the end of the year; 2015; GE: ETF calculations; MD: information presented without the data on districts from the left side of the river Nistru and municipality of Bender; UA: 15–70, data without the population of the Autonomous Republic of Crimea and Sevastopol.

Unemployment rate – AM: 15–75; AZ: data refers to the end of the year; MD: information presented without the data on districts from the left side of the river Nistru and municipality of Bender; UA: 15–70, data without the population of the Autonomous Republic of Crimea and Sevastopol.

Youth activity rate – BY: private sector only; GE: ETF calculations (age group 15–24, 2016); MD: information presented without the data on districts from the left side of the river Nistru and municipality of Bender; UA: data without the population of the Autonomous Republic of Crimea and Sevastopol.

Youth unemployment rate – AZ: provisional value; GE: ETF calculations; MD: information presented without the data on districts from the left side of the river Nistru and municipality of Bender; UA: data without the population of the Autonomous Republic of Crimea and Sevastopol.

Youth unemployment ratio – AM: ETF calculations; AZ: 2015 value; GE: ETF calculations; MD: information presented without the data on districts from the left side of the river Nistru and municipality of Bender; UA: ETF calculations, data without the population of the Autonomous Republic of Crimea and Sevastopol.

Incidence of self-employment – AZ: data refers to the end of the year; MD: information presented without the data on districts from the left side of the river Nistru and municipality of Bender; UA: ETF calculations and 2015 values, data without the population of the Autonomous Republic of Crimea and Sevastopol.

Skills gaps – lay: 2013.

Tertiary educational attainment – GE: ETF calculations; MD: information presented without the data on districts from the left side of the river Nistru and municipality of Bender.

Underachievement in PISA – AZ: lay 2009.

Early leavers from education – GE: ETF calculations; MD: information presented without the data on districts from the left side of the river Nistru and municipality of Bender.

Persons not in employment, education or training – AM, UA: participation in education in the week prior to the survey considered; GE: ETF calculations; MD: information presented without the data on districts from the left side of the river Nistru and municipality of Bender; UA: data without the population of the Autonomous Republic of Crimea and Sevastopol.

Students in VET programme in upper secondary – MD: information presented without the data on districts from the left side of the river Nistru and municipality of Bender; GE, UA: 2015 values.

Educational attainment of active population – AM: 15–75, ETF calculations; AZ: data refers to the end of the year, ETF calculations; GE: ETF calculations; MD: information presented without the data on districts from the left side of the river Nistru and municipality of Bender; UA: 15–70, ETF calculations, data without the population of the Autonomous Republic of Crimea and Sevastopol.

Public expenditure on education – MD: information presented without the data on districts from the left side of the river Nistru and municipality of Bender; UA: lay 2014.

Total population – MD: information presented without the data on districts from the left side of the river Nistru and municipality of Bender; UA: data without the population of the Autonomous Republic of Crimea and Sevastopol.

Sources:

National statistical offices; ILOSTAT (ILO database of labour statistics); OECD (World Indicators of Skills for Employment database); UNESCO Institute for Statistics.

Annex 2. Main policy documents and legal acts

Country	Document
Armenia	<ul style="list-style-type: none"> ■ Concept of State Youth Policy (1998) ■ Strategy for the State Youth Policy 2013–2017 ■ Development Strategy of Armenia 2014–2025 ■ Programme of Government of the Republic of Armenia 2017–2022 ■ Vocational Education and Training Reform Programme 2012–2016 ■ Draft of Programme of Preliminary and Middle Professional Education and Training Development for 2017–2021 ■ Supplementary and Continuing Education Strategy 2013–2017 ■ National Employment Strategy 2013–2018 ■ Law on Education (1999) ■ Law on Employment (2014) ■ Labour Code (2004)
Azerbaijan	<ul style="list-style-type: none"> ■ Strategy Azerbaijani Youth 2016–2021 ■ Strategic Roadmaps for the National Economy and Main Economic Sectors (2016) ■ Concept Azerbaijan 2020: Look into the Future ■ Education Strategy and Action Plan for Implementation of the Strategy ■ Draft Employment Strategy for 2018–2030 ■ Law on Youth Policy (2002) ■ Law on Education (2009) ■ Employment Law (2001) ■ Labour Code (1999)
Belarus	<ul style="list-style-type: none"> ■ Law on the Foundations of State Youth Policy (2009) ■ Code of the Republic on Education (2011) ■ Labour Code (1999) ■ Law on Employment of the Population (2006) ■ Decree on Support to Employment of Population (2018) ■ State Programme for Social and Economic Development for 2016–2020 ■ State Programme for Education and Youth Policy for 2016–2020 ■ State Programme for Social Protection and Employment Promotion for 2016–2020 ■ State Programme for Small and Medium Entrepreneurship 2016–2020 ■ State Programme for Innovative Development for 2016–2020 ■ State Programme for Hospitable Belarus for 2016–2020 ■ State Programme for People's Health and Demographic Security for 2016–2020

Country	Document
Georgia	<ul style="list-style-type: none"> ■ Four-point Government Programme 2016–2020 ■ National Youth Policy Document approved by the Government (2014) ■ Strategy for VET Reform 2013–2020 ■ State Strategy for the Formation of the Georgian Labour Market 2015–2018 ■ Development of Employment Promotion Services 2015–2018 ■ State Strategy and Action Plan on Active Labour Market Programmes (2016) ■ SME Development Strategy for 2016–2020 ■ Regional Development Strategy 2015–2017 ■ Agriculture Sector Strategy 2012–2022 ■ Poverty Reduction Strategy (2006) ■ Livelihood Support Strategy (2014) ■ Labour Code (2006)
Moldova	<ul style="list-style-type: none"> ■ National Development Strategy: Moldova 2020 (2012) ■ National Strategy for Youth Sector Development 2020 (2014) ■ Education 2020 (2014) ■ Vocational Education and Training Development Strategy 2020 (2013) ■ National Strategy for Employment for 2017–2021 ■ Strategy for SME Development 2012–2020 ■ Youth Law (2016) ■ Education Code (2014) ■ Law on Employment and Social Protection of Jobseekers (2003) ■ Labour Code (2003) ■ Law on Sector Committees (2017)
Ukraine	<ul style="list-style-type: none"> ■ Parliament Declaration on the Overall Background of the State Youth Policy in Ukraine (1992) ■ Strategy of Development of National Youth Policy for 2013–2020, Roadmap for Reform: Youth Policy in Ukraine ■ Concept of the State Target Social Programme Youth of Ukraine 2016–2020 ■ National Strategy for Development of Education in Ukraine for 2012–2021 ■ Law on Promotion of Social Development of Youth in Ukraine (1993) ■ Law on Higher Education (2014) ■ Law on Science and Scientific and Technology Activities (2015) ■ Law on Education (2017) ■ Labour Code (1971) ■ Law of Ukraine on Employment of Population (2012)

Annex 3. Active labour market programmes

	Armenia	Azerbaijan	Belarus	Georgia	Moldova	Ukraine
Employment services and job search assistance	X	X	X	X	X	X
Intermediation programmes (job fairs)	X	X	X	X	X	X
Career guidance	X	X	X	X	X	X
Skills training programmes	X	X	X	X	X	X
Employment incentive programmes	X					X
Support to gain work experience/internships	X		X	X		
Support for entrepreneurship	X	X	X			X
Public works programmes	X*	X	X		X	X
Support for employment of vulnerable groups	X		X quota	X	X	X quota
Support for women	X**				X	
Support for labour mobility			X			X
Support for internally displaced people						X

Notes: * Interrupted in 2018. ** Started in 2018

ACRONYMS

ALMP	Active labour market programme
EaP	Eastern Partnership
ETF	European Training Foundation
EU	European Union
EUR	Euro
GDP	Gross domestic product
ILO	International Labour Organisation
NEET	Not in education, employment or training
NGO	Non-governmental organisation
OECD	Organisation for Economic Cooperation and Development
PES	Public employment services
SME	Small and medium-sized enterprise
UN	United Nations
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organisation
USD	United States dollar
VET	Vocational education and training
WBL	Work-based learning

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