

AZERBAIJAN

EDUCATION, TRAINING AND EMPLOYMENT
DEVELOPMENTS 2020

The contents of this paper are the sole responsibility of the ETF and do not necessarily reflect the views of the EU institutions.

© European Training Foundation, 2020

Reproduction is authorised provided the source is acknowledged.

KEY POLICY DEVELOPMENTS IN EDUCATION, TRAINING AND EMPLOYMENT

(SEPTEMBER 2019–AUGUST 2020)

For most of 2020, Azerbaijan's policy efforts have been dominated by the challenges of the Covid-19 pandemic. The pandemic has led to an oil price slump and will result in economic contraction in 2020. The economy is expected to shrink by 2.6% in the year.

A conflict between Armenia and Azerbaijan broke out on 27 September 2020 and fighting continued until 10 November, when the two countries reached an agreement with Russia to end weeks of violent clashes in Nagorno-Karabakh. The conflict resulted in the deaths of hundreds of people and thousands were wounded, including many civilians. In six weeks, the hostilities caused severe damage to residential buildings and vital civilian infrastructure, including schools, hospitals, roads and electricity networks, and gave rise to long-lasting humanitarian consequences. The clashes have caused a significant displacement of civilian population owing to heavy shelling, and the situation remains fragile.

The government's primary goal before the Covid-19 pandemic was to speed up economic diversification, maintain rapid growth in the non-oil sector regardless of the level of oil revenues, increase competitiveness and expand export opportunities. The development concept 'Azerbaijan 2020: A look into the future' (2012) underlines the country's aspiration to become a knowledge-based economy, increase its competitiveness and diversify its economic structure. Since December 2016, 12 strategic roadmaps have been in the process of implementation. One is a strategic roadmap for vocational education and training (VET).

According to the World Bank's Human Capital Index in 2019, Azerbaijan ranks 69th out of 157 countries. The strategic roadmap for the development of telecommunication and information technologies, with its action plan 2019–2020, acknowledges the importance of digital skills for the information economy. It envisages turning schools into e-schools (e.g. electronic books, electronic seminars, open-access educational materials, distance learning and online exams), creating ongoing ICT courses for teachers, and more.

During the Covid-19 lockdown, students and teachers benefited from previous initiatives that have enabled the implementation of online classes. At the beginning of April 2020 the Ministry of Education launched the Virtual School project. All students, parents and teachers can now register on the online portal virtual.edu.az.

Based on a State Statistical Committee (SCS) report, the unemployment rate in August 2020 stood at 6.6%, which is up 1.8% since with the latest available unemployment rate for 2019, which stood at 4.8%. The number of unemployed people reached 348 600, which is 93 500 or 36.6% more than on 1 April 2020, that is, before the lockdown and other restrictive measures on the movement of citizens.

During the Covid-19 crisis, a series of active labour market measures have been implemented. Overall, the measures have covered 4.8 million people, or 48% of the country's population. In May 2020 the Ministry of Labour and Social Protection approved an action plan totalling AZN 3.5 billion (approximately USD 2 billion).

In September 2020 the President of the Republic of Azerbaijan signed a decree to establish a new management framework for economic policy and reforms in order to reflect the country's national development priorities in the post-pandemic period.

The Education Quality Assurance Agency (EQAA) was established in December 2019 by reorganising the former Accreditation and Notification Department of the Ministry of Education into a new public legal entity. The main duties of the EQAA are to manage the accreditation of education institutions, the recognition of foreign credentials, and the recognition and validation of

non-formal and informal learning, and to provide advice and methodological support for the development of internal quality assurance systems in education institutions. In August 2020 the government established a fund for the development of VET.

1. KEY DEMOGRAPHIC AND ECONOMIC CHARACTERISTICS

The Republic of Azerbaijan includes Nakhchivan Autonomous Republic (NAR), 63 administrative regions, 78 towns, 261 settlements and 4 248 rural settlements. At the beginning of 2020 the population of Azerbaijan was roughly 10 million. The total population of NAR accounted for almost 460 000. The population of Baku, the capital, reached 2.3 million. In the period 2006–2018 the annual population growth rate on average was about 1.3%, one of the highest in Europe. Roughly 52.8% of the population live in urban areas and 47.2% in rural areas. Between 2000 and 2017 the urban population increased by 26.6% and the rural population rose by only 17.5%, indicating accelerated urbanisation processes in the country. However, the process is not uniform. Absheron and Baku are predominantly urban, while most of the other economic regions are still mainly rural¹.

The country has a young population. At the end of 2019, 19.8% of the total population was 15 to 24 years of age. The high proportion of youth in the population's overall structure is reflected in an increase in the share of young people in the working-age population, and this trend will continue for some years. In the period 2017–2025, 125 200 people will enter the labour market every year, which is almost 2.5 times higher than the number of jobs created annually².

Azerbaijan continues to host many internally displaced persons (IDPs) as a result of the ongoing conflict with Armenia over Nagorno-Karabakh (now 30 years in length). According to the Internal Displacement Monitoring Centre, there were 344 000 IDPs at the end of 2018³. The government continues to dedicate substantial resources and attention to improving the situation of IDPs. A new IDP policy was introduced in 2017. The State Migration Service is a central executive body with the status of a law enforcement body, which implements the state policy in the field of migration⁴. Net migration in 2019 was 0.4%, amounting to 200 000 arrivals of foreigners requesting permanent residence.

The recent military confrontation between Armenia and Azerbaijan was the most severe escalation of the conflict in the last 25 years. The war resulted in hundreds of people killed and thousands wounded, including many civilians. In six weeks, the hostilities caused severe damage to residential buildings and vital civilian infrastructure, including schools, hospitals, roads and electricity networks, and created long-lasting humanitarian consequences. The clashes also caused a significant displacement of civilian population as a result of heavy shelling⁵.

Supported by stable oil production and a modest acceleration in domestic demand, real gross domestic product (GDP) grew by 2.2% in 2019. The hydrocarbons sector overall posted a growth of 1.1% as a result of higher exports of natural gas. The non-energy economy grew by 1.8%, reflecting

¹ Data available from State Statistical Committee at <https://www.stat.gov.az/source/demography/?lang=en>, accessed 19 August 2020

² <https://www.azernews.az/nation/124292.html>

³ <http://www.internal-displacement.org/sites/default/files/2018-05/GRID%202018%20-%20Figure%20Analysis%20-%20AZERBAIJAN.pdf>

⁴ [Dövlət Miqrasiya Xidməti \(migration.gov.az\)](https://www.migration.gov.az)

⁵ https://ec.europa.eu/commission/presscorner/detail/de/ip_20_2161, accessed November 2020

greater dynamism in most economic sectors⁶. As a result of Covid-19, however, the economy started to shrink in 2020. In July, GDP fell by an estimated 3.4% year-on-year, compared with 7.4% year-on-year in June, bringing growth in the year to July to -2.8%. Daily oil production increased by 1% in July compared with June, but hydrocarbons value-added still declined by almost 17% year-on-year. This brought the contraction in energy output in the first seven months of 2020 to 4.5%, driven by a 15% decline in daily oil production in compliance with OPEC+ quotas. In contrast, non-energy output registered positive growth for the first time since February, growing at 2.4% year-on-year in July⁷.

Azerbaijan is an important energy partner for the EU and plays a pivotal role in bringing Caspian energy resources to the EU market⁸. The hydrocarbons sector accounts for roughly 41% of GDP, 92% of exports and 65% of fiscal revenues. Recent country assessments emphasise the importance of economic inclusiveness and sharing Azerbaijan's exhaustible hydrocarbon wealth with future generations. Related policy suggestions include: promoting inclusive, diversified and private sector-led growth, driven by non-oil industries; strengthening public-sector efficiency by fostering public financial management; and prioritising infrastructure and human capital investments for a diversified, more competitive economy⁹.

The economic potential of SMEs in Azerbaijan remains largely untapped. In 2018, SMEs generated 13.4% of value-added and 42.9% of total employment, compared with 60% of value-added and 60–70% of employment in OECD countries. Regarding the non-oil economy of Azerbaijan, SMEs generated 23.5% of value-added and 45% of jobs¹⁰.

The Covid-19 pandemic and oil price slump will result in an economic contraction in 2020. Azerbaijan's economy is expected to shrink by 2.6%, according to the World Bank's report for June entitled 'Global Economic Prospects: Europe and Central Asia'. The report recommends that policy priorities should include addressing macroeconomic management challenges and financial sector fragilities while also protecting the poor¹¹.

For the first eight months of 2020, Azerbaijan's GDP amounted to AZN 40 billion, which was 2.8% lower than for the same period in 2019 based on comparable prices, according to the State Statistical Committee. In real prices, however, the country's GDP in the period decreased by 10.1%.

The government's primary goal before the Covid-19 pandemic was to speed up economic diversification, maintain rapid growth in the non-oil sector regardless of the level of oil revenues, increase competitiveness and expand export opportunities. The development concept 'Azerbaijan 2020: A look into the future' (2012) underlines the country's aspiration to become a knowledge-based

⁶ World Bank, The World Bank in Azerbaijan: Country Snapshot, April 2019: <http://pubdocs.worldbank.org/en/225491554988621449/Azerbaijan-Snapshot-Apr2019.pdf>

⁷ World Bank Group, Azerbaijan Monthly Economic Update – September 2020 available at: <http://pubdocs.worldbank.org/en/747701600678613264/AZ-MEU-September-2020.pdf>,

⁸ Facts and Figures about EU–Azerbaijan relationship, Factsheet, available at: https://eeas.europa.eu/sites/eeas/files/eap_factsheet_azerbaijan_eng_web.pdf, accessed March 2020

⁹ IMF, Azerbaijan Country Report No. 19/301, September 2019, www.imf.org

¹⁰ OECD et al. (2020), SME Policy Index: Eastern Partner Countries 2020: Assessing the Implementation of the Small Business Act for Europe, SME Policy Index, European Union, Brussels/OECD Publishing, Paris, <https://doi.org/10.1787/8b45614b-en>

¹¹ <http://pubdocs.worldbank.org/en/825681588788164258/Global-Economic-Prospects-June-2020-Analysis-ECA.pdf>

economy, increase its competitiveness and diversify its economic structure. Against the backdrop of existing and emerging externalities, Azerbaijan has 12 strategic roadmaps, which were adopted by presidential decree in 2016. The roadmaps outline policy measures that focus on rebalancing the economy by supporting new high-tech sectors.

On 30 January 2020 the Cabinet of Ministers issued an action plan to prevent the spread of Covid-19 in the country. On 27 February 2020 the government set up a task force of senior officials from the relevant authorities to coordinate measures taken in response to the pandemic. On 19 March 2020 the President of the Republic of Azerbaijan signed a decree to establish the Special Coronavirus Response Fund, which received roughly USD 12 million from the President's Contingency Fund.

In September 2020 the President of the Republic of Azerbaijan signed a decree to establish a new management framework for economic policy and reforms. Decree No. 995 'On the establishment of the Financial Stability Council of the Republic of Azerbaijan', dated 15 July 2016, was abolished and the new September decree paved the way for the new Economic Council. The new structure is being created as a basis for the strategic management of economic policy, reflecting the national development priorities of the country in the post-pandemic period. The Economic Council consists of two presidential aides, two assistants to the First Vice-President, the Ministers for Economy and Finance, the Minister for Labour and Social Protection of the Population (MLSP), the chairman of the Central Bank, and the executive director of the State Oil Fund.

Digital transformation, which has been an integral part of the country's economic and growth policy since 2016, has proved particularly important during the Covid-19 lockdown. In lockdown, various centralised portals have facilitated the work and outreach of different institutions. For example, permits to operate under a special quarantine regime are integrated into the e-government portal myGov¹². The portal enables citizens to view the status of permits in the section 'System for obtaining and monitoring permits during the implementation of the special quarantine regime'. The portal also offers a variety of online services, such as obtaining personal documents by citizens, transmission of data to other institutions, and access to electronic services provided by government agencies. In addition, a specialised digital e-services platform has been introduced to provide citizens with a one-stop shop for all e-services during the pandemic¹³. The digital e-service platform also provides services in the education sector, such as e-books, e-lessons and electronic preparatory tests for different subjects.

Azerbaijan is proactively reforming its business environment. The government's efforts are reflected in the 2020 edition of the World Bank's Doing Business report, which ranks Azerbaijan 34th out of 190 economies with an overall score of 76.7 (Azerbaijan ranked 65th in 2017 and 57th in 2018). The World Economic Forum's Global Competitiveness Report 2019 ranks Azerbaijan's economy 58th out of 141 economies worldwide, up 11 spots since 2018¹⁴.

¹² <https://my.gov.az/> is an electronic government portal for citizens and is part of the policy measures for the introduction of proactive governance. The platform, which is implemented by the State Agency for Public Service and Social Innovations under the President of the Republic of Azerbaijan, is one of the key projects in 'Azerbaijan 2020: A look into the future'.

¹³ <https://evdeqal.az/index/>

¹⁴ World Economic Forum, The Global Competitiveness Report 2019:
http://www3.weforum.org/docs/WEF_TheGlobalCompetitivenessReport2019.pdf

In May 2020 the Central Bank of Azerbaijan and the European Bank for Reconstruction and Development concluded a swap agreement for a total of USD 200 million in order to increase access to financial resources for the real economy during the Covid-19 pandemic. It is estimated that USD 50 million (AZN 85 million) will be channelled this year to local firms faced with temporary difficulties, including smaller viable enterprises¹⁵.

In mid-November 2020 the European Commission announced an additional 3 million euro in humanitarian support to ensure critical assistance to the civilians most affected by the conflict in and around Nagorno-Karabakh. The funding comes on top of 900 000 euro allocated since early October 2020 when hostilities broke out¹⁶.

2. EDUCATION AND TRAINING

2.1 Trends and challenges

Azerbaijan's public expenditure on education in 2019 was 2.7% of GDP. Overall, this figure is much lower than the average of 4.5% in Eastern European countries and the average for higher middle-income countries. However, there was a notable increase in the 2019 budget allocation for education (up almost 13% compared with 2018), which confirms the government's ongoing commitment to improving the country's human capital. In general, VET expenditure as a share of total education expenditure is low and has decreased in the past five years, falling from 2.1% to 1.4%. The objective is to reverse this trend. In 2019 a total of AZN 39.6 million was allocated to initial VET, which is AZN 11.7 million more than in 2018.

Azerbaijan has moderate levels of educational attainment among its adult population. In 2019 the majority of adults (aged 25–64) had a medium-level education (76.4%), while 16.6% had completed higher education and 7.1% had primary education or lower.

According to the Law on Education (2009), the education system has the following levels: pre-school education; general education, including primary, general secondary and complete secondary education; vocational education, including primary vocational, technical vocational and higher technical education; and specialised secondary and higher education, including bachelor's, master's and doctoral degrees.

The total number of students in the country has been increasing, reaching 2.033 million in the 2019–2020 academic year. Most of these (1.61 million) were enrolled in the general education system. There were 164 000 vocational education students and 56 000 specialised secondary education students. Also, the number of students in higher education was 196 000, reflecting an increase of 49 000 since 2010¹⁷. The country has a relatively small share of students in upper secondary VET at International Standard Classification of Education (ISCED) level 3: 14.0% in 2019. The gross

¹⁵ <https://www.ebrd.com/news/2020/ebd-and-azerbaijans-central-bank-promote-manat-lending-to-coronavirushit-firms.html>

¹⁶ EU Aid for Nagorno-Karabakh (eupoliticalreport.eu), available at: <https://www.eupoliticalreport.eu/eu-aid-for-nagorno-karabakh/>, accessed 24 November 2020

¹⁷ State Statistical Committee of Azerbaijan, last updated 21 October 2020, available at: <https://www.stat.gov.az/source/education/?lang=en>, accessed 19 November 2020, section on main indicators.

enrolment rate in tertiary education is also relatively low (27.24% in 2017)¹⁸, especially when compared with the average of 33.4% for higher middle-income countries.

In recent years, essential reforms have been initiated to improve the quality of education. New regulations have been adopted to improve the school-based assessment system in both general and vocational education. Specific measures have been undertaken within the framework of the National Strategy for the Development of Education (2013) at all education levels¹⁹. Azerbaijan participated in the Programme for International Student Assessment (PISA) 2018 survey, although the results are not yet known. The findings should provide some indication of whether the reforms have led to better learning outcomes.

EU support to education in Azerbaijan through the Annual Action Programme (19 million euro), which comes to an end in 2020, has provided significant investment for different projects in the VET sector, including projects to upgrade standards in higher education and improve the regulatory and policy framework for VET. The grants programme for VET schools has supported several of the country's regions (Ganja, Jalal-Abad, Barda, Gakh, Gabala and Ismayilli) in order to enhance the impact of VET and its relevance to the private sector.

Future EU–Azerbaijan cooperation will focus on modernising the education system from pre-school to tertiary education²⁰. The EU's Annual Action Programme for 2018 includes the Education for Employment programme, which was signed in December 2019 for 14.4 million euro. The Education for Employment programme seeks to develop the legal and institutional basis for all levels of education according to the requirements of an outcomes-based qualifications system for lifelong learning; design a credit system and improve quality assurance in VET; modernise selected VET institutions to deliver competency-based training; and enhance the system for skills needs/anticipation and develop mechanisms to assess competences in order to minimise skills mismatch. The implementation of the programme started in early 2020 and will be completed by the end of 2024²¹.

2.2 Education and training policy and institutional setting

'Azerbaijan 2020: A look into the future' (2012) and the National Strategy for the Development of Education (2013) set out the state policy for achieving higher levels of human capital development, increasing the quality of the education system and strengthening the competitiveness of knowledge-based industries. The expected diversification of the economy requires a modernised VET system, and the Ministry of Education (MoE) has declared VET to be a medium-term priority for the period 2016–2020. The strategic roadmap for the development of vocational education and training, which is one of 12 strategic roadmaps for the national economy and main economic sectors (2016), sets out the country's short, medium and long-term visions for VET development. In parallel with the

¹⁸ <http://uis.unesco.org/country/AZ>

¹⁹ 2018 Annual Monitoring Report for the implementation of the National Education Strategy is available at: <https://edu.gov.az/upload/file/HESABAT/2018/TN-hesabat-2018-eng.pdf>

²⁰ Recommendation No. 1/2018 of the EU–Azerbaijan Cooperation Council of 28 September 2018 on the EU-Azerbaijan Partnership Priorities: https://eeas.europa.eu/sites/eeas/files/eu4business_azerbaijan_en.pdf

²¹ Single Support Framework for EU support to Azerbaijan 2018–2020, Action Document available at: https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/c_2018_8177_f1_annex_en_v1_p1_1002069.pdf, accessed 28 September 2020

implementation of the roadmaps, new monitoring and evaluation mechanisms have started to emerge. Each of the roadmaps contains a set of targets. For example, one of the targets in the strategic roadmap for VET is to increase participation in VET programmes by 50% by 2020²².

One of the most important achievements in the education sector in 2019–2020 is a fundamental improvement in legislative and institutional development. At the initiative of the MoE, a package of proposals with more than 62 amendments to the Law on Education has been adopted. The new legislation aims to create a favourable framework for a more flexible implementation of educational reforms and bring the education system into line with international experience. The focus should now turn to implementation of the envisaged reforms.

The Decree on the National Qualifications Framework for Lifelong Learning of the Republic of Azerbaijan (AzQF) was adopted in July 2018. The new AzQF supports Azerbaijan's convergence with the European Higher Education Area and is aligned with the European Qualifications Framework for lifelong learning. It covers qualifications for general education, initial vocational education and training, specialised secondary education (sub-bachelor education), higher education, and further education and adult learning. Qualifications can be obtained through formal, non-formal and informal learning.

The governance of the AzQF is under development. Two recently established bodies, which will play an essential role in the further implementation of the AzQF, are the Lifelong Learning Unit in the Institute of Education, and the Education Quality Assurance Agency (EQAA). The Institute of Education participates in the development of educational standards and curricula, and addresses curriculum and assessment issues, while the Lifelong Learning Unit will act as a focal point for the AzQF. The EQAA was established in December 2019 by reorganising the former Accreditation and Notification Department of the Ministry of Education into a new public legal entity. The main duties of the EQAA are to manage the accreditation of education institutions, the recognition of foreign credentials, and the recognition and validation of non-formal and informal learning, and to provide advice and methodological support for the development of internal quality assurance systems in education institutions.

In April 2018, for the first time in the country's history, a Law on Vocational Education was adopted. The law defines the principles of state policy in the field of vocational education and provides an organisational, legal and economic basis for the VET system. To implement the VET reforms envisaged in 2019 and 2020, the government has worked actively on the development of secondary legislation to cover different aspects of VET, such as the development of occupational standards, the rules of admission to vocational education institutions, the assessment of students and the transition between different levels of study.

The reform agenda also affects VET schools. In February 2019 the Cabinet of Ministers approved a new statute on VET institutions that transforms vocational institutions into public legal entities and allows them greater freedom in providing services, including financial management. In order to increase participation and ensure access to education and training, the President signed a decree in February 2019 to increase scholarships for higher, secondary and vocational education students.

²² For more information on targets see the Strategic Roadmap for VET, page 16, available at: <https://monitoring.az/assets/upload/files/6381dda5389fb17755bbb732a9c7d708.pdf>.

Measures have also been taken to improve the quality of teaching in VET and the salaries of teachers have been doubled.²³

A fund for the development of VET was established in August 2020. The fund's mandate includes providing financial assistance for the development of vocational education, channelling income from vocational education to strengthen the material and technical base of vocational education institutions, participating in the formation and implementation of state policy on the development of vocational education, and taking steps to improve the material and social well-being of teachers who work in vocational education institutions and to reward them based on relevant criteria.

Both the VET roadmap and the Law on Vocational Education establish the integration of employers into the VET system as one of the strategic targets, and identify partnership with employers as one of the essential prerequisites for modernising the country's VET system. Some progress has been made in establishing better cooperation between the education system and the business sector.

The MoE has signed a Memorandum of Collaboration with several large enterprises (e.g. Azersun and Gilan Holding). The State Agency for Vocational Education has initiated more than 100 cooperation agreements between agencies, schools and the private sector, although they are not binding. The cooperation is focused on, for example, training in companies, the exchange of staff, and training opportunities for teachers. In addition, the National Confederation of Entrepreneurs is implementing the project Cooperation in the Field of Vocational Education with funding from the German Federal Ministry for Economic Cooperation and Development. The project aims to strengthen cooperation between entrepreneurs and vocational education institutions in order to increase the employment of young people and support the training of staff in line with the needs of the labour market.

In August 2020 the government approved rules for carrying out examinations and issuing certificates that confirm the professional qualification of citizens based on an assessment and recognition of knowledge, skills, competence and experience acquired through non-formal and informal forms of vocational education.

In the area of general education, a variety of reform-oriented projects continue to be implemented. The main goal of the STEAM project, launched with the support of the Heydar Aliyev Foundation at the beginning of the 2019–2020 academic year, is to increase cognitive abilities by enabling students in secondary schools to use modern ICT equipment and develop 21st-century skills, specifically creativity, critical thinking, cooperation and various programming languages²⁴.

The Introduction to Cyber Security project, which is organised by the Institute of Education, is carried out in higher education institutions with support from the Ministry of Education. Implementation began in December 2019. The training is designed to help learners to develop a deeper understanding of security technology and methods used to safeguard information systems. The objective of the project

²³ For more information on targets see the Strategic Roadmap for VET, page 16, available at: <https://monitoring.az/assets/upload/files/6381dda5389fb17755bbb732a9c7d708.pdf>.

²⁴ <http://www.steam.edu.az/>

is to ensure that students develop a lifelong passion and appreciation for cybersecurity. A special cybersecurity lab has been set up within the framework of the project²⁵.

The new State Programme on Increasing the International Competitiveness of the Higher Education System of the Republic of Azerbaijan for 2019–2023 aims to ensure the sustainable development of human capital in the country. The main purpose of the programme is to develop a new generation of professionals able to use the latest scientific and innovative educational technology, and to modernise the content by introducing dual diploma programmes. Although the programme focuses primarily on higher education, vocational education will benefit from the supply of highly trained teachers and engineers²⁶.

In September 2019 the MoE finalised the draft Law on Higher Education and submitted it to Parliament for adoption.

Azerbaijan has adopted a robust strategy to adapt education in the face of the Covid-19 disruption and minimise the pandemic's impact on students. All educational institutions in Azerbaijan were temporarily closed on 2 March 2020, and they began to reopen on 15 September with a phased return of students.

TV classes have been broadcast on national TV channels. Recorded TV classes are also available online on a learning platform of the Ministry of Education. In addition to TV classes, there has been weekly broadcasting of interactive sessions. Also, support has been provided to teachers and educational authorities to launch online classes for different student groups and deliver training for teachers.

The Ministry of Education launched the 'Stay at home, create at home' campaign, which is a virtual competition to motivate students and promote creativity. There have also been various online extracurricular activities, such as an online chess tournament, online art competitions (in painting, singing, and playing musical instruments), and a 'Scientist of the Day' series put on in cooperation with NASA.

In the first week of September 2020 new curricula were approved by the Ministry of Education in line with the Resolution of the Cabinet of Ministers on the organisation of teaching and learning in educational institutions during the Covid-19 quarantine. In adherence to the adjusted curricula, the activities of public education institutions in Baku, Sumgayit and Absheron districts were organised online twice a week, and in other cities and regions three times a week. In-person classes were scheduled according to the epidemiological situation and the density of students in each school²⁷.

Later in October, schools closed again as a result of the increase in Covid-19 cases across the country.

²⁵ <https://edu.gov.az/en/page/9/18342>

²⁶ <http://www.twining4he.edu.az/>

²⁷ European Training Foundation, *Mapping COVID-19: The Overview*, July 2020: www.etf.europa.eu/en/news-and-events/news/mapping-covid-19-overview

3. LABOUR MARKET AND EMPLOYMENT

3.1 Trends and challenges

In August 2020 the State Statistics Committee (SCS) reported that the unemployment rate in Azerbaijan had reached 6.6%. The number of unemployed people amounted to 348 600, which is 93 500 or 36.6% more than on 1 April 2020, that is, before the beginning of the restrictive measures and lockdown owing to Covid-19.

According to the action plan approved by the Cabinet of Ministers in April 2020 in relation to the impact of the Covid-19 pandemic on the country's economy, the government's plan was to help 200 000 people. Unemployed people received a minimum monthly subsistence payment of AZN 190. The Ministry of Labour and Social Protection of the Population also registered unemployed people for subsequent lump sum payments. During the lockdown, unemployment registration has exclusively been carried out online (at www.e-sosial.az), because the employment centres are closed.

The State Social Protection Fund under the ministry paid social security benefits to more than 2.3 million people in May 2020. In addition, 350 000 family members in 83 000 families received targeted social assistance. The number of people who received social services in May 2020 was 6.8% or 148 000 more than in May 2019, mainly as a result of the Covid-19 crisis²⁸. In the case of unemployment insurance benefits, the number of unemployed people registered with the State Employment Agency at the end of 2019 was 81 272, while the average monthly amount paid in December 2019 was AZN 276. Calculated based on ILO methodology, Azerbaijan reported 255 000 unemployed at the beginning of 2020, while in the second half of the year, the number reached 337 000.

Analyses of the data before the Covid-19 pandemic indicate that Azerbaijan has a relatively high economic activity rate, a low unemployment rate and a high level of flexibility. The activity rate reached 70.7% in 2019 (up from 66.7% in 2010) and there was a gap between the rates for men and women (78.3% and 64.1%, respectively). The employment rate was 67.3% in 2019, much higher for men (75.2%) than for women (60.4%). The overall unemployment rate was low, standing at 4.8% in 2019, down from 5.6% in 2010. It was higher for women (5.7%) than for men (4.0%).

The negative features of the country's labour market include relatively high youth unemployment, a massive shift towards low-skilled occupations, a high percentage of self-employed people, and higher growth in wages than in labour productivity.

The youth unemployment rate fell from 14.9% in 2010 to 12.4% in 2019, but it remains 2.6 times higher than the total unemployment rate and it is expected to deteriorate because of the Covid-19 crisis and the Nagorno-Karabakh military conflict. Youth unemployment is higher among females than males (14.2% and 10.9%, respectively, in 2019), and young women are more likely than men to be affected by vulnerable and marginal work. The high unemployment rate among youth relative to the general unemployment rate can be explained by limited job opportunities, a lack of work experience and relatively high reservation wages. Overall, based on the 2019 results of the Labour Force Survey

²⁸ Source: Ministry of Labour and Social Protection of Population: <http://sosial.gov.az> Accessed 10 September 2020

(on the economic activity of the population), roughly 1.37 million young people aged 15–29 years were economically active, of which about 1.25 million were employed. During 2019, 24 000 young people obtained a job through the offices of the State Employment Service, while 23 400 registered as unemployed²⁹.

The services sector is the largest source of employment, providing jobs for almost half of the workforce (49.3% in 2019). The agricultural sector accounts for the smallest share of GDP (5.7%), but provides employment for 36% of the workforce, suggesting subsistence-type farming. It also generates about two-fifths of household income in rural areas. The industrial sector accounts for the lowest share of employment (14.7% in 2019), but the highest share of GDP (48.7%).

As a result of recent market-oriented reforms and structural changes, the share of people employed in the private sector has been increasing. An essential characteristic of the employment structure is a high level of self-employment, which has risen noticeably since 2000 and reached 66.6% in 2019. Self-employment has increased across all sectors, particularly in agriculture and construction. Also, the proportion of informality is high, mainly in agriculture but also in other sectors such as transport, manufacturing, trade and construction. In the Employment Strategy 2019–2030, one of the key targets is to increase the proportion of the population formally employed in non-agriculture sectors to 80% by 2030 from a baseline of 48.1% in 2017. The incidence of vulnerable employment is also high, standing at 54.3% in 2019, down slightly from 57.6% in 2010.

Skills mismatch is becoming a growing concern: businesses report that an inadequately educated workforce is an obstacle to their business performance. For the fourth successive year, Azerbaijan's EU Business Climate Survey³⁰ noted in 2019 that the shortage of skilled workers is an increasingly significant bottleneck for EU businesses active in Azerbaijan. The number of respondents grading the availability of skilled workers as satisfactory declined from 31% in 2018 to 21% in 2019. Many EU companies remain critical of the quality of academic education and vocational training: 45% deem vocational training to be unsatisfactory. The most frequently cited concerns are the lack of practical and modern methods and the low level of digitalisation in the education system³¹. Employers seek not only technical, job-specific skills but also cognitive skills (such as literacy, numeracy and problem-solving) and adequate socio-behavioural soft skills (such as communication, teamwork, leadership and the ability to work independently). The development of these skills represents the main challenge for the education system in Azerbaijan and is critical to addressing the skills gap.

3.2 Employment policy and institutional setting

The key strategic documents, such as the development concept 'Azerbaijan 2020: A look into the future' and the strategic roadmaps for the national economy and main economic sectors, set targets such as improving the quality of the workforce, developing highly qualified staff based on economic

²⁹ State Statistical Committee of Azerbaijan, Youth of Azerbaijan, Statistical Yearbook 2020, available at: <https://www.stat.gov.az/source/demography/?lang=en>

³⁰ Annual business climate survey reflecting the views of EU companies operating in Azerbaijan. The survey is carried out by the German–Azerbaijani Chamber of Commerce (AHK Azerbaijan), with financial and technical support from the EU Delegation to Azerbaijan. In 2019, 130 completed responses were selected to represent a valid and statistically significant sample. Respondents came from 16 sectors, while 20 in-person interviews were organised with EU businesses representing 10 sectors.

³¹ EU Business Climate Report, Azerbaijan 2019, June 2019: https://eeas.europa.eu/sites/eeas/files/eu_business_climate_report_2019.pdf

diversification, and improving the institutional infrastructure in order to strengthen dynamic coordination between demand and supply in the labour market.

The Employment Strategy for 2017–2030, which is aligned with the UN Global Initiative on Decent Jobs for Youth, aims to reduce the number of NEETs, lower unemployment rates, increase employment in SMEs and expand youth opportunities in VET. In February 2020 a new Action Plan 2019–2025 for the implementation of the Employment Strategy was approved³². The plan focuses on an expansion of the scope and scale of training measures, the validation of non-formal and informal learning, the improvement of the monitoring and forecasting system for the labour market, the development of skills for the workforce, and the improvement of labour standards³³. The state programme Azerbaijani Youth 2016–2021³⁴, which focuses on youth education and employment, covers skills development, career guidance and entrepreneurship. However, the programme is a framework document that provides neither concrete activities nor indicators.

The Law on Employment (2018) introduces an economic and organisational basis for state policy in the field of employment promotion and establishes the legal basis for the provision of active labour market policies (ALMPs). The MLSPP is actively working on the development of secondary legislation to ensure effective implementation of the new law.

The MLSPP is responsible for employment and social policy issues. The State Employment Service (SES), which falls under the MLSPP, provides employment services. The SES has a central office in Baku, 83 regional employment centres and three vocational training centres (in Baku, Goychay and Nakhchivan). In 2019 the MLSPP established the new Agency for Sustainable and Operational Social Security (DOST) as part of its operational structure. The first DOST centre was opened in Baku and there are plans to create an additional 31 DOST centres by 2025. DOST centres are expected to provide a wide range of services, including employment services.

In October 2019 the Cabinet of Ministers adopted a decision to establish the State Foundation on Labour Protection and approve its charter. The purpose of the foundation, which is managed by the MLSPP, is to provide financial and technical support for labour protection measures.

In May 2020 the MLSPP announced plans to establish vocational training centres in Guba, Barda and Shaki regions in the near future. The aim is to build a modern infrastructure for the organisation of training courses for unemployed and job-seeking citizens in these regions in accordance with the requirements of the labour market. The centres will organise vocational courses for those who have difficulty choosing a suitable job owing to a lack of profession or specialisation or who need to change their career because of a lack of jobs in the labour market, which is very pronounced issue amid the Covid-19 crisis. Graduates will obtain vocational certificates and employment in new professions. At present, the ministry has vocational training centres in Baku, Goychay and Ganja.

³² More information on the action plan for employment is available at: <http://sosial.gov.az/3197>.

³³ The Employment Strategy is available at: <https://static.president.az/media/W1siZiIsIjIwMTg0MTAvMzAvNzBqcG95dmVhMV9TVFJBVEVHX1IBLnBkZiJdXQ?sha=73a80919aee9f9a5>, accessed 28 September 2020.

³⁴ The programme is available at: http://www.sdf.gov.az/development/uploads/dovlet_proqramlarinda_ishtirak/azerbaycan_gencliyi_2017-2021_serencam_5.4_5.5_5.10.pdf, accessed 28 September 2020.

Since 2018 ALMPs have been financed from the Unemployment Insurance Fund. The measures include job search assistance; career guidance and counselling services; organisation of job fairs and labour exchanges; provision of vocational training, retraining and skills development courses; paid public works; self-employment and small business advisory services; and support to entrepreneurship and start-ups. In 2019 more than 80 000 individuals had official unemployment status, roughly four times greater than the number in 2018. The number of people who obtained a job through the SES reached 103 028 in 2019 compared to only 51 774 in 2018³⁵. Many services are available online through portals such as the e-social portal established in September 2018³⁶.

The 2020 budget for the Unemployment Insurance Fund was approved in November 2019³⁷. The sum of AZN 5 million (USD 2.9 million) was allocated to vocational training and the organisation of additional training, while AZN 2 million (USD 1.1 million) went to the provision of consulting services in the field of vocational education³⁸.

In 2018, 7 267 unemployed individuals took part in the self-employment programme, including 1 174 young people. In June 2019 the MLSP, SES and United Nations Development Programme announced the launch of a self-employment programme for people with disabilities. The aim is to support 500 unemployed individuals with disabilities who have the desire and vision to start their own business. The programme will provide free training in entrepreneurship, advice and financial support in the form of equipment and materials³⁹.

In April 2019 the SES and the Youth Fund of the MLSP launched a new Youth Employment Programme. The new programme aims to assist young people with successful career development (finding a job), create additional jobs (especially in the regions) and increase competition in the labour market. Vocational and higher education graduates under the age of 29 will be able to participate in the programme. They will be awarded a minimum one-year employment contract and receive funding from the Youth Fund for a set period of time. They will also have an opportunity to participate in career planning activities and vocational training organised by the Youth Fund and the SES. The programme will give preference to young people from socially vulnerable groups (people with disabilities, IDPs, etc.), those living in the regions and those who have no work experience⁴⁰.

³⁵ <https://www.stat.gov.az/source/labour/?lang=en>

³⁶ The regulations for the e-social portal³⁶ were approved by Decree No. 534, dated 5 April 2019, of the President of the Republic of Azerbaijan on approval of the 'Regulations of the Centralised Electronic Information System of the Ministry of Labour and Social Protection of the Population of the Republic of Azerbaijan' and the 'Regulations of the e-social Internet Portal'.

³⁷ Information on the Law on the Budget of the Unemployment Insurance Fund, which came into force on 1 January 2020, is available at: [1698-VQ - İşsizlikdən sığorta fondunun 2020-ci il büdcəsi haqqında \(e-qanun.az\)](https://www.az.undp.org/content/azerbaijan/en/home/stories/UNDP-AZE-Self-Employment-Programme-for-People-with-disabilities.html)

³⁸ AZN 5 million (USD 2.9 million) was allocated for insurance payments; AZN 500 000 (USD 294 723) for the organisation of labour fairs and labour stock exchanges; AZN 2 million (USD 1.1 million) for the organisation of paid public works; AZN 63.7 million (USD 37.5 million) for the organisation of events for self-employment; AZN 3 million (USD 1.7 million) for the financing of a specific part of the salary of insured people for a certain period; AZN 2 million (USD 1.1 million) for the preparation of professional standards; and AZN 43 million (USD 25.3 million) for the costs of the fund's office and its local structures as defined by the relevant executive authorities.

³⁹ <https://www.az.undp.org/content/azerbaijan/en/home/stories/UNDP-AZE-Self-Employment-Programme-for-People-with-disabilities.html>, accessed 28 September 2020

⁴⁰ More information on youth policy in Azerbaijan is available at: <https://www.mys.gov.az/en/youth-policy>.

In March 2020 the World Bank approved a loan of USD 100 million to help finance the Azerbaijan Employment Support Project. The objective is to help the most vulnerable among Azerbaijan's population to obtain employment and earn income by promoting self-employment opportunities in labour markets where job opportunities are currently scarce. The project will focus specifically on women, youth, people with low levels of education, and internally displaced persons in the country.

The VET roadmap sets out the tasks of identifying strategic employment areas and forecasting labour market demand. There are also new admission rules for vocational education institutions, which provide for the establishment of admission plans that take into account labour market needs and the direction of economic development. In July 2019 the National Observatory on Labour Market and Social Protection Affairs was established under the MLSPP⁴¹. The observatory will collect, analyse and publish information on the supply of and demand for occupations and skills, support evidence-based policymaking, and make an essential contribution to adapting education and training provision to the needs of the labour market. An EU project was launched in February 2020 to strengthen the capacity of the Ministry of Labour and Social Protection of the Population in the area of skills anticipation and workforce planning. The project also supports the establishment of the National Observatory.

The government has assigned the task of strengthening the development of SMEs' skills to the Agency for the Development of Small and Medium-sized Enterprises. The agency also seeks to enhance the coordination of various stakeholders involved in the collection and analysis of skills intelligence, including the relevant ministries, business associations, business incubators, non-governmental organisations, consulting companies and international organisations. The agency is gradually establishing a systematic approach to the analysis of SMEs' training needs, which will provide a basis for the development of training programmes, in part through training needs analysis surveys.

For further information, please contact Margareta Nikolovska, European Training Foundation, email: Margareta.Nikolovska@etf.europa.eu.

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>

⁴¹ More information about the observatory under the MLSPP is available at: <http://sosial.gov.az/3282>

STATISTICAL ANNEX - AZERBAIJAN*

The 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⁾	9,054.3	9,649.3	9,939.8	10,023.3	
2	Relative size of youth population (age group 15–24 and age in the denominator 15–64, %) ^{(1) (c)}	28.6	23.5	20.6	19.8	
3	GDP growth rate (%)	4.8	1.0	1.5	2.2	
4	GDP by sector (%)	Agriculture added value	5.5	6.2	5.2	5.7
		Industry added value	60.0	44.9	52.3	48.7
		Services added value	28.2	40.7	35.3	37.4
5	Public expenditure on education (as % of GDP)	2.8	3.0	2.5	2.7	
6	Public expenditure on education (as % of total public expenditure)	10	9.0	8.7	9.0	
7	Adult literacy (%)	99.8 ^(e)	99.8	99.8 (2017)	M.D.	
8	Educational attainment of adult population (aged 25–64 or 15+) (%) ^{(2) (3) (4)}	Low	M.D.	7.5	7.1	7.1
		Medium	M.D.	76.2	76.4	76.4
		High	M.D.	16.3	16.6	16.6
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) (%)	M.D.	M.D.	84.6 ^(e)	M.D.	
11	Share of VET students in upper secondary education (ISCED level 3) (%)	13.2	13.5	14.5	14.0	
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 (%)	Total	M.D.	6.5 (2014)	M.D.	M.D.
		Male	M.D.	7.6 (2014)	M.D.	M.D.
		Female	M.D.	5.3 (2014)	M.D.	M.D.
14	Low achievement in reading, mathematics and science – PISA (%)	Reading	N.A.	N.A.	60.4 ⁽⁵⁾	M.D.
		Mathematics	N.A.	N.A.	50.7 ⁽⁵⁾	M.D.
		Science	N.A.	N.A.	57.8 ⁽⁵⁾	M.D.

	Indicator		2010	2015	2018	2019
15	Activity rate (aged 15+) (%)	Total	66.7	69.7	70.5	70.7
		Male	69.7	77.6	78.2	78.3
		Female	63.9	63.0	63.8	64.1
16	Inactivity rate (aged 15+) (%)	Total	33.3	30.3	29.5	29.3
		Male	30.3	22.4	21.8	21.7
		Female	36.1	37.0	36.2	35.9
17	Employment rate (aged 15+) (%)	Total	63.0	66.3	67.0	67.3
		Male	66.7	74.4	75.0	75.2
		Female	59.5	59.3	60.1	60.4
18	Employment rate by educational attainment (% aged 15+) ⁽³⁾	Low	M.D.	32.3	M.D.	31.7 ⁽⁶⁾ C
		Medium	M.D.	66.6	M.D.	66.0 C
		High	M.D.	74.8	M.D.	78.0 C
19	Employment by sector (%)	Agriculture	38.2	36.4	36.3	36.0
		Industry	13.7	14.0	14.6	14.7
		Services	48.1	49.6	49.1	49.3
20	Incidence of self-employment (%)		68.1	67.8	68.3	66.6
21	Incidence of vulnerable employment (%)		57.6	55.5	55.2	54.3
22	Unemployment rate (aged 15+) (%)	Total	5.6	5.0	4.9	4.8
		Male	4.4	4.1	4.1	4.0
		Female	6.9	5.9	5.8	5.7
23	Unemployment rate by educational attainment (aged 15+) (%) ⁽³⁾	Low	M.D.	9.4	10.2	9.7
		Medium	M.D.	4.6	4.6	4.6
		High	M.D.	4.7	4.1	4.0
24	Long-term unemployment rate (aged 15+) (%)		3.8	3.3	3.0	3.0
25	Youth unemployment rate (aged 15–24) (%)	Total	14.9	13.4	12.7	12.4
		Male	13.9	11.4	11.0	10.9
		Female	16.0	15.8	14.7	14.2
26	The proportion of people aged 15–24 not in	Total	M.D.	M.D.	M.D.	M.D.
		Male	M.D.	M.D.	M.D.	M.D.

Indicator		2010	2015	2018	2019
employment, education or training (NEETs) (%)	Female	M.D.	M.D.	M.D.	M.D.

* Some of the indicators have been recalculated by AZERSTAT using the Labour Force Survey.

Last update: September 2020

Sources:

Indicators 5, 6, 8, 11, 13, 15, 16, 17, 18 (for 2015), 19, 20, 21, 22, 23, 24, 25 – The State Statistical Committee of the Republic of Azerbaijan

Indicators 18 (for 2019) – ILOSTAT – LFS

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

Indicator 7, 10 – UNESCO Institute for Statistics

Indicator 14 – OECD PISA database

Notes:

(e) National estimation

(1) Mid-year estimations

(2) Values refer to the active population.

(3) Low: main and primary education; medium: secondary, vocational and specialised secondary education; high: higher education

(4) Age range 15+

(5) Results available for Baku only

(6) Low: ISCED-11 level 1 + ISCED-11 level 2

Legend:

C = ETF calculations

N.A. = Not Applicable

M.D. = Missing Data

ISCED, International Standard Classification of Education; PISA, Programme for International Student Assessment.

ANNEX: DEFINITIONS OF INDICATORS

	Description	Definition
1	Total population ('000)	The total population is estimated as the number of persons having their usual residence in a country on the 1st of January of the respective year. When information on the usually resident population is not available, countries may report legal or registered residents.
2	The relative size of the 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 (%)	The annual percentage growth rate of GDP at market prices based on constant local currency. Aggregates are based on constant 2010 US 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.
8	Educational attainment of the 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.

	Description	Definition
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 (LFS) 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) (%)	The 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) (%)	The 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 of 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 persons. The inactive population consists of all persons 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 persons who are classified as neither employed nor unemployed.
17	Employment rate (aged 15+) (%)	The employment rate is calculated by dividing the number of employed persons by the population of the same age group. 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.
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. 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. Educational levels refer to the highest educational level successfully completed. Three levels are considered: Low (ISCED level 0–2),

	Description	Definition
		Medium (ISCED level 3–4) and High (ISCED 1997 level 5–6, and ISCED 2011 level 5–8).
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 persons as a percentage of the labour force. The labour force is the total number of people who are employed or unemployed. Unemployed persons 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 persons as a percentage of the labour force. The labour force is the total number of people who are employed or unemployed. Unemployed persons 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 persons aged 15–24 by the total population of the same age group.
26	The 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 of participation in education and training.

LIST OF ACRONYMS

ASAN	Azerbaijani Service and Assessment Network
AZN	Azerbaijani manat (currency)
AzQF	Azerbaijan Qualifications Framework
GDP	Gross domestic product
IDMC	Internal Displacement Monitoring Centre
IDP	Internally displaced person
ILO	International Labour Organization
ISCED	International Standard Classification of Education
ISIC	International Standard Industrial Classification
MLSP	Ministry of Labour and Social Protection of the Population
MoE	Ministry of Education
NEET	Young person not in education, employment or training
PISA	Programme for International Student Assessment
SES	State Employment Service
SME	Small and medium-sized enterprise
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
VET	Vocational education and training

FOR FURTHER INFORMATION ABOUT
OUR ACTIVITIES PLEASE CONTACT:
COMMUNICATION DEPARTMENT
EUROPEAN TRAINING FOUNDATION
VIALE SETTIMIO SEVERO 65
I - 10133 TORINO
E: INFO@ETF.EUROPA.EU
T: +39 011 6302222
F: +39 011 6302200
WWW.ETF.EUROPA.EU