



# POLICIES FOR HUMAN CAPITAL DEVELOPMENT KYRGYZSTAN

AN ETFTORINO PROCESS  
ASSESSMENT

## EXECUTIVE SUMMARY



# PREAMBLE

The European Training Foundation (ETF) assessment process provides an external, forward-looking analysis of countries' human capital development issues and VET policy responses from a lifelong learning perspective. It identifies challenges related to education and training policy and practice that hinder the development and use of human capital, taking stock of the challenges and making recommendations for possible solutions.

Such assessments are a key deliverable of the Torino Process, an initiative launched by the ETF in 2010 with the aim of providing a periodic review of vocational education and training (VET) systems in the wider context of human capital development and inclusive economic growth. In providing a high-quality evaluation of VET policy from a lifelong learning perspective, the assessment process builds on four key principles: ownership, participation, and holistic and evidence-based analysis.

For the ETF, human capital development is about supporting countries in the creation of lifelong learning systems that provide opportunities and incentives for people to develop their skills, competences, knowledge and attitudes throughout their lives, with a view to improving their employment prospects and realising their potential, as well as contributing to prosperous, innovative and inclusive societies.

The main purpose of these assessments is to provide a reliable source of information to enable the planning and monitoring of national education and training policies with respect to human capital development, as well as offering a foundation for programming and policy dialogue in support of these policies by the European Union and other donors.

The ETF assessments rely on evidence collected by the respective countries using a standardised reporting template (the National Reporting Framework – NRF) within a participatory process involving a wide variety of actors with a high degree of ownership. The findings and recommendations of the ETF assessments have been shared and discussed with national authorities and beneficiaries. However, the ETF takes full responsibility for each assessment and for any errors and omissions contained therein.

This assessment report starts with a brief description of the strategic plans and national policy priorities of Kyrgyzstan (Chapter 1). It then presents an overview of issues related to the development and use of human capital in the country (Chapter 2), before moving on to provide an in-depth discussion of the problems in this area that, in the view of the ETF, require immediate attention (Chapter 3). Chapter 4 offers overall conclusions of the analysis.

The annexes provide additional information: a summary of the report's recommendations (Annex 1) and an overview of Kyrgyzstan's education and training system (Annex 2). The Torino Process national report compiled by the country itself can be found here:

<https://openspace.etf.europa.eu/trp/torino-process-2018-2020-kyrgyzstan-national-report>



# EXECUTIVE SUMMARY

## Context

This European Training Foundation (ETF) assessment provides an external, forward-looking analysis of the country's human capital development issues and VET policy responses from a lifelong learning perspective. It is based on evidence contained in Kyrgyzstan's Torino Process national report, which was compiled in 2019 using a standardised questionnaire (the National Reporting Framework – NRF) and additional information sources, including international analyses.

The report comes at the right time. It provides seven hands-on recommendations that can assist national authorities with the prioritisation of policy actions following the endorsement by the Kyrgyz government of a new development model that emphasises human capital in relation to economic well-being and the quality of the environment. The new model, which is to be mirrored in education and training policies, will have medium- and long-term goals that are yet to be fleshed out.

While the National Development Strategy for 2040 provides a new framework and opportunity to boost human capital development in the country, its implementation will be affected by the COVID-19 pandemic for the foreseeable future. The COVID-19 crisis is not only placing urgent demands on Kyrgyzstan's education and training system to undertake massive efforts in order to make the transition towards distance education, but it is also affecting society and the economy as a whole far beyond its medical and educational aspects. The COVID crisis has an impact on employment opportunities, migration and trade, and thus has a negative impact on tax revenues too. It has therefore become even more important to prioritise policy actions and make the best possible use of limited resources.

## Findings on human capital

Over the last two decades Kyrgyzstan has made considerable progress in key development areas, such as poverty reduction and education-related reforms. Yet the country still has a long way to go, as it underperforms in many international rankings, from human development to transition qualities, from the quality of education to the level of innovation and up to perceived corruption. In addition, large-scale labour migration abroad reduces the country's human capital stock and makes it highly dependent on remittances. Sustainable development is hampered by the high share of informal economy and the country is vulnerable to the negative impacts of climate change and some health risks that affect labour capacity. On the other hand, Kyrgyzstan has strong social capital and other assets, such as a high demographic dividend that still needs to be reaped and the high educational attainment of its population, which has the potential to be transformed into quality skills.

The report identifies the most pressing challenges for human capital development in Kyrgyzstan, specifically the country's current and future economic and digital transformation and the ongoing issue of poverty and the rural–urban divide. While the former challenge calls for a more responsive VET and lifelong learning system, the latter calls for an inclusive, integrated approach to skills development.

## Economic and digital transformation calls for responsive VET and lifelong learning

Given the ongoing shifts in the country's economic sectors, the government's definition of priority development sectors, and other emerging business sectors and niches with future potential, the ETF assessment finds that the demand for human capital development is growing and becoming more

## RECOMMENDATIONS

### 1. Align VET more strongly with priority economic sectors



Improve connections between education and training and sectoral development strategies in a lifelong learning perspective

Review the national list of occupations and VET profiles in cooperation with business

Pay special attention to ICT at all qualification levels



### 3. Take systematic and well-coordinated action on skills anticipation



Establish inter-ministerial coordination for labour market anticipation

Establish a roadmap for the use of the most viable tools

Monitor the use of the roadmap in education and training policy

### 2. Launch a Digital Skills Initiative



Launch a national initiative spanning all levels of education to address low level of digital literacy

Test and adapt the European Digital Competence Framework and related tools

Launch a large-scale information and training campaign on digital literacy for adults



### 4. Focus on the quality of skills development



Close gaps in quality of skills development and link it to QA in general

Develop sectoral centres of vocational research and applied research and innovation

Enhance teacher and trainer competences in VET and the quality of the learning environment, including digital skills

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### 5. Build a National Training Alliance to foster lifelong learning



Encourage VET stakeholders to join forces to reskill and upskill adults with limited or obsolete skills, and promote a culture of lifelong learning

Strengthen the role of private training providers



### 6. Strengthen the skills dimension in rural development



Increase education and training provision in rural areas

Make education and training more attractive and relevant to people in rural areas

### 7. Enhance support services to ensure access to and completion of skills development programmes



Improve access for vulnerable groups and combat school drop out through guidance, counselling, learning support and financial assistance

Increase active labour market measures, especially for vulnerable groups

Monitor participation of vulnerable groups in education and training



diversified. In particular, VET and lifelong learning will need to be better prepared and respond more quickly in order to make a significant contribution to the country's new growth model.

Skills demand and supply are changing and the distribution problems in VET need to be tackled immediately. The adult population, including the teaching workforce, has a significant gap in digital skills, which is particularly pronounced in rural areas. Adult learning has been a blind spot for policy attention and a grey area for information and evidence. As a result, the provision is far from meeting the current and future demand envisaged in the country's economic and social policy goals.

### Tackling poverty and the rural–urban divide calls for an inclusive, integrated approach to skills development

Of serious concern for human capital development are two phenomena that are closely interlinked and need to be addressed together. On one hand, a substantial urban–rural divide and the resulting inequalities do not allow the country to make full use of its potential. On the other hand, a high level of poverty persists and continues to undermine the potential of human capital. Both phenomena tend to become vicious circles and call for a socially inclusive, integrated approach to skills development.

Limited choices for education and training and challenging conditions for learning and training must be overcome. Putting the priority on tackling poverty and reducing disparities in the quality of and access to education and training will become even more necessary because of the impact of the COVID-19 pandemic, which is expected to hit the poor, vulnerable and young the hardest.

### Recommendations for action

A clear prioritisation of human capital interventions is needed in light of the many gaps that exist in the country and its limited investment capacity.

Policies to raise human capital in Kyrgyzstan require a rebalancing among the various sectors of education and training. While primary, general and higher education have received a great deal of policy attention in the past, the ETF assessment suggests that the strengthening of VET and its labour market relevance must now become an immediate priority. Equal priority should be given to lifelong learning. In this respect more attention should also be paid to the coordination of new developments<sup>1</sup> across all education subsectors, including VET. Continuing vocational education and training should be considered systematically as an element of VET policies and the lifelong learning agenda, and receive adequate funding.

### Stronger alignment of VET with priority economic sectors

VET provision at all levels (initial, post-secondary and continuing VET) should more closely and rapidly follow the trend towards a diversified, digitalised economy, including in the country's priority sectors for future development. This is especially important for the agro-industrial complex, light industry clusters, tourism and sustainable development, and green investment in public infrastructure. Efforts should also be made to improve the connection between the education and training sector and sectoral development strategies, which rarely consider the importance of VET and skills provision from a lifelong learning perspective. An independent review of the national list of occupations and VET

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<sup>1</sup> Examples include learning outcomes and key competences, such as digital skills and competences.

profiles should be carried out in close cooperation with business organisations. Special attention should be paid to ICT fields of study at different qualification levels.

### Launching a Digital Skills Initiative

Considering the gap between the country's high policy ambitions to digitalise the economy and society and become a digital hub in the region on the one hand and the low level of digital literacy among the population on the other hand, the ETF suggests that Kyrgyzstan launch a National Digital Skills Initiative to span all levels of education over a life cycle of at least ten years. Kyrgyzstan could test and adapt the European Digital Competence Frameworks for organisations, teachers and citizens, together with the related tools<sup>2</sup>. Kyrgyzstan should also engage in a large-scale information and training campaign on digital literacy for adults. A special funding facility could be associated with the Skills Development Fund.

### Systematic and well-coordinated action for skills anticipation

To overcome the current piecemeal approach, which is characterised by the development of various instruments and tools within the remit of different organisations and projects, uncoordinated implementation that often lacks regular follow-up, and the consequent risks to sustainability, the ETF recommends establishing inter-ministerial operational leadership and coordination mechanisms for the labour market and skills anticipation. A master plan should establish a roadmap for systematic and regular application of the most viable tools, including a division of work among the various institutions involved and monitoring to determine whether the results are used by education and training planners. To support the sustainability of new tools, the capacity of the Kyrgyz higher education sector should be leveraged and national resources allocated.

### Focusing on the quality of skills development

As quality assurance in VET is not yet fully developed, any existing gaps need to be closed and links need to be made between quality assurance in general education and VET. Coordinated efforts are required across the subsectors of education. Since 2019 a number of sectoral dissemination and competence centres have been set up in primary and secondary VET. However, thought might also be given to developing them into VET centres of excellence, which would span the education subsectors and cover applied research and business incubation.

Needs-oriented continuing professional development of VET teachers and trainers should be expanded and a standard introduced for assessing the quality of learning infrastructure, including aspects of internet connectivity.

### Building a National Training Alliance to foster lifelong learning

To create better lifelong learning opportunities, especially through continuing vocational education and training, a dedicated National Training Alliance of key VET stakeholders should combine the forces of several partners from the public and private sectors in order to focus on reskilling and upskilling adults with outdated or low levels of skills. In addition to training initiatives, the alliance could implement a range of other activities, including lifelong learning weeks in rural areas, and help to create a lifelong

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<sup>2</sup> For example, SELFIE or SELFIE for work-based learning is an online self-reflection tool that helps primary and secondary general and vocational schools to reflect on how they are using digital technologies for effective and innovative teaching and learning: [https://ec.europa.eu/education/schools-go-digital\\_en](https://ec.europa.eu/education/schools-go-digital_en)

learning culture among the population. Given that the capacities of public providers may be limited, the capacity of the private training sector should be assessed and its role strengthened.

### Strengthening the skills dimension in rural development

Regional and rural development initiatives and funds should integrate and strengthen the skills dimension more systematically to increase access to education and training beyond primary VET. An innovative, flexible approach that uses blended learning, including distance education and modular environments in secondary education and VET, should be tested and evaluated. This would also require specific attention to infrastructure development, including better connectivity.

To make the education and training offering more attractive to people in rural areas, the range of VET programmes needs to be broadened beyond traditional occupations. Also, practical training in enterprises and organisations should be incentivised both for practical training providers and for students.

### Enhancing support services to ensure access to and completion of skills development programmes

To tackle the high dropout rate in VET and the phenomenon of students who fail to attend full-time because of the requirements of family work, support services should be enhanced for both students and families. Proper student counselling and career guidance can improve access for vulnerable groups and prevent students from dropping out of school and VET. Additional learning support opportunities could also play a significant role in this respect. A pilot financial support scheme for poor families could be tested to see whether it has a positive impact on school and VET attendance.

The effectiveness of the allocation of training resources for the unemployed should be reviewed and funds increased for active labour market measures, especially for training and career guidance for the most vulnerable groups.

Further attention should be paid to data collection and monitoring on the participation of vulnerable groups in education and training. The current approach is based on a narrow definition of vulnerability<sup>3</sup>.

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<sup>3</sup> Data are typically collected on special needs students and orphans. However, even this limited information is not easily accessible across education subsectors.



The ETF launched the Torino Process in 2010 as a periodical review of vocational education and training (VET) systems in the wider context of human capital development and inclusive economic growth. While providing a quality assessment of VET policy from lifelong learning (LLL) perspective, the process builds on four key principles: ownership, participation, holistic and evidence-based analysis.



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