

UKRAINE

EDUCATION, TRAINING AND EMPLOYMENT DEVELOPMENTS 2020

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KEY POLICY DEVELOPMENTS IN EDUCATION, TRAINING AND EMPLOYMENT (SEPTEMBER 2019–AUGUST 2020)

The Ukrainian economy is vulnerable to economic shocks and its GDP is expected to fall by 4–8% owing to the outbreak of the Covid-19 pandemic. According to estimates from the National Bank of Ukraine, the country is expected to face a drop in exports of 10%, an increase in the budget deficit equivalent to 8% of GDP, and a rise in unemployment as high as 9.5%. The number of temporary labour migrants from Ukraine will fall and hence the inflow of remittances is expected to fall sharply by an amount equivalent to 10% of GDP.

In March 2020 the Ukraine government introduced temporary restrictive measures nationwide, including the closure of all educational facilities. The Covid-19 pandemic has also had consequences for the implementation of Ukraine's VET reform, the implementation of vocational schooling, and national and regional/local labour markets. The Ministry of Education and Science (MoES) has responded in a timely manner by instructing schools and mobilising available resources. The VET Directorate has provided general guidance on how to organise distance learning, while the regional VET Training Methodology Centres and VET schools have been responsible for advice and training for teachers and the development of specific courses.

Both the government that came to power in November 2019 and the succeeding government, which was appointed in March 2020, have continued and intensified reforms towards a decentralised, competency-based education system. The ambitious targets are to increase the level of VET enrolment to 45% by 2024 and to cut the time needed by VET graduates to find employment that matches their qualifications.

Following ministerial changes, the Ministry of Economic Development, Trade and Agriculture (MoEDTA) has assumed greater responsibility by taking over the State Employment Service and taking charge of lifelong learning as a core element of a modernised VET system.

The Ministry of Education and Science (MoES) is also undergoing a transition as part of the overall reform process in Ukraine. The decentralisation process and the establishment of the National Qualifications Agency (NQA) requires the MoES to coordinate contributions from a wider range of actors. The minister for education and science resigned in March 2020 and several acting ministers have succeeded one another in a short period of time.

On 29 April 2020 the Cabinet of Ministers of Ukraine approved the National VET Action Plan to implement the reform concept of 'modern vocational education' developed in 2018. The action plan sets out 29 actions to change the governance and financing of the VET system, redesign the content and quality management of vocational training and education, and introduce an independent assessment system and a comprehensive training programme.

One proposal in the new draft Law on VET seeks to merge the different systems of vocational and pre-tertiary education into a more efficient and transparent professional education system. The process of revising the Law on Employment has continued with a series of new by-laws and provisions, some of which are relevant to the National VET Action Plan. The Law on Adult Education, which is still in initial draft form, seeks to strengthen adult education as an integral part of the Ukrainian education system. The dual character of the vocational training system has been enhanced by a new provision on dual VET (T-VET) education.

The new Labour Market Information System (LMIS) provides easy-to-use tools and methodologies to collect and analyse labour market information for the purpose of both strategic and operational planning of the country's regional VET systems.

The implementation of the EU-funded programme EU4Skills: Better Skills for Modern Ukraine was launched at a kick-off meeting in December 2019. The programme supports the realisation of VET reform and covers actions aimed at improving VET governance, the development of modern educational standards and the modernisation of VET infrastructure. Under the leadership of the VET Directorate in the MoES, the 2019–2020 cycle of the ETF Torino Process (providing evidence-based analysis of VET policies) has been implemented both at the national level and in all the regions. The findings were shared and discussed with regional authorities and other stakeholders in October 2019.

1. KEY DEMOGRAPHIC AND ECONOMIC CHARACTERISTICS

Ukraine's population is falling on an unparalleled scale and at an unparalleled rate compared with its neighbours. The country's population decreased from 50 million in 1999 to 44 million in 2019. According to the UN's World Population Prospects, the population will further decline by more than 15% by 2050¹. Ukraine ranks among the 30 oldest countries in the world in terms of its share of population aged 60 and above. The relative size of its young population (aged 15 to 24) decreased from 19.8% in 2010 to 14.1% in 2019, and is the smallest among the Eastern Partnership countries.

The World Bank indicates that the growth rate of Ukraine's economy has been too slow to absorb the excess supply of employees released by the old economy and the new entrants into the labour force². As a result, many young Ukrainians have opted to emigrate, attracted by higher expected earnings in other countries. At the same time, the human capital skills demanded by expanding sectors are different to those supplied by workers in old disappearing industries. Estimates of the total number of Ukrainians working abroad vary widely. A comprehensive survey carried out by the State Statistics Service of Ukraine in 2017 estimates the stock of labour migrants at 1.3 million. Other studies estimate the figure to be between 2.2 and 2.7 million³.

Recent migration studies suggest that, relative to the working-age population, migrants are less likely to have tertiary education, but more likely to have vocational or upper secondary education. Ukrainians make up the largest group of labour migrants in the EU, with the biggest numbers living in Poland, Italy and the Czech Republic. According to the State Statistics Service, 36.1% of labour migrants work in jobs that do not require any qualifications. Only 26.8% of migrant workers work in accordance with their qualifications⁴.

The western part of Ukraine has the highest volume of workers who seek employment opportunities in neighbouring EU countries. Consequently, these regions have been especially hard hit by the Covid-19 pandemic, as infected workers have returned from Italy and other EU countries.

According to the World Bank, Ukrainians sent back an estimated USD 16 billion, or 10% of Ukrainian GDP, in 2019. Because the majority of Ukrainian labour migration is temporary and short-term, it will be heavily affected by cross-border travel restrictions and job shortages in receiving countries. The

¹ United Nations Department of Economic and Social Affairs, *World Population Prospects: Key findings and advance tables*, 2017 revision, United Nations, New York, 2017: https://esa.un.org/unpd/wpp/Publications/Files/WPP2017_KeyFindings.pdf

² World Bank, *Review of the Education Sector in Ukraine: Moving toward Effectiveness, Equity and Efficiency*, World Bank Group, Washington DC, 2019: <http://documents1.worldbank.org/curated/en/884261568662566134/pdf/Review-of-the-Education-Sector-in-Ukraine-Moving-toward-Effectiveness-Equity-and-Efficiency-RESUME3.pdf>

³ European Commission, *The Impact of Labour Migration and the Ukrainian Economy*, Jerzy Pienkowski, Discussion paper, April 2020: https://ec.europa.eu/info/publications/impact-labour-migration-ukrainian-economy_en

⁴ European Training Foundation, *Policies for Human Capital Development – Ukraine. An ETF Torino Process Assessment*, 2020: <https://openspace.etf.europa.eu/blog-posts/torino-process-etf-assessment-ukraine-now-published>

suspension of remittances will affect the economic recovery of the western regions and Ukraine as a whole⁵.

Ukraine's economy slowed at the end of 2019, in particular owing to the global fall in demand and prices for steel and iron, which contribute a significant share of the country's GDP. In 2019 the unemployment rate stood at 9%, the share of informal workers in the economy was as high as 30%, and there was a weak social safety net. Another negative influence on the Ukrainian economy has been the devaluation of the currency. The already weakened economy is vulnerable to the negative pressures of the emerging global recession as a result of the Covid-19 outbreak.

The government predicts that GDP will drop by 4.8% in 2020 owing to the Covid-19 pandemic. Given the limited fiscal space in the Ukrainian economy and its dependence on foreign markets, a larger drop in GDP cannot be ruled out. The International Monetary Fund has projected that Ukraine would face recession even with no outbreak in the country because of the economy's vulnerability and its dependency on the global economic environment. According to projections from the National Bank of Ukraine, Ukraine is expected to face a fall in exports of 10%, a fall in imports of 14.5%, an increased budget deficit equivalent to 8% of GDP and a rise in unemployment to as high as 9.5%⁶.

The imposed quarantine measures have worsened the economic and social situation. The greatest impact has fallen on low-wage workers, women, youth and vulnerable groups, as well as on small and medium-sized enterprises (SMEs) and the informal sector. As a result of the expected economic downturn, poverty is anticipated to increase significantly in 2020. Based on the macroeconomic forecast issued by the Cabinet of Ministers of Ukraine, 6.3 million people are expected to fall into poverty in 2020, including 1.4 million children⁷.

According to a survey conducted by the European Business Association, 33% of SMEs have reported a 50–75% loss of revenue because of the nationwide lockdown and only 14% of SMEs have experienced no change in their daily operations. More than 50% of entrepreneurs responded that it would take up to two years for their business to recover from the economic impact of Covid-19 on the precondition that they have customer demand and access to financial support⁸.

The 'high-touch' businesses such as retail, tourism, hospitality, and hairdressing and beauty salons have been the most affected by the pandemic. In these industries women are over-represented as entrepreneurs and employees.

In response to the challenges posed by the pandemic and the economic crisis, the Ukrainian government's Economic Stimulus Programme introduces short-term and medium-term measures targeted at priority sectors of Ukraine's economy in 2020–2022. The financing of the measures will

⁵ European Commission, *The Impact of Labour Migration and the Ukrainian Economy*, Jerzy Pienkowski, Discussion Paper, April 2020: https://ec.europa.eu/info/publications/impact-labour-migration-ukrainian-economy_en

⁶ OECD, *The Covid-19 Crisis in Ukraine*, June 2020: <http://www.oecd.org/eurasia/competitiveness-programme/eastern-partners/COVID-19-CRISIS-IN-UKRAINE.pdf>

⁷ OCHA, *Ukraine: Humanitarian Impact of COVID-19 – Situation Report No. 4*, June 2020: www.humanitarianresponse.info/sites/www.humanitarianresponse.info/files/documents/files/ukr_humanitarian_impact_of_covid-19_sitrep_no.4_updated.pdf

⁸ ILO, *COVID-19 rapid assessment: Federation of Employers of Ukraine releases business impacts and responses*, May 2020: www.ilo.org/wcmsp5/groups/public/---europe/---ro-geneva/---sro-budapest/documents/publication/wcms_745558.pdf

come from the state budget and funds attracted through international technical assistance, including from the EU.

On 30 March 2020 Ukraine's parliament adopted the Law of Ukraine no. 540-IX 'On Amendments to Certain Legislative Acts Aimed at Ensuring Additional Social and Economic Guarantees in Connection with the Spread of Coronavirus Disease'. The new law introduced amendments to the Labour Code of Ukraine and the Employment Law regarding the organisation of employees' work, both in general and during the quarantine period established by the Cabinet of Ministers of Ukraine.

Over the course of the Covid-19 outbreak the EU has mobilised an assistance package of 190 million euro in grants to help Ukraine to respond to the immediate health crisis and mitigate its socio-economic impact. In July 2020 the EU signed a Memorandum of Understanding with Ukraine on macro-financial assistance (MFA) of 1.2 billion euro to limit the pandemic's economic fallout. The MFA funds will be made available in the form of long-term loans and contribute to enhancing macroeconomic stability and mitigating any severe negative socio-economic consequences.

The EU provides significant support to Ukraine in its efforts to ensure a stable, prosperous and democratic future for all its citizens, and has pledged a package totalling 12.8 billion euro to support the reform process. The Single Support Framework for EU Support to Ukraine 2018–2020 identifies human capital development as a priority for cooperation (objective 5) under sector 2: economic development and market opportunities.

2. EDUCATION AND TRAINING

2.1 Trends and challenges

According to the World Bank's Human Capital Index (HCI), learning-adjusted years of schooling in 2018 totalled 10.2 compared to 13.0 expected years of schooling in the same year⁹. This indicates a need to reduce the gap and improve the quality of education and learning outcomes.

According to HCI, human capital accounts for 34% of total national wealth in Ukraine¹⁰ compared with 51% in lower middle-income countries and 62% in Europe and Central Asia. As a result, human capital is a relatively weak factor of production in driving Ukraine's economic growth. With public spending on education at 6.0% of GDP and private spending adding another percentage point, Ukraine's spending on education is among the highest in the world. This is partly due to the requirements in the Law on Education to allocate at least 7% of GDP to education and the law's commitment to quadruple the starting salary of teachers by 2023. However, such an increase would result in a rise in education spending from 6% to 8.8% of GDP by 2023, which would be worrying for Ukraine from a fiscal point of view¹¹.

⁹ World Bank, *Human Capital Index*, 2018: www.worldbank.org/en/data/interactive/2018/10/18/human-capital-index-and-components-2018

¹⁰ [Methodology for a World Bank Human Capital Index](#)

¹¹ European Training Foundation, *Policies for Human Capital Development – Ukraine. An ETF Torino Process Assessment*, 2020: <https://openspace.etf.europa.eu/blog-posts/torino-process-etf-assessment-ukraine-now-published>

VET institutions are financed by public sources and almost their entire budget is spent on current expenditure, including staff costs, while other types of spending, such as capital investment, are crowded out. VET institutions' own earnings from income-generating activities remain underdeveloped, and range on average from 2% to 12% of total funding, depending on the region. While capital expenditure on VET has increased in absolute terms over the last three years, it accounts for only 1% to 2% of total public spending¹².

Ukraine's educational attainment level is high. In 2019, only 2% of the active population had primary education or lower, 44.2% had secondary education and 53.6% had completed or were currently in tertiary education. Ukraine has also become one of the top countries in terms of the proportion of the population that participates in higher education, a trend that accelerated rapidly after independence. One of the reasons is that, prior to the adoption of the new Law on Higher Education in 2014, colleges and *technikums* were associated with the higher education system as higher education institutions of first and second-level accreditation. The 2014 law, which stipulates that higher education must adhere to the Bologna principles, has prompted these institutions to shift away from higher education from 2020.

In recent years higher education has become considerably more important in Ukraine's education system and the change has raised concerns over the sustainability and quality of the system and the employability of graduates. Educational attainment in Ukraine emphasises the prominence of credentials rather than skills and qualifications. Human capital remains a small share of national wealth¹³, suggesting disparities in the quality and relevance of learning. The skills demanded by the expanding sectors of the economy are different from those supplied by the education system, and change has been slow¹⁴.

The rapid expansion of the higher education system has produced an increasing number of graduates who end up in jobs that do not require a university-level education. Thus, a large supply of tertiary education graduates has inflated the relevance of credentials. This has contributed to a mismatch between education level and job requirements, particularly among young university graduates. Skills mismatch is also identified at company level, where close to 40% of employers report significant skills gaps that harm their businesses. At the same time, the demand for VET is low and the number of VET graduates continues to decline. The share of VET enrolment in upper secondary education in Ukraine was 30.5% in 2019¹⁵.

In January 2019, 253 900 students (61.95% men and 38.05% women) were enrolled in VET schools under the Ministry of Education and Science (MoES), while the number of teaching staff was 33 900,

¹² European Training Foundation, *Draft National Torino Process report*, July 2019

¹³ World Bank, *Human Capital Index*, 2018: www.worldbank.org/en/data/interactive/2018/10/18/human-capital-index-and-components-2018

¹⁴ World Bank, *Review of the Education Sector in Ukraine: Moving toward Effectiveness, Equity and Efficiency*, September 2019: <http://documents1.worldbank.org/curated/en/884261568662566134/pdf/Review-of-the-Education-Sector-in-Ukraine-Moving-toward-Effectiveness-Equity-and-Efficiency-RESUME3.pdf>

¹⁵ European Training Foundation, *Policies for Human Capital Development – Ukraine. An ETF Torino Process Assessment*, 2020: <https://openspace.etf.europa.eu/blog-posts/torino-process-etf-assessment-ukraine-now-published>

including 14 800 senior masters and masters of vocational training. There are more than 3 000 unfilled vacancies for teaching staff in VET¹⁶.

The Ukrainian VET system consists of a large number of VET institutions of varying organisational types: VET schools; VET high schools; VET centres; lyceums; colleges; VET institutions that are divisions of higher education institutions; training centres at penitentiary institutions; vocational schools for social rehabilitation; VET schools at penal colonies; and others. According to the most recent data from the MoES, as of January 2019 there were 754 VET institutions, of which 158 were VET high schools and 326 vocational lyceums¹⁷.

The higher education system in Ukraine offers two types of studies: academic studies at universities, academies and institutes; and applied studies, primarily at colleges, or occasionally at universities, academies and institutes that are either public (state or community) or private. With a shrinking workforce and a declining youth population, the upskilling and requalifying of the Ukrainian working-age population becomes increasingly important. However, the rate of participation in lifelong learning is very low, standing at 0.8% in 2018 and 0.9% in 2019. This is similar to Romania, the EU country with the lowest level of adult participation in lifelong learning (0.9% in 2018).

In the first half of 2020 the Ukrainian government put an emphasis on improving the image of VET in the country with the help of a wide range of communication measures. It is important to keep a strong focus on addressing declining enrolments and the lack of attractiveness of VET by making strategic and long-term political commitments to align the education system with the needs of the labour market.

The academic year 2019–2020 has partly been conducted on a remote basis and efforts have been made to enable all VET students to complete the school year. The MoES responded in a timely manner by instructing schools and mobilising available resources. These efforts included online classes (TV, YouTube), the distribution of tablets, digital skills training for teachers, and online registration for exams. As a long-term response to the Covid-19 crisis, a 'concept of electronic Ukrainian school' is currently being drafted. The VET Directorate has provided general guidance on how to organise distance learning, while the regional VET Training Methodology Centres and VET schools have been responsible for advice and training for teachers and the development of specific courses¹⁸.

Within the framework of the programme EU4Skills: Better Skills for a Modern Ukraine, the EU and some of its member states – Germany, Finland and Poland – will provide 58 million euro to support vocational education reform in Ukraine. The funds will be spent on the modernisation of VET infrastructure, the development of professional and educational standards, new training programmes, the retraining of teachers and management staff, the development of a multi-channel financing mechanism for vocational training, and the provision of access to VET institutions for people with disabilities. In July 2019 the German development agency GIZ and the German development bank

¹⁶ ETF, *Draft National Torino Process report*, July 2019

¹⁷ MoES data provided for the 2018–2020 Torino Process. The data exclude the temporarily occupied territory of the Autonomous Republic of Crimea, the city of Sevastopol and part of the Anti-Terrorist Operation Zone; and include Makeevsky VET school for social rehabilitation (Kirovogradsky region), as presented in the Draft National Torino Process report 2018–2020.

¹⁸ ETF, *Mapping Covid-19: The Overview*, <https://www.etf.europa.eu/en/news-and-events/news/mapping-covid-19-overview>

KfW started to implement the programme. In October 2020 the MoES completed selection of the 7 focus regions and 21 VET schools that will be direct partners and beneficiaries of EU4Skills.

In September 2018 the Learning Together project¹⁹ was launched with bilateral support from Finland. The objective is to support the implementation of the New Ukraine School reform. The project has national coverage and focuses on three policy areas: the development of teacher competences, education promotion, and educational environments. It will be implemented during the period 2018–2022, with total funding of 6 million euro.

2.2 Education and training policy and institutional setting

Ukraine began to reform its education system actively in 2014 with the adoption of the new Law on Higher Education. This was followed in 2017 by the Law on Education, which sets out the strategic framework for the implementation of reforms.

Considerable attention has been paid to modernising primary and secondary general education, where the concept of the New Ukrainian School guides reform actions and sets the timetable. The framework Law on Education (2017) endorses the concept of the New Ukrainian School, which has four main components: developing new, modern standards in secondary education with an approach based on key competences; revising the national curriculum according to the new educational standards; introducing a teacher certification procedure and new programmes to enhance professional qualifications; and reducing bureaucracy in the education system while introducing a transparent and effective system of governance.

The 2017 law also establishes a new structure for the education system: pre-school education; complete general secondary education (four years of primary education, five years of basic secondary education and three years of field-specific secondary education); out-of-school education; specialised education; VET; pre-tertiary vocational education; higher education; and adult education, including at the postgraduate level. Complete secondary education will be compulsory for everybody in Ukraine. In September 2018 the 12-year education system was introduced for primary education in roughly 100 pilot schools. From September 2022 it will be introduced for basic secondary education, and from September 2027 for specialised secondary education.

In 2019 implementation continued on the New Ukrainian School reform process. The strategic document 'The Potential of Competences (Foundations of the State Standard)' was adopted as part of the new education standards package. The document sets out a framework based on key competences for the final, compulsory learning outcomes at the end of each education cycle (2nd, 4th, 6th, 9th and 12th grade), and for each subject area. The framework will guide the development of the state standard for each cycle of education beyond primary school (basic secondary, upper secondary profiled education, and VET – ISCED levels 2 and 3). Various guidelines are now under development, including guidelines for educators on the key competences approach in the New Ukraine School.

In January 2020 a new Law on Complete General Secondary Education was adopted to underpin the implementation of the New Ukrainian School.

The concept of 'modern vocational education', which will guide the implementation of the national policy on VET, was adopted in June 2019 for the period to 2027. The objective is to carry out systemic

¹⁹ <http://www.fcg.fi/eng/news/2018/08/fcg-international-launched-a-four-year-school-reform-project-in-ukraine/>

VET reform in line with three basic priorities: decentralising the governance and financing of VET, implementing quality assurance and developing public–private partnership²⁰. A set of policy measures have already been proposed and will be implemented in three stages over the period 2019–2027. The government has entrusted responsibility for the implementation of VET reform to the MoES and to regional and city of Kyiv state administrations.

The action programme of the Government of Ukraine, which was proposed in October 2019, specifies under objective 1.3 that school graduates should have a wide choice of institutions where they can acquire quality vocational education with further employment opportunities. Objectives have been set to increase the percentage of school graduates who choose a vocational (VET and pre-tertiary vocational) education path after secondary school, which is targeted at 45%, and to increase the percentage of graduates from vocational (VET and pre-tertiary vocational) education who can find employment in Ukraine within six months and within one year of graduation, including within their occupational field (specialisation). The programme has three main sub-goals: ensure that VET corresponds to labour market needs, improve the quality of VET, and increase the prestige of VET for school graduates. The programme also specifies indicators, activities, timelines and responsibilities for implementation.

On 29 April 2020 the Cabinet of Ministers of Ukraine approved the National VET Action Plan to implement the reform concept of ‘modern vocational education’. The action plan sets out 29 actions to change the governance and financing of the VET system by transferring responsibilities for planning, financing and budgeting to the regions and VET institutions; redesign the content and quality management of vocational training and education through a new and simplified concept for the development of VET standards; and introduce an independent assessment system and comprehensive training programme. The next steps are to make the National Steering and Coordination Mechanisms for VET and the National Coordination Council fully operational. The operationalisation and future implementation of the National VET Action Plan are closely linked to approval of the Law on VET.

Two drafts of the new Law on VET have moved forward and will be discussed at public parliamentary hearings after Ukraine’s local elections in October 2020. The most fundamental legislative proposal in one of the drafts is to merge the different systems of vocational and pre-tertiary education into a more efficient, transparent professional school system, and to define funding mechanisms and roles and responsibilities at a governmental and school level. It is assumed that the 2019 Law on Pre-tertiary Education will be replaced by the new Law on VET.

The process of revising the Law on Employment was initiated under the leadership of the Ministry of Economic Development, Trade and Agriculture (MoEDTA) at the end of 2019. A series of by-laws, some of which are relevant to the National VET Action Plan, are currently being developed or amended. Examples include the decree on the list of professions of national importance whose preparation is carried out at the expense of the state budget, the decree on typical regulation of the supervisory board of a vocational education institution, and the decree on institutional audit in VET.

The concept of dual training adopted by the Cabinet of Ministers in September 2018 aims to combine work and learning in VET and higher education and to increase the youth employment rate. The implementation has three phases. The first phase addresses development of the legislative and

²⁰ <https://www.kmu.gov.ua/ua/npas/pro-shvalennya-koncepciyi-realizaciyi-derzhavnoyi-politiki-u-sferi-profesijnoyi-profesijno-tehnichnoyi-osviti-suchasna-profesijna-profesijno-tehnichna-osvita-na-period-do-2027-roku-i120619>

regulatory framework (2018–2019); the second phase covers the design of typical dual training models and the delivery of pilot projects (2019–2020); and the third phase involves the creation of dual training clusters (2020–2023). The approval of the Regulations on Dual Vocational Education in December 2019 seeks to strengthen the labour market orientation of VET training and offer all VET students a combined VET training approach that incorporates theory and practice²¹. The Action Plan for Dual Education, which was adopted in December 2019, provides for the creation of dual training clusters (2020–2023). In 2020, 262 VET providers have implemented elements of dual education for 190 profiles. The numbers of employers and VET students taking part are, respectively, 1 160 and 12 444. In 2019 the state budget financed 45 modern educational and practical centres in VET schools (bringing the total for the period 2016–2019 to 145). Also, 70 competency-based educational standards for VET were prepared and approved, and the number of working occupations acquired through dual education is growing.

Continuing vocational training (CVT) as a form of adult learning within the formal education and training system is also undergoing transformation and needs some clarity in the legal framework. In the area of adult learning, the draft Law on the Qualifications System regulates professional qualifications, validation of non-formal and informal learning, independent assessment by qualification centres and the development of sector qualifications frameworks. The expected adoption of the relevant Law on Adult Education, which is based on the framework Law on Education, will allow for the expansion of existing opportunities in the area. CVT is mostly implemented as postgraduate education in higher or vocational education institutions. It includes the training and retraining of employees or unemployed people, further education or courses to upgrade existing qualifications, and opportunities to acquire a second higher education degree. An important obstacle to the integration of lifelong learning in the Ukrainian education system is that responsibilities for initial and further learning are divided among different ministries.

The New Ukrainian School promotes a new approach to teaching and learning in the classroom, focusing on competences and twenty-first century skills. Since 2018 Ukraine has been working on the digital transformation of the education sector. An inter-agency working group has developed an implementation model for digital solutions in education, which involves access to quality content, the elimination of paperwork, and data collection for management decisions. Implementation has started in grades 1–9, in which European tools such as EntreComp and DigComp have been integrated into the curriculum, and 42 000 teachers received implementation training by the end of 2019²². Under the action programme of the Cabinet of Ministers of Ukraine for June 2020, the digitalisation of the educational environment (connecting secondary education institutions to high-speed internet and providing students and teachers with electronic educational resources) and the launch of a national educational electronic platform as a basis for distance learning are both support measures for human capital development.

The Ministry of Education and Science (MoES) is undergoing a transition as part of the overall reform process. The decentralisation process and the establishment of the National Qualifications Agency (NQA) require the MoES to coordinate contributions from a wider range of actors in the future.

²¹ Order of MoES 'On approval of Provision on Dual VET (T-VET) Education' no. 1551 of 12 December 2019: <https://zakon.rada.gov.ua/laws/show/z0193-20>. Last Call: 20 August 2020.

²² Non-paper by the Ukrainian side - 5th Cluster 4 meeting, Subcommittee on Economic and Other Sector Cooperation, EU–Ukraine Association Committee, 28 May 2020, Kyiv–Brussels

The transfer of labour market-related responsibilities from the Ministry of Social Policy (MoSP) to the Ministry of Economic Development, Trade and Agriculture (MoEDTA) is an important change in the division of political responsibilities. Since March 2020 the MoEDTA has taken responsibility for the classification of occupations and the State Employment Service including adult training. As a result, it is becoming an important actor in lifelong learning. By contrast, the focus of the MoSP is shifting to the provision of social services and support mechanisms that are connected to the provision of social security to vulnerable groups of VET students, the social function of the VET system, and social support payments for orphans and military veterans.

In December 2018 the National Coordination Council was established to ensure coordination between ministries, executive bodies and the administrations of the regions (oblasts) in the implementation of the education reform. By an amendment in November 2019 the council's mandate was expanded to include the implementation of VET reform. The council is chaired by the prime minister and its duties are to facilitate the coordination of the actions of executive bodies in the implementation of reform and to coordinate the interaction and communication between state authorities, institutions, organisations of economic entities and international organisations on the implementation of education reform.

The Law on Education gives an important role to the National Qualifications Framework (NQF), lifelong learning and education based on key competences. It introduces the National Qualifications System (NQS), sector qualifications frameworks and partial qualifications. It also establishes the duties of the National Qualifications Agency (NQA), which is a collegial body supported by the government and social partners. The statute of the NQA was adopted in December 2018. The establishment of the functional agency is now in progress. Its duties will include supporting legislative developments, developing and maintaining the registry of qualifications, coordinating the development of occupational standards, supporting the development of educational standards, accrediting qualification centres, overseeing the recognition and validation of non-formal and informal learning, and establishing criteria for the recognition of foreign qualifications.

The NQA has taken a number of concrete steps since its inception in October 2019. The agency has formed ten multi-stakeholder working groups relevant to VET, which have put forward a number of proposals to amend current legislation in the field of VET. Their proposals include the 'Draft Resolution on the Approval of Regulations on Accreditation of Qualification Centres', the 'Draft Resolution on the Approval Procedure for Recognition of Occupational Qualifications obtained in other countries' and the 'Draft Resolution on the Approval of Regulations on the Register of Qualifications'. The NQA is currently requesting public comments on a new proposal for the development of occupational standards. In July 2020 the agency together with the MoES concluded a joint strategic planning workshop for the period 2020–2023.

The shift of VET funding to the local level has caused a number of problems, because the regions are not prepared for the change. Although financial decentralisation has ensured an increase in local resources, local funds cover only about 60% of VET financial needs in the regions, according to the MoES. For VET institutions located outside regional centres, local funding is even lower (currently covering only 45% of their needs)²³.

As part of the decentralisation package for VET, Regional VET Councils were established in 2016 in all regions. The councils, which are advisory and consultative bodies within the regional state

²³ Office of Financial and Economic Analysis of Verkhovna Rada of Ukraine, *Current status of VET financing in Ukraine*, 2019: <https://feao.org.ua/wp-content/uploads/2019/01/profesijno-tehnicna-osvita.pdf>

administrations, are in charge of preparing and implementing regional VET policy. Owing to the unsatisfactory performance of the councils, however, the Cabinet of Ministers approved new provisions for the Regional VET Councils²⁴ in April 2019 to introduce improvements in their governance.

With a view to activating the work of the Regional VET Councils, the Cabinet of Ministers also approved a new statute for the councils on 4 December 2019. The statute defines the main duties and responsibilities of the councils' operation. The councils need to have at least 21 members, representing the regional authorities, social partners, VET providers and the relevant professional organisations. The councils have made progress on their organisational development and on VET-related technical topics, including labour market analysis and VET policy development as well as the establishment of new regional working groups to implement the Regional Action Plans in seven focus regions. The councils have the potential to become the main vehicles to consolidate the vision and strategic priorities of VET reform implementation at the regional level.

An extensive audit of the entire network of 1 400 VET and pre-tertiary schools in Ukraine is a preparatory step towards an optimised VET network. The resulting analytical model and data will serve as input for informed decisions on the optimisation process for the VET network and the development of an Education Management Information System (EMIS).

The Memorandum of Cooperation signed on 3 June 2019 between the MoES, the Ministry of Social Policy (MoSP), the Ministry of Youth and Sports, and the State Employment Service stipulates the creation of a monitoring system for higher education and VET graduates, including those who are self-employed. The system will enable the tracing of graduates' further career development and the collection of data on the quality of education and training provision²⁵. The document also sets out opportunities for the creation of careers centres in VET schools and higher education institutions. The MoES has drafted new chapters on career orientation and guidance in the programme document for the New Ukrainian School in order to further develop the basis for introducing a career orientation service into the education system.

3. LABOUR MARKET AND EMPLOYMENT

3.1 Trends and challenges

Ukraine's labour market faces multiple challenges, including an ageing labour force, low internal labour mobility, high informal employment and various types of skills mismatch, particularly high levels of over-qualification. It is characterised by structural deficiencies, regional disparities and a low activity rate that has been decreasing in recent years. Ukraine has one of the most rapidly ageing populations in Europe. This trend exacerbates employment challenges by reducing the number of people in the labour force. In addition, Ukraine has experienced a recent increase in external labour migration, a

²⁴ <https://mon.gov.ua/ua/news/mon-proponuye-dlya-gromadskogo-obgovorennya-proekt-postanovi-kmu-pro-zatverdzhennya-tipovogo-polozhennya-pro-regionalnu-radu-profesijnoyi-osviti>

²⁵ <https://mon.gov.ua/ua/news/proforiyentaciya-molodi-bilshe-roboti-zi-shkolyarami-centri-karyeri-u-vishah-ta-proftehah-rozrobka-metodmaterialiv-mon-minsoc-minmolodsport-ta-dsz-pidpisali-memorandum>

third of which consists of young Ukrainians under 35. As a result, the diminishing pool of working-age people puts pressure on economic development and makes it difficult to sustain growth.

The activity rate rose from 62.4% in 2015 to 63.4% in 2019 (69.9% for males and 57.5% for females). Activity rates for women in Ukraine have traditionally been lower than those for men. This is due to the longer overall duration of women's education, the fact that they manage household and childcare burdens, and the insufficient support provided to working mothers. The employment rate is also quite low but has increased slightly from 56.7% in 2015 to 58.2% in 2019 (64.0% for males and 52.9% for females). The overall unemployment rate decreased from 9.1% in 2015 to 8.8% in 2018 and 8.2% in 2019. The long-term unemployment rate increased from 1.5% in 2013 to 2.5% in 2017, then declined to 1.9% in 2018. In the latter case, however, the data for 2019 are missing.

Although the youth unemployment rate (aged 15–24) decreased from 22.4% in 2015 to 17.9% in 2018, and even further to 15.4% in 2019, youth unemployment remains a problem. There is also a relatively high proportion of young people not in employment, education or training (NEETs). The NEET rate decreased from 17.2% in 2015 to 15.6% in 2019. The rate is higher for women than for men (19.9% and 11.5%, respectively, in 2018).

The restructuring of the economy has had implications for the distribution of employed people by economic sector. The share of agriculture and industry in total employment has decreased, while employment in the services sector has increased. In 2019 services accounted for the majority of the labour force (61.2%), followed by industry (25.1%) and agriculture (13.7%). The self-employment rate is relatively low, but it has increased from 15.9% in 2015 to 16.3% in 2019.

Ukraine's labour productivity level (the value added per input) is among the lowest of all transition economies. Low productivity reduces the country's competitiveness, making it difficult to attract investments and develop economic opportunities²⁶. Informal employment is also a serious challenge for the economy. According to national data, almost 3.5 million people were employed informally in 2019. Informal employment is most widespread among those aged 40–49²⁷. Widespread informal employment contributes to the violation of core worker rights such as job security, timely and reasonable remuneration, access to social security benefits, and employment based on skills and qualifications.

The political and economic context of Ukraine, coupled with its highly educated labour force, have made the country ripe for the development of digital labour platforms. According to various sources, in the period 2013–2017 Ukraine ranked first in Europe and fourth worldwide in terms of work on digital labour platforms, as measured by the amount of financial flows and the number of tasks executed on such platforms. Ukraine also ranks first in the world for IT freelancing (2018). It is estimated that at least 3% of the Ukrainian workforce is involved in online work. Three-quarters of online workers are informal. They are not registered with the authorities as self-employed and do not pay social security contributions²⁸.

²⁶ <https://openknowledge.worldbank.org/handle/10986/25741>

²⁷ Informal employment by types of economic activity – data from the State Statistics Service: http://www.ukrstat.gov.ua/operativ/operativ2018/rp/eans/nzn_ved_2018_u.xls

²⁸ ILO, *Work on Digital Labour Platforms in Ukraine: Issues and Policy Perspectives*, 2018: https://www.ilo.org/wcmsp5/groups/public/---ed_protect/---protrav/---travail/documents/publication/wcms_635370.pdf

The disconnection between Ukraine's education sector and the needs of the labour market creates the wrong incentives for both students and educational institutions. However, many young Ukrainians appear to be increasingly over-educated relative to the types of jobs that are available in the labour market. Other risks to the development of the Ukrainian labour market are the increase in the migration of labour to other countries and the gradual loss of professional skills by those who cannot find jobs that correspond to their occupation and qualification level. Relative to the working-age population, migrants are less likely to have tertiary education, but more likely to have vocational education. Another important challenge is the growing trend of educational migration among young people. Ukrainian employers have argued that one-third of enterprises are affected by labour migration. The offer of even higher salaries by export-oriented industries has not stopped the migration flows of skilled workers who leave the country due to the deteriorating quality of life²⁹.

3.2 Employment policy and institutional setting

Under the EU–Ukraine Association Agreement, Ukraine is committed to respecting core ILO standards, other ILO Conventions that it has ratified and relevant EU laws.

Social dialogue, which is governed by the 2010 Law on Social Dialogue, faces difficulties to ensure tripartite consensus on policy decisions in the social and economic sector, because the National Tripartite Social and Economic Council has suspended its activity for more than a year (ILO, June 2020)³⁰. The draft Law on Trade Unions was submitted in December 2019, together with other pieces of draft labour legislation, and further parliamentary proceedings are ongoing³¹.

The Labour Code of 1971 is currently the main legal act that governs employment relations for all workers in Ukraine. The code is outdated and overly rigid by international standards. Since 2013, work has been underway on a new Labour Code to reform the country's entire labour relations system. The drafting process, however, has generated controversy and debate among some groups in society. The draft code was reviewed thoroughly by the ILO, which provided detailed technical comments to the dedicated parliamentary committee in April 2016. In early October 2017 the draft code was submitted to Parliament for the second reading and put on the legislative agenda. In December 2019, however, the Cabinet of Ministers of Ukraine submitted a new draft labour law to Parliament without consultation with the trade unions. In mid-December the Pan-European Regional Council of the ITUC adopted a resolution condemning the proposals, citing the draft's provisions to eliminate basic rights and conditions for the country's workers and calling on the Ukrainian government to withdraw the draft³². Also, the European Trade Union Confederation pledged in December 2019 to raise the issue with the European Commission and the European Parliament on the basis that the draft law contradicts the EU–Ukraine Association Agreement³³. In March 2020 the draft law was withdrawn from Parliament after the resignation of the Prime Minister of Ukraine and the government is now at work on

²⁹ European Training Foundation, *Policies for Human Capital Development – Ukraine. An ETF Torino Process Assessment*, 2020: <https://openspace.etf.europa.eu/blog-posts/torino-process-etf-assessment-ukraine-now-published>

³⁰ ILO, *Towards an effective, influential and inclusive social dialogue in Ukraine*, Green Paper, June 2020: www.ilo.org/wcmsp5/groups/public/---europe/---ro-geneva/---sro-budapest/documents/publication/wcms_747455.pdf

³¹ Flash report – 5th meeting of the EU–Ukraine Sub-Committee on Economic and Other Sector Cooperation – Cluster VI (Employment, Social Policy, Equal Opportunities and Public Health), Brussels–Kyiv (VTC), 16 June 2020

³² https://perc.ituc-csi.org/IMG/pdf/statement_4th_perc_ga_on_ukraine_161219-2.pdf

³³ <https://www.etuc.org/en/node/18514>

resubmitting the draft. The EU is following the case closely as it poses an opportunity to advance Ukraine's approximation to EU standards (on labour, occupational health and safety, and equal opportunities) and make Ukraine's labour legislation fit for a modern, social market economy.

Under the new distribution of ministerial responsibilities that came into force in March 2020, the Ministry of Economic Development, Trade and Agriculture (MoEDTA) has assumed greater responsibility by taking over the State Employment Service (SES) and taking charge of lifelong learning as a core element of a modernised VET system. The reforms seek to achieve more client-oriented approaches, a diversification of services related to active labour market programmes and the support of self-employment, and a stronger role for SES in the provision of labour market information, including the capacity to do labour market forecasting. New services for jobseekers have been introduced, such as career advisors, and the services for employers have been improved, including employers' consultants, e-services and more.

A number of measures have been introduced to reduce the impact of the Covid-19 pandemic, particularly for the social protection of people who have lost their jobs. The measures include simplified procedures for claiming unemployment status and receiving unemployment benefits, exemptions from contributions, and pension increases. The SES has introduced online registration for its clients and unemployment benefits have increased³⁴.

The importance of good labour market intelligence in tackling skills mismatch has been recognised at the highest political levels. The SES collects, processes, presents and disseminates administrative data on workforce demand and supply in the labour market. It also analyses demand and supply indicators, submits predictions to the MoEDTA on the development of the labour market, and helps to develop and implement the state's medium-term employment policy and regional employment programmes. To improve labour market intelligence, several normative documents that set out measures to develop a skills anticipation system have been adopted in recent years. In September 2017 the MoSP established a multi-stakeholder working group that is responsible for skills anticipation and labour market forecasting. The aim is to develop a system that will ensure the development of reliable medium-term labour market projections.

The new Labour Market Information System (LMIS) provides easy-to-use tools and methodologies to collect and analyse labour market information for the purpose of both strategic and operational planning of the country's regional VET systems. The LMIS generates labour-market trends to produce a one-to-three-year forecast of labour market needs by occupation and skill level. With support from the EU4Skills programme, the LMIS methodologies and tools, such as model-based statistical and economic analyses, graduate tracer studies and employers' surveys, will be tested in the autumn of 2020. In parallel, the NQA receives assistance to feed information from the LMIS into the further development of occupational standards.

The ILO programme funded by Denmark (December 2017 to December 2022) supports further modernisation of the SES's services, enabling it to offer more effective, inclusive active labour market programmes. The ILO programme includes a strong skills component that aims to reduce skills

³⁴ Flash report – 5th meeting of the EU–Ukraine Sub-Committee on Economic and Other Sector Cooperation – Cluster VI (Employment, Social Policy, Equal Opportunities and Public Health), Brussels–Kyiv (VTC), 16 June 2020

mismatch by better aligning the skills of new labour market entrants with the demands of the private sector.

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Recent ETF Country Intelligence Products:

- [Mapping of Covid-19 impact on education and training](#)
- [ETF Torino Process Assessment](#)
- NQF Inventory Country Page <https://openspace.etf.europa.eu/nqf-inventories>

STATISTICAL ANNEX - UKRAINE

Annex includes annual data from 2010, 2015, 2018 and 2019 or the last available year.

	Indicator	2010	2015	2018	2019	
1	Total population ('000) ⁽¹⁾	45,870.7	45,154.0	44,622.5	44,385.2	
2	Relative size of youth population (age group 15–24 and age in the denominator 15–64, %) ^{(1) (2)}	19.8	15.8	14.4	14.1	
3	GDP growth rate (%)	3.8	-9.8	3.4	3.2	
4	GDP by sector (%)	Agriculture added value	7.4	12.1	10.1	9.0
		Industry added value	25.9	21.7	23.3	22.6
		Services added value	55.1	51.2	51.3	54.4
5	Public expenditure on education (as % of GDP)	M.D.	M.D.	M.D.	M.D.	
6	Public expenditure on education (as % of total public expenditure)	M.D.	M.D.	M.D.	M.D.	
7	Adult literacy (%)	M.D.	M.D.	M.D.	M.D.	
8	Educational attainment of adult population (aged 25–64 or 15+) (%) ^{(3) (4) (5)}	Low	7.8	2.1	1.8	2.2
		Medium	44.9	45.5	44.8	44.2
		High	47.3	52.4	53.4	53.6
9	Early leavers from education and training (aged 18–24) (%)	Total	M.D.	M.D.	M.D.	M.D.
		Male	M.D.	M.D.	M.D.	M.D.
		Female	M.D.	M.D.	M.D.	M.D.
10	Gross enrolment rates in upper secondary education (ISCED level 3) (%)	80.1	M.D.	M.D.	M.D.	
11	Share of VET students in upper secondary education (ISCED level 3) (%)	28.6	29.4	30.5	M.D.	
12	Tertiary education attainment (aged 30–34) (%)	M.D.	M.D.	M.D.	M.D.	
13	Participation in training/lifelong learning (age group 25–64) by sex (%) ⁽³⁾	Total	M.D.	0.8	0.8	0.7
		Male	M.D.	0.7	0.9	0.7
		Female	M.D.	0.9	0.7	0.7
14	Low achievement in reading, mathematics and science – PISA (%)	Reading	N.A.	N.A.	N.A.	N.A.
		Mathematics	N.A.	N.A.	N.A.	N.A.
		Science	N.A.	N.A.	N.A.	N.A.

	Indicator		2010	2015	2018	2019
15	Activity rate (aged 15+) (%) ⁽³⁾ ⁽⁵⁾	Total	63.7	62.4	62.6	63.4
		Male	69.6	69.2	69.0	69.9
		Female	58.4	56.2	56.8	57.5
16	Inactivity rate (aged 15+) (%) ⁽³⁾ ⁽⁵⁾	Total	36.3	37.6	37.4	36.6
		Male	30.4	30.8	31.0	30.1
		Female	41.6	43.8	43.2	42.5
17	Employment rate (aged 15+) (%) ⁽³⁾ ⁽⁵⁾	Total	58.5	56.7	57.1	58.2
		Male	63.1	62.2	62.1	64.0
		Female	54.4	51.7	52.5	52.9
18	Employment rate by educational attainment (% aged 15+) ⁽³⁾ ⁽⁴⁾ ⁽⁵⁾ ⁽⁶⁾	Low	33.6	16.7	15.5	17.8
		Medium	56.2	52.5	52.7	54.4
		High	69.6	67.5	67.3	67.7
19	Employment by sector (%) ⁽³⁾ ⁽⁵⁾	Agriculture	20.2	15.3	14.9	13.7
		Industry	25.5	24.7	24.3	25.1
		Services	53.6	60.0	60.8	61.2
20	Incidence of self-employment (%) ⁽³⁾ ⁽⁵⁾		18.9	15.9	15.8	16.3
21	Incidence of vulnerable employment (%) ⁽³⁾ ⁽⁵⁾		17.9	14.7	14.8	15.0
22	Unemployment rate (aged 15+) (%) ⁽³⁾ ⁽⁵⁾	Total	8.1	9.1	8.8	8.2
		Male	9.3	10.1	10.0	8.5
		Female	6.8	8.1	7.4	7.9
23	Unemployment rate by educational attainment (aged 15+) (%) ⁽³⁾ ⁽⁴⁾ ⁽⁵⁾	Low	7.5	12.1	13.0	13.9
		Medium	9.1	10.0	9.9	9.3
		High	7.3	8.2	7.7	7.1
24	Long-term unemployment rate (aged 15+) (%) ⁽³⁾		1.9	2.1	1.9	M.D.
25	Youth unemployment rate (aged 15–24) (%) ⁽³⁾ ⁽⁵⁾	Total	17.4	22.4	17.9	15.4
		Male	17.8	22.7	16.9	15.5
		Female	16.7	21.9	19.3	15.3
26	Proportion of people aged 15–24 not in employment, education or training (NEETs) (%) ⁽³⁾ ⁽⁷⁾	Total	17.6	17.2	14.5	15.6
		Male	15.2	14.6	11.3	11.5
		Female	20.2	19.8	17.8	19.9

Last update: End of August 2020

Sources:

Indicators 8, 13, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26 – State Statistical Service of Ukraine

Indicators 10, 11 – UNESCO, Institute for Statistics

Indicators 1, 2, 3, 4 – The World Bank, World Development Indicators database

Notes:

(1) The values shown are mid-year estimates

(2) ETF calculations

(3) (2015-2018) Data without the population of Autonomous Republic of Crimea and Sevastopol and part of the conflict zone, (2010-2014) Data without the population of Autonomous Republic of Crimea and Sevastopol.

(4) LOW: General basic, primary and lower; MEDIUM: General secondary, professional–technical; HIGH: incomplete tertiary, (basic and full) tertiary

(5) Age range 15–70

(6) 2010–2015: ETF calculations on Ukrstat data

(7) Participation in education in the week prior to the survey is considered.

Legend:

N.A. = Not Applicable

M.D. = Missing Data

ANNEX: DEFINITIONS OF INDICATORS

	Description	Definition
1	Total population ('000)	The total population is estimated as the number of people having their usual residence in a country on 1 January of the respective year. When information on the usually resident population is not available, countries may report legal or registered residents.
2	Relative size of youth population (age group 15–24) (%)	This is the ratio of the youth population (aged 15–24) to the working-age population, usually aged 15–64 (74)/15+.
3	GDP growth rate (%)	Annual percentage growth rate of GDP at market prices based on constant local currency. Aggregates are based on constant 2010 U.S. dollars. GDP is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources.
4	GDP by sector (%)	The share of value added from Agriculture, Industry and Services. Agriculture corresponds to ISIC divisions 1–5 and includes forestry, hunting, and fishing, as well as cultivation of crops and livestock production. Value added is the net output of a sector after adding up all outputs and subtracting intermediate inputs. It is calculated without making deductions for depreciation of fabricated assets or depletion and degradation of natural resources. The origin of value added is determined by the International Standard Industrial Classification (ISIC), revision 3 or 4.
5	Public expenditure on education (as % of GDP)	Public expenditure on education expressed as a percentage of GDP. Generally, the public sector funds education either by directly bearing the current and capital expenses of educational institutions, or by supporting students and their families with scholarships and public loans as well as by transferring public subsidies for educational activities to private firms or non-profit organisations (transfer to private households and enterprises). Both types of transactions together are reported as total public expenditure on education.
6	Public expenditure on education (as % of total public expenditure)	Public expenditure on education expressed as a percentage of total public expenditure. Generally, the public sector funds education either by directly bearing the current and capital expenses of educational institutions, or by supporting students and their families with scholarships and public loans as well as by transferring public subsidies for educational activities to private firms or non-profit organisations (transfer to private households and enterprises). Both types of transactions together are reported as total public expenditure on education.
7	Adult literacy (%)	Adult literacy is the percentage of the population aged 15 years and over who can both read and write a short simple statement on his/her everyday life, and understand it. Generally, 'literacy' also encompasses 'numeracy' – the ability to make simple arithmetic calculations.

	Description	Definition
8	Educational attainment of adult population (25–64 or aged 15+) (%)	Educational attainment refers to the highest educational level achieved by individuals expressed as a percentage of all persons in that age group. This is usually measured in terms of the highest educational programme successfully completed, which is typically certified by a recognised qualification. Recognised intermediate qualifications are classified at a lower level than the programme itself.
9	Early leavers from education and training (age group 18–24) (%)	Early leavers from education and training are defined as the percentage of the population aged 18–24 with at most lower secondary education who were not in further education or training during the four weeks preceding the survey. Lower secondary education refers to ISCED 1997 levels 0–2 and 3C short (i.e. programmes lasting under two years) for data up to 2013 and to ISCED 2011 levels 0–2 for data from 2014 onwards.
10	Gross enrolment rates in upper secondary education (ISCED level 3) (%)	Number of students enrolled in a given level of education, regardless of age, expressed as a percentage of the official school-age population corresponding to the same level of education.
11	Share of VET students in upper secondary education (ISCED level 3) (%)	Total number of students enrolled in vocational programmes at a given level of education (in this case, upper secondary), expressed as a percentage of the total number of students enrolled in all programmes (vocational and general) at that level.
12	Tertiary education attainment (aged 30–34) (%)	Tertiary attainment is calculated as the percentage of the population aged 30–34 who have successfully completed tertiary studies (e.g. university, higher technical institution). Educational attainment refers to ISCED 1997 level 5–6 up to 2013 and ISCED 2011 level 5–8 from 2014 onwards.
13	Participation in training/lifelong learning (age group 25–64) (%)	Participants in lifelong learning refers to persons aged 25–64 who stated that they received education or training in the four weeks preceding the survey (numerator). The denominator is the total population of the same age group, excluding those who did not answer the question on participation in education and training. The information collected relates to all education or training, whether or not it is relevant to the respondent's current or possible future job. If a different reference period is used, this should be indicated.
14	Low achievement in reading, maths and science – PISA (%)	Low achievers are the 15-year-olds who are failing to reach level 2 on the PISA scale for reading, mathematics and science.
15	Activity rate (aged 15+) (%)	The activity rate is calculated by dividing the active population by the population of the same age group. The active population (also called 'labour force') is defined as the sum of employed and unemployed people. The inactive population consists of all people who are classified as neither employed nor unemployed.
16	Inactivity rate (aged 15+) (%)	The inactivity/out of the labour force rate is calculated by dividing the inactive population by the population of the same age group. The inactive population consists of all people who are classified as neither employed nor unemployed.
17	Employment rate (aged 15+) (%)	The employment rate is calculated by dividing the number of employed people by the population of the same age group. Employed people are all people who worked at least one hour for pay or profit during the reference period or were temporarily absent from such work. If a different age group is used, this should be indicated.
18	Employment rate by educational attainment (% aged 15+)	The employment rate is calculated by dividing the number of employed persons by the population of the same age group.

	Description	Definition
		<p>Employed persons are all persons who worked at least one hour for pay or profit during the reference period or were temporarily absent from such work. If a different age group is used, this should be indicated.</p> <p>Educational levels refer to the highest educational level successfully completed. Three levels are considered: Low (ISCED level 0–2), Medium (ISCED level 3–4) and High (ISCED 1997 level 5–6, and ISCED 2011 level 5–8).</p>
19	Employment by sector (%)	This indicator provides information on the relative importance of different economic activities with regard to employment. Data are presented by broad branches of economic activity (i.e. Agriculture/Industry/Services) based on the International Standard Industrial Classification of All Economic Activities (ISIC). In Europe, the NACE classification is consistent with ISIC.
20	Incidence of self-employment (%)	The incidence of self-employment is expressed by the self-employed (i.e. employers + own-account workers + contributing family workers) as a proportion of the total employed.
21	Incidence of vulnerable employment (%)	The incidence of vulnerable employment is expressed by the own-account workers and contributing family workers as a proportion of the total employed.
22	Unemployment rate (aged 15+) (%)	The unemployment rate represents unemployed people as a percentage of the labour force. The labour force is the total number of people who are employed or unemployed. Unemployed people comprise those aged 15–64 or 15+ who were without work during the reference week; are currently available for work (were available for paid employment or self-employment before the end of the two weeks following the reference week); are actively seeking work, i.e. had taken specific steps in the four-week period ending with the reference week to seek paid employment or self-employment, or had found a job to start later (within a period of, at most, three months).
23	Unemployment rate by educational attainment (aged 15+) (%)	The unemployment rate represents unemployed people as a percentage of the labour force. The labour force is the total number of people who are employed or unemployed. Unemployed people comprise those aged 15–64 or 15+ who were without work during the reference week; are currently available for work (were available for paid employment or self-employment before the end of the two weeks following the reference week); are actively seeking work (had taken specific steps in the four-week period ending with the reference week to seek paid employment or self-employment, or had found a job to start later (within a period of, at most, three months)). Educational levels refer to the highest educational level successfully completed. Three levels are considered: Low (ISCED level 0–2), Medium (ISCED level 3–4) and High (ISCED 1997 level 5–6, and ISCED 2011 level 5–8)
24	Long-term unemployment rate (aged 15+) (%)	The long-term unemployment rate is the share of people in the total active population who have been unemployed for 12 months or more, expressed as a percentage. The duration of unemployment is defined as the duration of a search for a job or as the period of time since the last job was held (if this period is shorter than the duration of the search for a job).
25	Youth unemployment rate (aged 15–24) (%)	The youth unemployment ratio is calculated by dividing the number of unemployed people aged 15–24 by the total population of the same age group.

	Description	Definition
26	Proportion of people aged 15–24 not in employment, education or training (NEETs) (%)	The indicator provides information on young people aged 15–24 who meet the following two conditions: first, they are not employed (i.e. unemployed or inactive according to the ILO definition); and second, they have not received any education or training in the four weeks preceding the survey. Data are expressed as a percentage of the total population of the same age group and gender, excluding the respondents who have not answered the question on participation in education and training.

LIST OF ACRONYMS

GDP	Gross domestic product
IDP	Internally displaced person
ILO	International Labour Organization
ISCED	International Standard Classification of Education
ISIC	International Standard Industrial Classification
MoES	Ministry of Education and Science
MoSP	Ministry of Social Policy
NEET	Not in education, employment or training
NQA	National Qualifications Agency
NQF	National Qualifications Framework
NQS	National Qualifications System
PISA	Programme for International Student Assessment
PPP	Purchasing power parity
SES	State Employment Service
UAH	Ukrainian hryvnia (currency)
UIS	UNESCO Institute for Statistics
USD	US dollar
VET	Vocational education and training

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