

BELARUS

EDUCATION, TRAINING AND EMPLOYMENT
DEVELOPMENTS 2017



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KEY EDUCATION, TRAINING AND EMPLOYMENT DEVELOPMENTS IN BELARUS

EU–Belarus cooperation has been evolving since February 2016 when the European Union (EU) lifted most of its sanctions against the country. EU financial assistance to Belarus, aiming at modernising the vocational education and training (VET) and employment systems, started in spring 2017. It includes a large technical assistance component and supplies, designed to strengthen learning environments in VET institutions. The project is not yet fully operational due to a long registration procedure of the foreign aid in Belarus.

Belarus is engaged in implementing a roadmap for reforms in higher education since it joined the Bologna Process in May 2015. Independent observers and NGOs have criticised the pace of the higher education reforms, which is likely to experience delays in its implementation. The Ministry of Education has decided to establish an Education Quality Agency in 2018, which will cover all levels of education: general, vocational and higher education. It is not yet known what the main functions of the Agency will be and which powers will be delegated to it from the Ministry of Education or other institutions.

Belarus continues to implement the State Programme on Education and Youth Policy, which is the guiding strategy document for the education sector for the period 2016-20. The adoption of a national qualifications framework (NQF) and decisions on the reform of the qualification system have been postponed and the implementation and review of pilot projects to be supported by the ongoing EU project are considered instrumental to shape the Belarusian qualifications framework and further reforms. It is likely that the new Education Quality Agency will play a role in governing and developing the NQF.

The economy started to stabilise in the first half of 2017 and grew modestly, ending a two-year contraction (-2.7 GDP growth in 2016). According to the International Monetary Fund's (IMF) pre-crisis growth was increasingly driven by unsustainable investment and domestic demand boom. In the future, Belarus needs to increase efficiency and productivity of the economy, which would require e.g. restructuring of state-owned enterprises (SOEs). While current policies have protected high employment in inefficient SOEs, their continuation is unsustainable from an economic perspective.

The official labour force survey (LFS) was published for the first time in February 2017, registering an employment rate of 66.7% and unemployment rate of 5.8% for 2016. The National Statistical Committee (BELSTAT) provided the ILO with latest labour market indicators based on LFS data, which will allow an international comparison of the Belarusian labour market performance.

In December 2016 Belarus adopted a new five-year programme of socio-economic development for 2016-20, which aims, amongst others, at increasing job-creation and emphasising the implementation of specific measures targeting young people to enhance the transition of the country to a knowledge economy. In spring 2017, the government decided to transfer the labour market information and skills anticipation function from the Ministry of Economy to the Ministry of Labour and Social Protection.

1. Key demographic and economic characteristics

At the beginning of 2016, Belarus's population was around 9.5 million, 77.6% of whom live in urban areas. The demographic profile of the country is characterised by a low birth rate and an ageing population. These demographic trends are likely to translate into new demands on the lifelong learning system and on employment policy.

Belarus is classified by the World Bank as an upper middle-income country with a gross domestic product (GDP) per capita that has slightly increased from USD 17,200 in 2011 to USD 18,000 in 2016.¹ After a decade of strong economic growth, Belarus has faced persistent macroeconomic turmoil since 2009. During most of the 2000s, a combination of favourable external factors and loose macroeconomic policies boosted economic growth, with annual growth rates averaging 9% for the period 2002-08. However, this strong growth was associated with increasing macroeconomic vulnerabilities and growing external imbalances, resulting in two crises, in 2009 and 2011. The second crisis led to the loss of control of the exchange rate and sharply accelerating inflation. Belarus's economy contracted by 3.9% in 2015 and by 2.6% in 2016. The economy started to stabilise in the first half of 2017 and grew modestly, ending a two-year long contraction. Real GDP grew 1.1% year-on-year in the first seven months of 2017. Belarus's dependence on Russia, with over 50% GDP exposure to the Russian economy, represents a high degree of vulnerability in terms of falling export demand, remittances and investment from Russia. The economy is also heavy dependent on the state, with a large proportion of enterprises remain state-owned and have yet to be restructured. In terms of the contribution to GDP by different sectors, agriculture declined from 9.4% (2011) to 7.9% (2016), industry declined from 40.9% (2011) to 36.1% (2016) while services increased from 50% (2011) to 56% (2016).

While the gradual reform approach has helped Belarus to avoid the social costs of economic restructuring, the challenge for the country is to make the transition from economic growth that is focused on resources and low-cost labour and capital, towards a growth model based on a high rate of productivity and innovations. A new five-year programme of socio-economic development for 2016-20 was approved on 15 December 2016, as an implementation framework for the National Strategy for Sustainable Socio-Economic Development of Belarus for the period to 2030, adopted in February 2015. This strategic document provides the continuity of the course and basic foundations of the Belarusian development model, at the same time introducing some new approaches and instruments for economic policy. The main goal is to improve the quality of life of the population based on increasing economic competitiveness, attracting investment and boosting innovation. The programme aims, amongst others, to support new innovative sectors of the economy and to increase employment in new jobs with high productivity - as a means of using labour potential and social stability. Exports are the main point of attention for balanced economic development. The basis for the growth of competitiveness will be innovative development, financial recovery of the real sector of the economy, reduction of all types of costs, and increase in the contribution of small and medium-sized businesses. The programme will support the transition to a digital economy and will pay a specific attention to youth, providing a comprehensive range of support measures for young people. The document also contains sectoral dimension, with emphasis on accelerating new high-tech sectors of the economy.

In 2013 the Belarusian poverty rate declined to 5.5 %, which is far below the Commonwealth of Independent States (CIS) average of 10.5% and the Eastern European average of 11.4%. In terms of income equality, Belarus has one of the lowest Gini coefficients in the CIS and Eastern Europe (GINI

¹ Purchasing power parity (PPP), current international dollars.

index 27.2%) and the country performs relatively well on social indicators, being ranked 52 out of 188 countries in the UN Human Development Index (2016).

2. Education and training

2.1 Trends and challenges

Belarus performs very well in terms of literacy. The multi-indicator cluster survey of the status of children and women, that was organised by the National Statistics Committee (Belstat) in 2012, suggests that the literacy rate of young people aged 15–24 years is 100%, with no differences in terms of place of residence, region or social situation. The only available data on adult literacy (15+ years), which dates from 2009 (based on census data), indicates a very high level of literacy, at 99.6%. The latest available information on the structure of the population by educational attainment is also based on the census of 2009.² As regards the education system, gross enrolment rates in both primary and secondary education are close to 100%. One-third of the adult population is estimated to have tertiary education, around 40% has VET education and 25% upper secondary education. The share of VET students in secondary education has decreased slightly, reaching 13.2% in 2015 (15.8% in 2011). The share of VET students in upper secondary is high, 42.6%. Public expenditure on education has slightly increased from 4.7% in 2011 to 5% in 2016. VET financing accounted for 9.8% of the total education expenditure.

In May 2015, Belarus joined the Bologna Process and endorsed a roadmap for reforms in higher education. A progress report by the Bologna Follow-Up Group is due in 2018. The roadmap includes developing the NQF, guaranteeing academic freedom, increasing the autonomy of universities, improving students' participation in university councils, increasing the mobility of teachers and students, and improving the quality assurance of higher education. The implementation of the roadmap has been criticized by independent observers and NGOs for its slow pace and a lack of progress. One of the challenges is setting up independent quality assurance for higher education. In this respect the government has decided to establish an Education Quality Agency, which should start working in 2018. The Agency is expected to cover general, vocational and higher education. The Bologna driven reforms require legislative changes in higher education, including amendments to the Code of Education, introduction of the NQF and abolishing the compulsory employment placement and assignment of higher education graduates for the period of two years, which have studied free of charge. The Bologna Follow-up Group³ will review the progress made during the 2015-18 period focusing not only on legislation level, but also on concrete actions such as transparency and academic freedom. It's likely that the deadlines set in the roadmap will be extended.

As regards the NQF implementation in Belarus, the government has stressed the importance of a gradual change and reform of the qualification system while preserving strong national traditions and learning actively from international practice. The ongoing EU-financed project on Employment and VET (2017–2020) will contribute to the NQF implementation as well as to developing and piloting new qualifications in Belarus.

The World Bank project in the education sector (launched in 2016) aims to strengthen the education management information system (EMIS) and will also support Belarus's participation in the next round of the Programme for International Student Assessment (PISA) in 2018. It is therefore expected that new data and information on the quality of the education and training system will be available in the coming years. Moreover, the World Bank⁴ is preparing a new project to realise Belarus's commitments

² Source: www.belstat.gov.by/ofitsialnaya-statistika/bazy-dannyh/baza-dannyh-po-statistike-naseleniya/perepis-naseleniya-2009-goda/index.php?sphrase_id=105628

³ <https://www.ehea.info/cid105459/ag-support-for-the-belarus-roadmap-2015-2018.html>

⁴ <http://www.worldbank.org/en/country/belarus>

under the Bologna Process and to modernise its higher education system. The project is expected to start in 2019.

2.2 Education and training policy and institutional setting

VET is state regulated, and is managed by the Ministry of Education, other ministries and state authorities/organisations at national, regional and local levels. The Ministry of Education governs the VET system through six regional departments of education and the Education Committee of Minsk City. The Republican Institute of Vocational Education (RIPO) is responsible for the development of national standards and training materials, research and analysis on VET, VET teacher in-service training and other support and methodological work related to VET. It is the largest VET agency in any of the former Soviet countries. It has strong institutional and human resource capacity to support VET policy development and implementation, and has been appointed as a reference institute on VET by the CIS.

Belarus has succeeded in improving its VET system in recent years, despite only limited international assistance and cooperation. VET decision makers have applied a blend of continuity and change, preserving the system's characteristics, while modernising by equipping training providers with new technologies and machinery, retraining teachers and updating national curricula and standards. VET institutions have sought to actively learn from developments in the EU and establish partnerships with other countries. Participation in international skills competitions (including World Skills) has contributed to an improvement in the image and attractiveness of VET.

In 2015 and 2016 a number of government decrees and decisions that regulate and have an impact on both education and employment policies have been adopted.⁵ (ETF, 2016). The guiding strategy document for the education sector is the State Programme on Education and Youth Policy adopted by Government Decree No 250 on 28 March 2016. It covers all education levels, including general, VET and higher education.

Restructuring of the VET school network has led to a reduction of the number of schools and learners. In 2015/16 there were 161 technical vocational schools, 172 specialised secondary schools (including 12 private schools), 17 pedagogical learning centres and 41 structural units of higher education institutions (data from RIPO, 2016). After completing general secondary education, about 55% of graduates continue their studies in higher education, about 25% go to specialised (professional) secondary schools and about 17% proceeds to technical vocational schools. This two-level (pre-university) VET system explains the high participation rates in VET.

The scope and structure of VET are defined annually by the 'state order' (government-financed enrolment plan) for the training of workers and specialists, taking into account the current labour market situation, the regional demography and the capacity of educational establishments. Since participation in courses in the initial VET system is based on a contractual agreement, graduates are channelled into employment after leaving school. This practice has a long tradition, but is currently suffering from poor job retention, amongst other challenges. On the one hand, professional guidance may be ineffective, including an inadequate matching between the requirements of employers and graduates' learning outcomes. On the other hand, jobs are characterised by a low level of competitiveness, owing to low wages and the inadequacy of social protection packages.

Social partner participation in overall policy development and implementation is still very limited although RIPO informed the ETF mission in May 2017 that a number of new sector skills councils have been initiated with the involvement of sectoral line ministries and employers.

⁵ Torino Process Report 2016–17: Belarus, ETF, 2016

3. Labour market and employment

3.1 Trends and challenges

Despite the severe decline of GDP in the 1990s, the number of people employed in Belarus did not decrease proportionally, unlike the situation in most of the other post-Soviet countries and transition economies. Belarus has preserved a high employment rate and the structure of the labour market has remained virtually unchanged, based on a high number of large state-owned enterprises, inefficient and unproductive industries and slow development of the SME sector.

Notwithstanding, it is difficult to assess the labour market situation in Belarus, as data from the LFS is not yet published and available for analysis. Belstat has conducted the LFS on a quarterly basis since 2012, but the distribution and use of the data remains highly restricted, and is available only to selected government officials. This limitation adversely affects both the understanding and the comparability of data within the international context. In 2016 the authorities reported that the data would be made public in 2017, but at the moment Belstat has published only two labour market indicators: unemployment rate of 5.8% and employment rate of 66.7% for the cohort 15-74 in 2016.⁶ Belstat informed the ETF mission in October 2017 that in July 2017 they sent the latest LFS data on the main labour market indicators to the International Labour Organisation (ILO). Once available, this will allow the international comparability of the Belarusian labour market developments. The Ministry of Labour and Social Protection informed the ETF mission on the youth unemployment rate at the level of 7.8%.

Official activity rates in Belarus are high, and increased from 76.4% in 2006 to 82.1% in 2015. Figures for 2015 show a higher economic activity rate for women (85.5%) than for men (78.9%). National data set the activity rate at 73% in 2015 (Belstat, 2016). The employment rate, based on administrative data, was also very high in 2015, at 81.3%, following the same gender distribution. Differences between the administrative and estimates reflect the methodological differences for collecting and processing the data and, in particular, the definition of the working age population. (e.g. males aged 16-59 and females aged 16-54). There are no available estimations on informal employment, although there are might be some categories of worker that can be related to informal employment, such as individual entrepreneurs and artisans.

The official unemployment rate, which is currently based on registered unemployment figures from regional labour, employment and social protection offices, was around 1% to 2015, although it doubled from 2014 (0.5%). This could indicate that the economic slowdown has led to the loss of jobs and also increased the real unemployment rate in the country. Similar trends on the decreasing number of vacancies and the increasing number of unemployed jobseekers are also reported by private recruitment agencies, such as Rabota.tut.by (<https://jobs.tut.by>). The economic crisis impacted the Belarusian labour market in 2015 and 2016. Job creation declined rapidly in the first half of 2016, and the data for 2015 showed a large increase in the number of employees on involuntary unpaid leave or working part-time.⁷ The administrative data show an average duration of unemployment of 2.9 months, but the inadequate level of unemployment benefit (around EUR 10 per month in December 2015) does not encourage unemployed people to register. Moreover, most of the vacancies reported to employment services are not attractive to many jobseekers as they are mainly low-paid jobs requiring low-level qualifications.⁸

The number of workers employed in the services sector grew from 55.6% in 2011 to 60% in 2016. In the same period employment in agriculture decreased slightly (9.6% in 2016), as it did in industry

⁶ http://www.belstat.gov.by/ofitsialnaya-statistika/publications/izdania/public_bulletin/index_7039/

⁷ Source: Case Belarus, 2016

⁸ Vankevich, A., 'LMIS and Skills Anticipation in Belarus', ETF, 2016

(30.4% in 2016). The public sector remains an important employer. Although, employment has been steadily increasing in the private sector and decreasing in the public/state sector, the share of employment in the private sector is among the lowest in the region. In the period 2011–16, employment in the state sector decreased from 43.8% to 40.2% only. Employment in the private sector increased from 53.6% to 57.3% and employment in foreign-owned companies increased from 1.7% to 3.4%, according to Belstat 2016 data. However, data on private sector employment also includes limited and joint stock companies, in which government ownership can reach 99%. Therefore, it can be concluded that employment in the public sector and state-owned enterprises predominates in the Belarusian labour market, and the real share of private sector employment requires further research.

OECD data (2013) indicate that 17.9% of Belarusian employers identify an inadequately educated workforce as a major constraint for their competitiveness. Similar results were identified in a Belarusian study in 2013, in which 19.8% of SMEs surveyed reported low skills levels and the low quality of the workforce as obstacles for their business.⁹ These figures are an indication of skill gaps. More in-depth analysis on the scale and nature of skills mismatch is needed. The focus on manpower planning should move towards combining quantitative and qualitative analyses on the dynamics of occupations and skills.

3.2 Employment policy and institutional setting

The Ministry of Labour and Social Protection leads employment policy in Belarus. The employment services function is delegated to the departments of labour, employment and social protection in regional administrations. The Scientific Institute of Labour and Social Protection supports the ministry in evidence collection and analyses. Formal structures for social partnership and dialogue are in place and a number of social partner organisations exist. However, the dominant role of the government in the economy and labour market has reduced the need for social partner involvement, although there is a growing awareness of the importance of involving social partners regularly in all education and employment policy discussions and development. Currently the regional departments of labour, employment and social protection employ approximately 800 staff, who perform the public employment service function in Belarus. The Ministry of Labour and Social Protection and regional employment offices have a portal (www.gsz.gov.by) for labour market information, which includes vacancy information and the opportunity for employers to register jobs online. It also allows jobseekers to upload their CVs. This portal was reported to have had 2 million hits in 2015. The largest vacancy and recruitment portal is privately owned and managed by Rabota.tut.by. It includes over 1.2 million CVs and 15 800 vacancies (September 2016), and has an average of 35 million hits per month. The portal also includes various analyses of vacancies, and placements, guidance and counselling information for jobseekers.

The government adopted a new State Programme on Social Protection and Employment Promotion for 2016–2020 by Council of Ministers Decree No 73 of 30 January 2016. The programme includes funding and measures on active and passive labour market policies, occupational safety and health, and specific measures targeting vulnerable groups, particularly people with disabilities and their social inclusion. The programme is implemented by the Ministry of Labour and Social Protection and its regional employment offices. However, given the specific features of the Belarusian labour market, it is difficult to assess either the efficiency of the services provided by the regional employment offices or the impact of the state employment policy based only on quantitative data and statistics. The Minsk City Department of Labour, Employment and Social protection informed the ETF mission in October 2017 on the number and types of employment services which the Department provide for job-seekers

⁹ IPM Research Center, Center, Business in Belarus 2013: Status, Trends, Perspectives, 20132013

and young people which included e.g. guidance and counselling, retraining, entrepreneurship development, internships in companies and adaptation of people with disabilities.

The revised Law on Employment was adopted on 23 October 2016 which e.g. specified and updated the rights and duties of job-seekers and employers. It also introduced a register of private employment service providers which are now listed on the website¹⁰ of the ministry. In March 2017 Minsk and several other Belarusian cities faced a series of unprecedented demonstrations against the regulation, which required citizens to pay the equivalent of \$250 if they work less than half the year and did not register in public employment services. The fee was suspended by the president and the Ministry of Labour was requested to modify the decree known as “anti-sponging law” to become an Employment Support Decree.

In order to strengthen skills anticipation and forecasting at national level, at the end of 2015 the Belarusian government established a national working group on skills anticipation/forecasting involving the key ministries (Ministry of Labour and Social Protection, Ministry of Education and Ministry of Economy), expert organisations and businesses. Their work plan was approved by a government decree in October 2015. The working group has charged the Ministry of Economy with leading the skills anticipation work at national level. Another working group on enrolment planning was established under the same decree. This group has developed a matrix on skills anticipation that includes three modules: economy, labour market and professional education. The working groups have also developed their work plans for the period 2015–20.

In spring 2017 the government decided to transfer the labour market information and skills anticipation function from the Ministry of Economy to the Ministry of Labour and Social Protection. The ETF conducted a baseline study on the LMIS and skills anticipation identified many areas for improvement which will be followed up by the ongoing EU-financed project on employment and VET in Belarus through its substantial labour market information component.

Belarus has maintained a number of features from the Soviet period in managing its labour force. One is the placement of graduates for a two-year assignment in public sector or state-owned enterprises. This is compulsory for students who have studied free of charge on government-financed training places in higher education and specialised secondary education. Such a scheme is no longer likely to work when, and if, the economy is privatised and the share of public employment decreases. Nevertheless, at the moment the system provides guaranteed first jobs for a large number of young people, thus reducing youth unemployment. The system will also be exposed to an international review in the context of the Bologna Process implementation and monitoring.

¹⁰ <http://www.mintrud.gov.by/activity/>

ANNEXES

Statistical annex Belarus¹¹

This annex reports annual data from 2011 and 2016 or the last available year

Indicator		2011	2016	
1	Total Population (000)	9481.2	9498.4	
2	Relative size of youth population (age group 15-24) (%) ⁽¹⁾	20.0	15.9	
3	Youth Dependency ratio (%)	21.0	23.8	
4	Old-age Dependency ratio (%)	19.7	20.4	
5	Global Competitive Index	Rank	N.A.	N.A.
		Score	N.A.	N.A.
6	GDP growth rate (%)	5.5	-2.6	
7	GDP per capita (PPP) (current international \$)	17166.7	18060.4	
8	GDP by sector (%)	Agriculture added value	9.1	7.9
		Industry added value	40.9	36.1
		Services added value	50.0	56.0
9	Poverty headcount ratio at \$3.1 a day (2011 PPP) (%) ⁽²⁾	0.0	0.0 (2014)	
10	Gini index (%) ⁽²⁾	27.2	27.2 (2014)	
11	Educational attainment of adult population (aged 15+) (%)	Low	M.D.	M.D.
		Medium	M.D.	M.D.
		High	M.D.	M.D.
12	Gross enrolment rates in secondary education (%)	106.3	107.1 (2015)	
13	Share of VET students in secondary education (%)	15.8	13.2 (2015)	
14	Gross enrolment rates in upper secondary education (%)	120.8	119.3 (2015)	
15	Share of VET students in upper secondary education (%)	42.7	42.6 (2015)	
16	Low achievement in reading, mathematics and science – PISA (%)	Reading	N.A.	N.A.
		Mathematics	N.A.	N.A.
		Science	N.A.	N.A.
17	Participation in training/lifelong learning (age group 25-64) by sex (%)	Total	M.D.	M.D.
		Male	M.D.	M.D.
		Female	M.D.	M.D.
18	Early leavers from education and training (age group 18-24) by sex (%)	Total	M.D.	M.D.
		Male	M.D.	M.D.
		Female	M.D.	M.D.
19	Activity rates by sex (aged 15+) (%) ^{(3) (4)}	Total	81.8	82.1 (2015)
		Male	78.0	78.9 (2015)

¹¹ Data update on 06/09/2017

Indicator		2011	2016
	Female	85.8	85.5 (2015)
	Total	81.2	81.3 (2015)
20	Employment rates by sex (aged 15+) (%) ^{(3) (4)}	77.5	78.0 (2015)
	Female	85.2	85.0 (2015)
	Total	0.6	0.8
21	Unemployment rates by sex (aged 15+) (%) ^{(3) (5)}	0.6	1.2 (2015)
	Female	0.6	0.7 (2015)
	Low	M.D.	M.D.
22	Unemployment rates by educational attainment (aged 15+) (%)	M.D.	M.D.
	Medium	M.D.	M.D.
	High	M.D.	M.D.
	Total	M.D.	M.D.
23	Youth unemployment rates by sex (aged 15-24) (%)	M.D.	M.D.
	Female	M.D.	M.D.
24	Proportion of long-term unemployed out of the total unemployed (aged 15+) (%) ^{(3) (5)}	5.8	5.2
25	Long-term unemployment rate (aged 15+) (%) ⁽¹⁾⁽⁴⁾⁽⁵⁾	0.03	0.03 (2015)
26	Incidence of self-employment (%)	M.D.	M.D.
27	Share of the employed in a public sector (%) ^{(3) (4)}	43.8	40.2
	Agriculture	10.2	9.6
28	Employment by sector (%) ⁽³⁾	34.2	30.3
	Services	55.6	60.0
29	Employment in the informal sector	M.D.	M.D.
	Total	12.1(2009)	M.D.
30	Proportion of people aged 15–24 not in employment, education or training (NEETs), by sex (%)	10.5(2009)	M.D.
	Female	13.8(2009)	M.D.
31	Public expenditure on education (as % of GDP) ⁽⁷⁾	4.7	5.0 ⁽⁶⁾
32	Public expenditure on education (as % of total public expenditure) ⁽⁷⁾	18.1	17.2 ⁽⁶⁾
33	Skill gaps (%)	N.A.	17.9 (2013)
34	The share of SMEs in GDP (%) ⁽⁸⁾	14.1	14.3 ⁽⁶⁾
35	The share of SMEs in employment (%) ⁽⁹⁾	17.9	19.3

Sources:

3, 4, 6, 7, 8, 9, 10 - *The World Bank, World Development Indicators database*

1, 2, 19, 20, 21, 24, 25, 27, 28, 31, 32, 34, 35 - *National Statistical Committee of the Republic of Belarus*

33 - *OECD Statistical database*

30 - *ILOSTAT*

12, 13, 14, 15 - *UNESCO, Institute for Statistics*

Legend:

N.A. = Not Applicable

M.D. = Missing Data

Note:

⁽¹⁾ETF calculation

⁽²⁾ Estimated from individual consumption data.

⁽³⁾ Age group 16-59 (men) and 16-54 (female)

⁽⁴⁾ Data based on administrative data (annual average labour resources estimates).

⁽⁵⁾ Data are based on the employment office records and refer to the situation at the end of the year.

⁽⁶⁾ Preliminary data

⁽⁷⁾ Public expenditure (incl. capital construction costs) from the consolidated budget.

⁽⁸⁾Data refer to micro and small entities that have less than 100 employees.

⁽⁹⁾The average employment is taken into account.

Internal notes on the differences in reported data between the Employability fiche 2016 and 2017:

1. *Change of data source: 28, 31 and 32*
2. *World Bank data update: 7, 8 and 10*
3. *Belstat data update: 34*

Annex: Indicator definitions

	Description	Definition
1	Total population (000)	The total population is estimated as the number of persons having their usual residence in a country on 1 January of the respective year. When information on the usually resident population is not available, legal or registered residents can be considered.
2	Relative size of youth population (age group 15-24) (%)	The ratio of the youth population (aged 15–24) to the working-age population (usually aged 15–64 or 15–74).
3	Youth Dependency ratio (%)	The ratio of younger dependants (people younger than 15) to the working-age population (those in the 15–64 age group).
4	Old-age Dependency ratio (%)	The ratio of older dependants (people older than 64) to the working-age population (those in the 15–64 age group).
5	Global Competitiveness Index	The Global Competitiveness Index assesses the competitiveness landscape providing inside into the drivers of countries' productivity and prosperity. It expressed as scores on a 1 to 7 scale, with 7 being the most desirable outcome.
6	GDP growth rate (%)	The annual percentage growth rate of GDP at market prices based on constant local currency.
7	GDP per capita (PPP) (current international \$)	The market value of all final goods and services produced within a country in a given period of time (GDP), divided by the total population, and converted to international dollars using purchasing power parity (PPP) rates.
8	GDP by sector (%)	The share of value added from Agriculture, Industry and Services.
9	Poverty headcount ratio at \$2 a day (PPP) (%)	The percentage of the population living on less than \$2.00 a day at 2005 international prices.
10	Gini index (%)	Gini index measures the extent to which the distribution of income (or, in some cases, consumption expenditure) among individuals or households within an economy deviates from a perfectly equal distribution. A Gini index of 0 represents perfect equality, while an index of 100 implies perfect inequality.
11	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.
12	Gross enrolment rates in secondary education (%)	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.
13	Share of VET students in secondary (%)	The proportion of VET students in secondary education out of the total number of pupils and students in secondary education (general + VET)
14	Gross enrolment rates in upper secondary education (%)	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.
15	Share of VET students in upper secondary education (%)	The proportion of VET students in upper secondary education out of the total number of pupils and students in upper secondary education (general education + VET)
16	Low achievement in reading, maths and science – PISA (%)	The share of 15-years-olds falling to reach level 2 in reading, mathematics and science.
17	Participation in training/lifelong learning (age group 25-64) by sex (%)	The share of persons aged 25–64 who stated that they received education or training in the four weeks preceding the (LFS) survey.
18	Early leavers from education and training (age group 18-24) by sex (%)	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 level 0–3C short for data up to 2013 and to ISCED 2011 level 0–2 for data from 2014 onwards.
19	Activity rates by sex (aged 15+) (%)	Activity rates represent the labour force as a percentage of the population of working age.
20	Employment rates by sex (aged 15+) (%)	Employment rate represents persons in employment as a percentage of the population of working age.
21	Unemployment rates by sex (aged 15+) (%)	Unemployment rate represents unemployed persons as a percentage of the labour force.
22	Unemployment rates by educational attainment (aged 15+) (%)	Educational levels refer to the highest educational level successfully completed. Three levels are consider: Low (ISCED level 0-2), Medium (ISCED level 3-4) and High (ISCED 1997 level 5–6, and

	Description	Definition
		ISCED 2011 level 5–8)
23	Youth unemployment rates by sex (aged 15-24) (%)	Youth unemployment rate represents young unemployed persons aged (15-24) as a percentage of the labour force (15-24).
24	Proportion of long-term unemployed out of the total unemployed (aged 15+) (%)	Number of unemployed persons aged 15+ who are long-term unemployed (12 months or more) as a percentage of unemployed persons aged 15+.
25	Long-term unemployment rate (age 15+) (%)	Number of unemployed persons aged 15+ who are long-term unemployed (12 months or more) as a percentage of the labour force aged 15+.
26	Incidence of self-employment (%)	The share of self-employed as a proportion of total employment. Self-employment includes employers, own-account workers, members of producers' cooperatives and contributing family workers.
27	Share of the employed in a public sector (%)	The share of employed in a public sector as a proportion of total employment.
28	Employment by sector (%)	The share of employed in Agriculture, Industry and Services.
29	Employment in the informal sector	Share of persons employed in the informal sector in total non-agricultural employment.
30	Proportion of people aged 15–24 not in employment, education or training (NEETs) (%)	The percentage of the population of a given age group and sex who is not employed and not involved in further education or training.
31	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. Both types of transactions together are reported as total public expenditure on education.
32	Public expenditure on education (as % of total public expenditure)	Public expenditure on education expressed as a 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. Both types of transactions together are reported as total public expenditure on education.
33	Skill gaps (%)	The percentage of firms identifying an inadequately educated workforce as a major constraint.
34	The share of SMEs in GDP (%)	The share of GDP contributed by small and medium sized businesses.
35	The share of SMEs in employment (%)	The share of persons employed in small and medium sized businesses.

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