

TURKMENISTAN

OVERVIEW OF VOCATIONAL EDUCATION AND TRAINING AND THE LABOUR MARKET



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| | |
|--|-----------|
| PREFACE | 3 |
| 1. SOCIOECONOMIC CONTEXT | 4 |
| 2. REGIONAL DEVELOPMENT | 6 |
| 2.1 The city of Ashgabat | 7 |
| 2.2 Akhal Velayat | 7 |
| 2.3 Balkan Velayat | 8 |
| 2.4 Dashoguz Velayat | 8 |
| 2.5 Lebap Velayat | 9 |
| 2.6 Mary Velayat | 9 |
| 3. TRANSFORMATION OF THE ECONOMY | 11 |
| 4. DEMOGRAPHIC TRENDS AND THE LABOUR MARKET | 12 |
| 5. GENERAL EDUCATION AND VOCATIONAL EDUCATION | 15 |
| 5.1 Vocational education and training | 16 |
| 6. FINANCING OF VOCATIONAL EDUCATION AND TRAINING | 19 |
| 7. DONORS' INTERVENTIONS | 20 |
| 8. CONCLUSIONS | 21 |
| ANNEX STATISTICAL DATA | 23 |
| ACRONYMS | 34 |
| BIBLIOGRAPHY | 35 |

COUNTRY PROFILE



Source: i-google-map

Capital: Ashgabat

Population: 6.7 million (2008)

Area: 488 000 km²

Currency: Manat

GDP per capita, PPP: USD 10 600 (2008)

Adult literacy rate: 99.5% (2008)

Labour force as a share of total population: 55% (2010)

Active population as a share of total population: 51% (2010)

PREFACE

The modernisation of the Turkmen education system is a top priority for President Gurbanguly Berdymuhamedov and his government. In 2007, the legal framework for education was revised and the duration of schooling was extended in both general and higher education. The advent of new technologies, the rapid development of certain economic sectors, and the challenge of diversifying the economy away from excessive dependence on natural resources are all factors driving the need for high levels of skills and competences in the country's workforce. It is widely recognised in Turkmenistan that human resources will greatly contribute to the growth and transformation of the economy and that the reform of vocational education and training (VET) and education in general will play a key role in ensuring the availability of a workforce with the necessary skills and competences.

In this context, the Turkmen government agreed with the European Commission to implement a project aimed at improving the quality and relevance of VET in the country. The European Training Foundation (ETF), an agency of the European Union (EU) specialised in the field of VET, has therefore been requested to compile an overview of the country's labour market in the context of current economic developments and its relation to VET, which will serve as a background analysis for the EU-funded project.

In 2008, the ETF produced a report on VET and the labour market and organised local seminars to present and discuss its findings with relevant stakeholders. The initial report was discussed and validated by the government of Turkmenistan in 2010. The present version is based on the original validated version and reflects more recent data and information on the development of the sector collected from various publications.

The purpose of this report is threefold: (i) to describe the socioeconomic context and development of the country; (ii) to identify the challenges the VET system must overcome if it is to meet the current and future demands of a rapidly developing economy and labour market; and (iii) to identify actions that could be undertaken to support the development of the country's human resources.

1. SOCIOECONOMIC CONTEXT

Turkmenistan became an independent state on 27 October 1991. After independence, the government started to implement a series of economic reforms aimed at creating a market economy. The country is rich in oil and gas reserves, which are the main source of external revenue and, together with cotton, generate 85% of the country's export revenue. Due to the recent rise in energy prices, the country has paid off its external debt and national reserves have been growing. Gross domestic product (GDP) growth has been strong in recent years, reaching 14.7% in 2008. The prospects of an increase in exports of natural resources (primarily gas) are very promising. Turkmenistan had a GDP per capita of USD 10 600 in 2008 (State Committee for Statistics). The country scores 0.669 on the Human Development Index of the United Nations Development Programme, ranking 89th out of 172 countries, which classifies it as a medium-level country.

The following are some of the objectives set by the government's development strategy document (Economic, political and cultural development up to 2020):

- to achieve the level of developed countries while preserving Turkmenistan's economic independence and security – through the introduction of new technologies and production methods, rapid economic growth and increased labour productivity;
- to achieve a steady increase in the gross production of goods per capita;
- to attract high investment and increase the construction of industrial sites.

Before independence, the Turkmen economy was based on raw materials. The agricultural sector represented about 40% of the GDP and cotton was by far the most significant crop. Industry represented 17% of GDP, and the largest share (80%) of that sector was accounted for by extractive industries.

During the period 2000–09, the industrial sector went from 38.7% to 42.7% of GDP, an increase matched by a corresponding decline in the weight of the agricultural sector. At the same time, the weight of extraction industries within the industrial sector was reduced by half. The combined share of light industry and the food sector rose to 40%. By 2009, the share of agriculture in GDP was 10.5%, of retail and catering – 6.1%, and of construction – 18.2%.

The structure of agricultural production also changed radically over the same period. While cotton production continues to be a high-priority sector in Turkmenistan, wheat production, which was initially very low, has increased enormously, and the livestock sector has also developed rapidly. Today, about 95% of the country's food demand is covered by its own supply.

The textile industry has also developed at an accelerated pace. Before independence only 3% of the cotton produced was used by the local textile industry, but in recent years this figure has raised to 40% as many textile companies have been established throughout the country.

The construction sector is now also playing an important role in the economy. This growth is fuelled by ambitious government plans for the development of Ashgabat as well as key infrastructure projects, such as the construction of the new highway and railway line linking the capital to Dashoguz, investment in power generation, the Avaza tourist resort on the Caspian Sea, and the creation of Turkmen Lake, a waste water recycle project (European Commission, 2007).

The construction of a gas pipeline and electrical power stations has ensured the electrification of cities, towns and rural areas as well as gas supply all over the country.

Institutional frameworks to promote international economic relations were also developed after independence. Turkmenistan now has trading and economic agreements with 24 countries, which help to create favourable conditions for trade. The relevant legislation also establishes a long list of incentives intended to attract foreign capital to the country.

Foreign trade quadrupled between 2000 and 2010. Exports increased 3.9 fold, imports 4.6 fold and trade surplus 2 fold. In 2010, oil and gas represented 63.7% of exports (86.1% when considering natural gas, condensed gas, crude oil and oil products), making the fuel and energy industry the main driver in the country's economic development, with natural gas as the predominant export in this sector. It is interesting to note that over 90% of exported oil is produced by foreign oil and gas companies working in Turkmenistan under production sharing agreements.

The share of other goods in the country's exports remains insignificant. Cotton fibre, which accounted for 19.7% of exports in 1996, had declined to 1.8% by 2008.

Today, some 70% of the country's national budget is allocated to social and public services, including more than 40% spent on education. Investment in education represents about 4% of GDP. VAT–education ratio in GDP is about 3% on average.

Since 1993, all citizens receive gas, water and electric power for free according to established quotas. Under a presidential decree issued in October 2006, the free supply of gas, electricity, water and salt to the country's entire population has been prolonged to 2030.

The prices of 17 essential goods and services are regulated by the government to ensure that they remain affordable and increase the real income and purchasing power of the population.

The government recognises the need to diversify the economy, reducing its dependence on oil and gas revenues. In 2008 and 2009, important reforms were undertaken to achieve greater balance and stimulate economic development. These reforms have, up to a point, been successful in counteracting the effects of the global economic crisis. They included the implementation of the following measures:

- sustaining a high level of government investment to diversify the economy, increase competitiveness, create new businesses and jobs, and expand domestic demand;
- investing in infrastructure, particularly in more provincial and remote areas;
- taking fundamental steps to improve monetary and credit policy, strengthen the banking system, and develop efficient financial policy;
- fostering high wage growth and implementing measures to reinforce social guarantees;
- ensuring that sufficient resources are in place to support key economic processes.

These policies have led to a 6% increase in the number of small enterprises in 2007 compared to 2005. These small enterprises, employing some 58 800 people, are mostly engaged in the trade and service sectors, although the number of small enterprises engaged in manufacturing has increased gradually in recent years (State Committee for Statistics, 2008a). To encourage people to set up their own businesses, the authorities have simplified the registration and accounting systems required for small enterprises.

Other measures related to taxation and access to credit have been introduced to create an even more favourable environment for small and medium-sized enterprises (SMEs) and to stimulate their development.

However, the current credit system in Turkmenistan does not yet sufficiently respond to the needs of potential businesses, especially those of small and micro enterprises, and alternative solutions need to be developed. Banks, in particular, are reluctant to offer loans to start-up enterprises for the following reasons:

- small size of the loans required;
- inadequate guarantees;
- lack of credit institutions in rural area;
- lack of relevant professional experience among potential entrepreneurs;
- inadequate information concerning the business plans of the potential entrepreneurs.

The government has adopted a state programme for the development of SMEs up to 2020. This programme envisages improving access to credit and the quality, stability and transparency of legislation, developing the financial sector, eliminating bureaucratic barriers, as well as other positive measures. The private sector – without fuel and energy sector – has accounted for almost 40% of GDP in Turkmenistan on average in recent years, and the plan is to increase this figure to 70% and reduce the country's reliance on oil and gas production.

At the moment, the state ministries and departments offer only limited support to private enterprises and the only measures are the ones related to taxation and access to credit, as mentioned above. The role of the government is limited to assisting the management of state-owned enterprises, which are the responsibility of the corresponding ministries. Support to entrepreneurs from local authorities is also limited, and regional development agencies need to be set up to promote the establishment of SMEs outside the capital.

2. REGIONAL DEVELOPMENT

The population in Turkmenistan is classified into two categories: urban and rural. The urban population includes those resident in the districts (etraps), towns and smaller settlements, while the people living in rural areas are classified as rural population. The etraps include towns that are economic, cultural and administrative centres. Most of the commercial infrastructure, industrial and construction business, community services, and social and cultural institutions are located in towns. The city of Ashgabat, which is the capital, has the status of a velayat (region). The rest of the territory is divided into five velayats: Akhal, Balkan, Dashoguz, Lebap and Mary. One or a grouping of several villages is a gengeshlik (equivalent to a municipality). At the beginning of 2009, there were 50 etraps, 25 towns, 77 settlements, 565 gengeshliks and 1 937 villages (rural communities) (State Committee for Statistics).

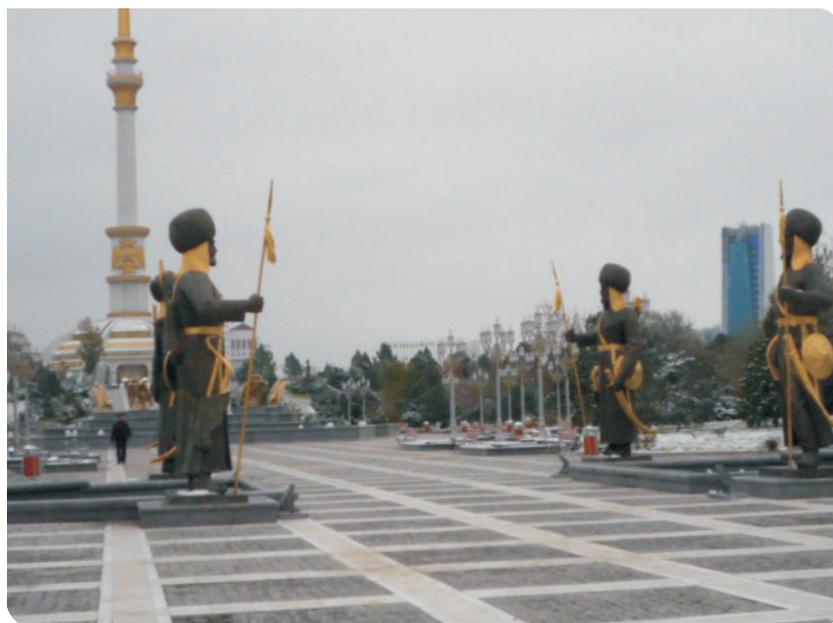
TURKMENISTAN'S FIVE REGIONS



2.1 THE CITY OF ASHGABAT

Ashgabat, the capital of Turkmenistan, is the country's largest administrative, political, industrial, transport, scientific and cultural centre. The city is home to 13% of the country's population and accounted for 8% of its industrial production in 2007. Ashgabat's industry is dominated by the clothing and textile industry (more than 40%) and food industry (about 37%) (see Table 1 in Annex). Other significant sectors in the capital include the pharmaceutical industry, mechanical engineering and metal working, woodworking, glass industries, and the production of construction materials.

The Ashgabat State Power Station, which was put into operation in 2006, has made a significant contribution to the city's industrial growth.



Independence Monument, Ashgabat

With a well-developed telecommunications network, including radio and digital satellite communications, Ashgabat is the largest communications centre. The capital is also a major trade centre, accounting for half of the country's retail trade. Over 92% of retail trade in Ashgabat is privately owned. The city is also the country's cultural and educational centre and home to large cultural, scientific and research institutions.

In 2010/11, there were 82 000 students enrolled in 96 secondary schools in the city. Seventeen of the country's 21 higher educational institutions (80.9%) and 11 of its 27 secondary vocational schools (40.7%) are located in the capital and students come from all over the country to attend these institutions.

In July 2008, the President of Turkmenistan approved the Concept for the social and economic development of Ashgabat for the period 2008–12. This plan envisages sustaining and diversifying the economy; the balanced development of industry, transport, science and scientific services; training of specialists; and the development of tourism and commercial services, including finance, insurance, wholesale trade, real estate, information technology and communications. Since priority is given to sectors requiring the use of new technologies, scientific research and development and scientific services, innovation and development centres, industrial parks and technology towns will all be further developed.

2.2 AKHAL VELAYAT

The economy of Akhal Velayat is both rural and industrial. The region occupies about 20% of the total area of the country and ranks second after Balkan Velayat in size. In terms of inhabitants, however, it occupies the fourth place with 14% and has a predominantly rural population (64% rural vs 36% urban).

Akhal Velayat produces 20% of the national industrial production. This figure is mainly made up of gas exports, although the processing industries have developed rapidly in recent years, increasing the region's economic sustainability. The production of new types of industrial products, such as panne velvet, gas concrete and marble facing tiles, has been developed.

One of the main sectors in Akhal Velayat is the textile industry, driven by the need to transform raw cotton into finished products. Further development of the construction materials and food industries is also expected in this region. Akhal Velayat has huge reserves of construction materials, including limestone, calcareous pebbles, silica sand, dolomites, gypsum and clay.

Akhal Velayat supplies the capital with food, and its share in the country's gross agricultural product is over 23%. The region has significant leisure resources in areas with health resorts and recreational sites (Archman, Gokdere and Baharly).

In 2010/11, 139 000 students were enrolled in 243 secondary schools and 152 students were trained in 1 secondary vocational school.

The National Programme for the Reorganisation of Social and Living Conditions in Villages, Settlements and Towns for the period up to 2020 foresees substantial government investment in the Akhal Velayat.

2.3 BALKAN VELAYAT

While Balkan Velayat is the largest region, it is home to less than 9% of the total population. The region's population lives mainly in urban areas (80%) and the economy is primarily industrial. In this arid area, agricultural production accounts for less than 5% of the economy. The region does, however, have important salt production and fishing industries.

Balkan Velayat is rich in hydrocarbon resources (oil and gas) and mineral resources (barite, table salt, iodide-bromine water, iodine, magnesium, bromine, potassium and others). Accounting for more than 26% of industrial output in 2007, it has a larger share of national production than any other region. The fuel industry generates 94% of the velayat's industrial output (oil refining, 37%; oil extraction, 28.5%; and gas, 28.5%). Of the five regions, it is the leading producer of gas (accounting for over 93% of total production including gas condensate) and ranks third in electrical power generation (16%) and the production of non-metal construction materials (15%). The chemical industry primarily produces industrial carbon and iodine, sodium sulphate and polypropylene.

The seaport of Turkmenbashi plays an important role in the trade and economic relations between Turkmenistan and other countries.



Ruhi Mosque, Gypjak

The Balkan Velayat boasts a wealth of historical monuments dating from the Parthian and Great Seljuq empires. New tourist itineraries have been developed that take in Nisa, Sarakhs and Altyn Depe, and there is excellent potential for developing tourism and health resorts. A project set in motion by the President of Turkmenistan to exploit this potential is creating a special free trade area with preferential visa, customs and tax regimes called the Avaza National Tourist Zone. It has become evident that the tourism and leisure industry can play a key role in the development and diversification of the economy of this region.

In 2010/11, 67 600 students were enrolled in 145 secondary schools and 458 students were trained in 3 secondary vocational schools in Balkan Velayat. Twenty students were also trained in the Naval Institute of the Ministry of Defence of Turkmenistan located in the velayat.

2.4 DASHOGUZ VELAYAT

With more than 21% of the population, Dashoguz Velayat is the second most populous region in the country (after Mary Velayat). It also has the highest population density and the population is predominantly rural (63%).

Traditionally, agriculture and food processing are the drivers of the economy in this region, which accounted for about 25% of the country's overall agricultural production in 2007.

In terms of industry, Dashoguz Velayat has remained at the lowest level (under 7% of the total) and has not changed in recent years (6.5% in 2000). This stagnation is a result of the lack of mineral and raw-material resources in the region and is further exacerbated by its distance from the country's major industrial centres. Of the overall industrial production, food accounts for about 54% (mostly flour milling with 45%) and light industry for more than 43% (textile, 22%; clothes manufacture, 21%).

Dashoguz Velayat is a key component in the transport system that gives Turkmenistan access to external markets, and the region has good road and rail networks. It ranks first in freight turnover, including all kinds of transport and pipelines (particularly gas transport). In terms of passenger turnover, however, the region is last but one among the five regions.

Current projects include a fibre-optic communications line connecting Ashgabat to Dashoguz, pipeline compressor stations, infrastructural facilities on the new Ashgabat-Garagum-Dashoguz rail line, and an asphalt concrete plant. Dashoguz Velayat ranks second (after Ashgabat) in the construction of new housing.

Under the Concept of Social and Economic Development of Dashoguz Velayat for the period 2008–12, the region's development will be based on the comprehensive use of natural, labour, material and other resources. The National Programme for the Reorganisation of Social and Living Conditions in Villages, Settlements and Towns for the period up to 2020 foresees substantial government investment in this region between 2008 and 2020.

In 2010/11, 207 000 students were enrolled in 510 secondary schools and 858 students were trained in 4 secondary vocational schools in Dashoguz Velayat. Some 180 students were also trained in the Dashoguz Agricultural Institute of Turkmenistan located in the velayat.

2.5 LEBAP VELAYAT

Lebap Velayat is the third largest region in the country in terms of both land area and population, and it has the second most urban population after Balkan Velayat (close to 48%). The development of the regional economy is determined by significant resources of natural gas and minerals (sulphur, potassium salts, alunites, celestine, marble onyx, gypsum and others), rich land and water resources.

Fuel production is the most important industry in Lebap Velayat (44% of regional economy) and, within this sector, gas production accounts for over 30% of regional output. The second largest industry is food (31%), primarily flour milling, which accounts for 22% of the regional economy. The diversified structure of its industry is a peculiarity of this region. The chemical industry is oriented towards the production of mineral fertilisers from local raw materials, and the region is the third producer of mineral fertilisers in the country. Building materials production based on locally available raw materials is another important industry with good prospects for further development.

Lebap Velayat has the largest road network in the country. Its air, river, and pipeline transport networks are also well developed. In 2007, this region accounted for about 21% of cargo transport (second in the country after Dashoguz Velayat) and more than 15% of passenger transportation (fourth in the country).

The region is the leading producer of silk and the second largest producer of cotton in the country.

In 2010/11, 208 100 students were enrolled in 361 secondary schools and 543 students were trained in 3 secondary vocational schools in Lebap Velayat. Some 879 students were also trained in the Turkmen National Pedagogic Institute named after S. Seidi, located in the velayat.

2.6 MARY VELAYAT

Mary Velayat is the country's most populated region (23%); it has the highest percentage of rural population (67%), and ranks third in occupied land area (18%). It also accounts for more than 24% (2007) of national industrial output (ranking second). The fuel industry and particularly gas production, accounts for almost 58% of total regional production. This is followed by the food sector (over 20%) and light industry (19%).

Agriculture plays an important role in the economy of the region, which produces more than 24% of the country's agricultural output (ranking second after Dashoguz Velayat).

In 2010/11, 227 600 students were enrolled in 375 secondary schools and 858 students were trained in 5 secondary vocational schools. Some 970 students were also trained in the Turkmen State Energy Institute located in the velayat.



Golden statue of former President Saparmurat Niyazov, Independence Park, Ashgabat

The Strategy for Social and Economic Development of Mary Velayat for the period 2008–12 foresees an increase in industrial production based on the application of innovative science-intensive technologies. Priority will be given to fuel and energy production.

The exploitation of the South Yoloten and Osman fields started in 2008 with the opening of one oil and three gas wells. In the Osman gas field alone, an area of 1 800 square kilometres, natural gas reserves are estimated to be over 3 trillion cubic meters.

The National Programme for the Reorganisation of Social and Living Conditions in Villages, Settlements and Towns for the period up to 2020 foresees substantial government investment in this region between 2008 and 2020.

Table 1 in Annex presents the industrial output by region and sector, and Table 2 the distribution of employment.

3. TRANSFORMATION OF THE ECONOMY

Since independence, the government has taken steps to create the conditions necessary for the development of a market economy and a private sector, and 19 792 legal entities (companies) had been registered by 1 January 2012. As of July 2008, 64.8% of registered companies were private and 22.6% state-owned. Only 3.4% of enterprises have foreign or joint ownership (Turkmen and foreign capital), but these companies play an important role in the promotion of the country in the international market. The remaining enterprises have social, cooperative and mixed forms of ownership, including *dayhan* associations (see Figure 1 in Annex).

In 2009, the government adopted the following classification of enterprises based on the number of employees:

- micro-enterprise: up to 15 employees in the extractive and manufacturing industries, electrical power, gas and water supply and construction sectors, and 10 in other sectors;
- small enterprise: up to 50 employees in the extractive and manufacturing industries, electrical power, gas and water supply and construction sectors, and 25 in other sectors;
- medium-sized enterprise: up to 200 employees in the extractive and manufacturing industries, electrical power, gas and water supply and construction sectors, and 100 in other sectors;
- large enterprise: up to 1 000 employees in the extractive and manufacturing industries, electrical power, gas and water supply and construction sectors, and 500 in other sectors;
- super-large enterprise: over 1 000 employees in the extractive and manufacturing industries, electrical power, gas and water supply and construction sectors, and 500 in other sectors.

Small enterprises still make up the large majority of registered companies (see Figure 2 in Annex).

Most large and super-large enterprises are state-owned. Joint ventures and foreign enterprises, while not very numerous, make a considerable contribution to the development of the economy. They operate in all sectors, but particularly in the oil, gas and construction industries, trade and services.

Privatisation in Turkmenistan has been a two-stage process in which the state regulated the type of enterprises that had to be privatised. The companies privatised during the first stage (1994–96) were mostly small enterprises in the service sector. The second stage, which started in 1996, has involved the privatisation of large-scale enterprises in the industrial, construction and transport sectors, among others (Koshkin and Tikhomirov, p. 127).

The second stage has not been very successful because the private sector did not have the necessary resources to buy large companies. Another factor has been the higher price paid by privatised industrial companies for goods and services (25% to 30% higher than state-owned industries). For instance, the price paid by privatised industrial enterprises for electricity has been double that paid by state enterprises, and the price differential for industrial water supply has been similar. In addition, the cost of licenses required to register a company has been another factor that increased the overhead of private entrepreneurs.

Consequently, the cost of producing similar industrial products has been substantially higher in private companies than in state enterprises. Moreover, the prices of products sold by state-owned enterprises are regulated while those of privatised enterprises were determined by the market. Taking into account this difference in price mechanisms, private companies were at best only able to achieve a 10% profit margin using long and short-term credit lines and paying a high rate of interest. This essentially meant that the private industrial sector faced unfair competition from state-owned enterprises (Koshkin and Tikhomirov, p. 132).

Certain sectors of the economy – the oil and gas industry; air, rail and sea transport; pipelines; and telecommunications – have not been privatised and are still under state control. However, with a view to furthering the strategic development of Turkmenistan, active participation of private and foreign capital in the provision of services to large state-owned industries is envisaged.

4. DEMOGRAPHIC TRENDS AND THE LABOUR MARKET

Turkmenistan has a favourable demographic profile. The share of the labour force in the total population is high (64.9% in 2010) and increasing annually (53.5% in 2000) (State Committee for Statistics, 2008b). The labour force will continue to grow in the long term according to UN demographic projections for the period up to 2050. Table 3 in Annex presents the population dynamics and employment structure in 2009–10, and Table 4 the evolution of young population by gender and type during the period 2004–08.

The economically active population¹ grew by more than 30% between 2000 and 2010. However, this increase was combined with a 2.3% decrease in the employment level (State Committee for Statistics).

The economically inactive population includes students of working age, unpaid family workers and pensioners. Students make up more than 29.7% of the total population, and in 2010 the number of students aged 16 years or older was 2.2 times higher than in 2000.

Unpaid family workers account for two thirds of the economically inactive population. Between 2000 and 2010, their number increased 1.3 fold and included mainly women (78%). The two main reasons for this trend were: an increase in the number of women on maternity leave; and a rise in family incomes that allowed women to stop working and devote their time to family and children. New social security legislation adopted in 2007 changed the system of calculation of pensions and welfare benefits and special measures were introduced to protect maternity and childhood, including new universal benefits that do not depend on income. These include a lump-sum allowance for the birth of a child and a subsequent child care allowance paid monthly over the following three years.

Labour activity varies from region to region, with the highest levels in Mary and Akhal Velayats and the lowest in the city of Ashgabat. As a rule, the rate of employment is lower in urban settlements than in agricultural regions, a difference due to the fact that rural populations possess or lease on a long-term basis plots of land and, therefore, can engage in agricultural activities. In addition there are more opportunities for seasonal work.

The national labour market is influenced by the uneven distribution of the population and the richest agricultural land and other natural resources and by the traditional pattern of population settlement. For example, Balkan Velayat, which

makes up 28% of Turkmenistan's territory, has a sizeable share of its gas, oil, mineral and raw-material resources but less than 9% of the population. The transition to a market economy resulted in certain changes, such as an 18% increase in employment during the period 2000–07.

The implementation of the privatisation programme and further market reform led to a gradual shift of the labour force from state enterprises to the private sector. During the period 2000–10, the proportion of state employees declined from 35% to 25% of total employment.

Land reform has also created favourable conditions for the development of a more diversified rural economy. Since 1995, *dayhan* associations have been set up, and farming has been developed. Agriculture now accounts for about 47% of total employment.



State Academy of Arts, Ashgabat

¹ In Turkmenistan, the economically active population is made up of men aged between 16 and 61 and women aged between 16 and 56. Certain groups can retire earlier, such as military personnel, pilots, and women who gave birth to and brought up three children until the age of eight, among others.

As regards migration, apart from the outflow of a small number of Russians immediately following independence, neither emigration nor immigration is a significant factor in Turkmenistan. In 1992, there were 19 035 emigrants to the Russian Federation and 7 069 immigrants.

The restructuring of economic sectors has led to changes in the sectoral structure of employment. The accelerated growth of industrial production, particularly the processing industries, created opportunities for new enterprises, increasing the number of people employed in industry by 40% during the period 2000–10. More than 74% of all those employed in 2010 worked in the private sector.

The differences in the social and economic profiles of each region go some way to explain regional disparities in the labour market. The progressive diversification of the regional economies – primarily based on agriculture or hydrocarbon fuels at the beginning of the 1990s – has contributed to a marked disparity between regions. To promote economic and social cohesion among regions, the state policy has prioritised the development of a flexible labour market favouring the free movement of workers. The labour market situation has been improved to a certain degree by the creation of self-financed employment service centres. These centres try to match supply and demand by building databases of job vacancies and job seekers and by providing the latter with advice and support.

At the present time, most job seekers are workers who lost their jobs as a result of structural changes, recent graduates of educational institutions, specialists who, for a variety of reasons, want to change jobs, and ex-military personnel. In 2010, the number of people registered in the Department of labour and employment of the population was 2.2 times higher than in 2000 (State Committee for Statistics). In 2010, there were 110 670 officially registered job seekers (25% women). In the same year, 74 255 people found employment (23.8% women and 76.2% men). Of the total number of people registered in 2010, 67% found employment (62.7% of women).

Over 63% of those registered with an employment service have general secondary education and over 16% have initial vocational education.

There are regional differences in the placement of registered job seekers by employment services, which are linked to the socioeconomic context of the specific region.

Today, as in many other countries, the issue of youth employment is becoming critical in Turkmenistan. The high level of professional competence demanded by employers reduces the chances of young school graduates gaining employment. In 2010, 57% of the job seekers registered with an employment service were under 30 years of age, whereas in 2000 this percentage was 51%. Of the total number of young people registered with the employment services, 58.8% found employment. Figure 3 in Annex shows the number of young people employed and registered with employment services, and Figure 4 the education level of individuals registered with employment services in 2010.

Job fairs are organised all over the country on a regular basis by the employment centres. These events help job seekers to obtain information about vacancies in different sectors and to find employment. Employment services are just one of the ways people find jobs. Another method used is to seek employment through relatives, friends and other personal connections.

The total number of job seekers is usually calculated on the basis of nationwide surveys of a sample set of households.

Evidence has emerged that there is a gap or mismatch between the training and professional qualifications required by the labour force and those of the available labour supply, giving rise to a shortage of qualified labour. During the period under review (2000–10), there were between 8 000 and 17 000 positions vacant in large and medium-sized enterprises.

Turkmenistan ratified the International Labour Organisation Convention on the 'Worst Forms of Child Labour' in 1999 and current legislation prohibits employers from signing working contracts with children under 16. Children who have reached the age of 15 can be employed with the written agreement of one parent (guardian or tutor) as long as such employment does not interfere with their education.

A new Ministry of Labour and Social Welfare was set up in April 2011 to replace the old Ministry of Social Welfare – a clear indication of the importance the government now gives to employment issues. Additional employment centres have been set up by the new ministry.

Entrepreneurship among women has been developing since the beginning of the reform process. Some 32.9% of people employed by SMEs are women, and the proportion of women employed in small businesses continues to grow.

By 2007, women were working in almost all sectors of the economy, and in some sectors the percentage of female workers is quite high. The sectors in which women traditionally work include the wholesale and retail trade, hotel and restaurant services, education, and health care (see Figures 5 and 6 in Annex on employment in SMEs in 2007).

The region where the most women are employed in SMEs is Ashgabat and this is due in part to the fact that the capital also has the highest number of SMEs. Furthermore, it is well known that urban environments are associated with a higher incidence of employment of women and are also relevant to the success of private enterprise.



Magtymguly Turkmen State University, Ashgabat

5. GENERAL EDUCATION AND VOCATIONAL EDUCATION

The Constitution adopted in 2008 guarantees to every citizen the right to education and specifies that (Article 38):

‘General education is obligatory, and everyone has the right to receive such education for free in state schools. The state will provide each citizen access to vocational education according to his or her abilities. Both state and non-state organisations, as well as individual citizens, have the right to provide fee-paying educational services in accordance with the principles and procedures established by law. The state sets educational standards, which are obligatory for all educational institutions.’

Under the provisions of the act ‘On Education’ passed on 15 August 2009, the education system includes the following levels:

- pre-school education,
- general education,
- initial vocational education,
- secondary vocational education,
- tertiary education,
- post-graduate education.

General education is provided by state educational institutions and is obligatory and free. Initial and secondary vocational and higher education is provided by both state and non-state institutions. As a rule, initial vocational education is fee-paying. Secondary vocational and higher education is mostly free of charge and only an insignificant fraction of such educational services is provided by non-state educational institutions to fee-paying students. Table 5 in Annex shows the state education budget in 2004 and 2005.

In 2010/11, 931 272 students were enrolled in general educational institutions: 373 160 in urban areas and 558 112 in rural areas. There was a total of 1 730 schools – 1 232 in rural and 498 in urban areas (State Committee for Statistics). Some 69 437 teachers were employed. Free compulsory general education ensures a high level of literacy and education of the population. According to official statistics (2007), the completion rate of compulsory education is high (over 97%), with almost the same coverage for boys and girls.

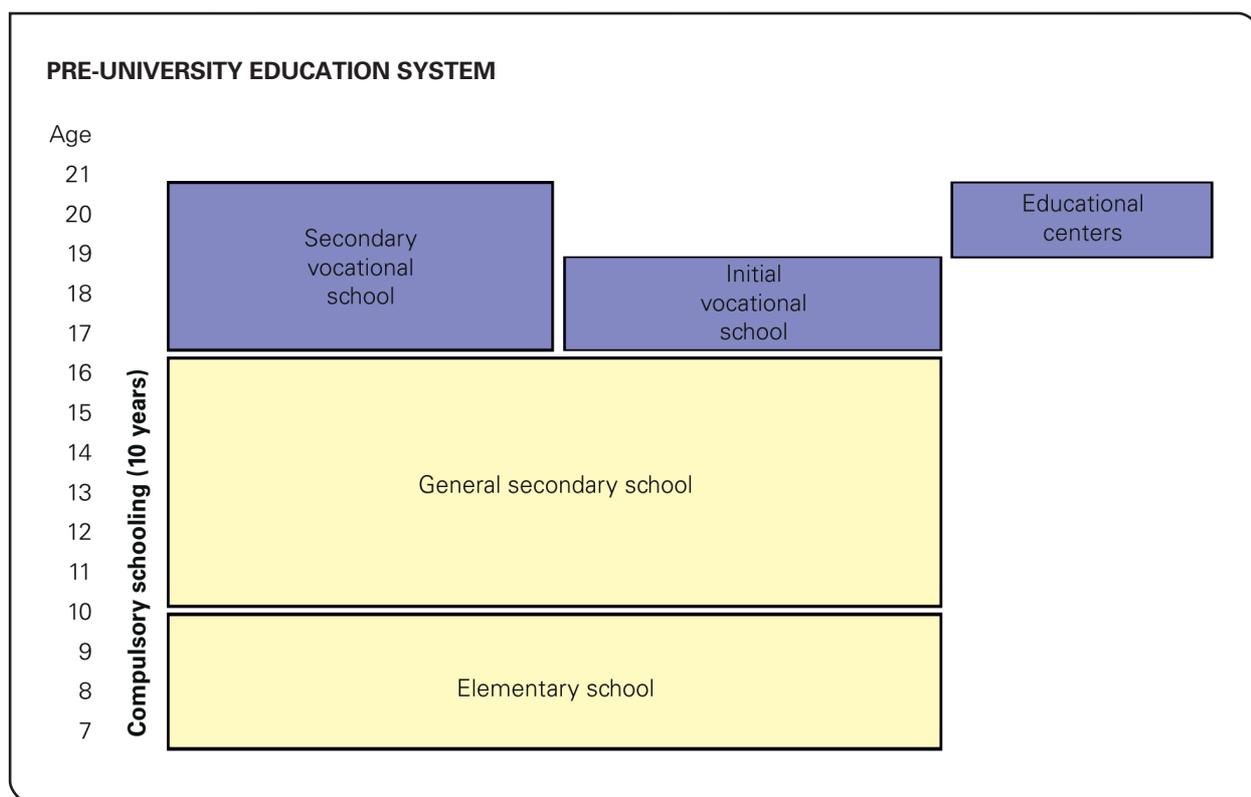


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In recent years, the authorities have improved the infrastructure of the education system, and schools and universities have been equipped with up-to-date computers and technical equipment. Modern school and university buildings have been constructed in the capital and elsewhere to accommodate the growing number of students.

Starting in 2007/08, under legislation entitled ‘On Improvement of the Educational System’, the duration of general compulsory education, including elementary and secondary levels, was re-established at 10 years. The duration of courses in higher educational institutions was also extended up to five years (six years in medicine and certain types of art).

The following is a schematic representation of the pre-university education system with the vocational education system highlighted. As the current VET system begins at the end of compulsory general education, it corresponds to level 3 of UNESCO’s International Standard Classification of Education and to subcategory 3C in view of its programmes leading directly to the labour market².



5.1 VOCATIONAL EDUCATION AND TRAINING

Under current legislation, VET includes:

- initial vocational education,
- secondary vocational education,
- continuing VET,
- tertiary education,
- entrepreneurial learning.

Initial vocational education

The primary aim of initial vocational education is to train qualified workers for all areas of economic activity following the completion of general education. These courses are offered by different types of initial vocational schools (school, lyceum and others) and also by secondary vocational and tertiary educational institutions if they possess the relevant licenses.

Training is provided on both a full-time and part-time (evening classes) basis. There are 127 accredited initial vocational schools and training centres, which come under the jurisdiction of the corresponding sectoral ministries and departments. Since these institutions are located all over the country, access to this type of training is good. Figure 7 in Annex shows the regional distribution of initial vocational schools as of 2010. At the end of 2010, in total 69 736 students (48 398 men and 21 338 women) were enrolled in initial vocational schools.

Some 65 of the 131 initial vocational schools come under the jurisdiction of the corresponding line ministries. As a rule, vocational schools receive no government funding, and training is provided on the basis of tuition fees paid by students or directly, for example, by enterprises which order training courses from vocational schools. According to the Ministry of Education, the schools at this level provide training in 268 occupations. Most of the courses offered are in popular fields of study, such as accountancy, book keeping and office skills, but there are also specialised training courses in agriculture, the textile industry, construction, energy and economics. Course length varies from 3 to 18 months. The minimum course length leading to a diploma has recently been set at one year for this level of training.

Compared to international models, vocational training in Turkmenistan is focused on narrowly defined professional profiles, and students are rarely required to acquire a general education or study additional subjects that might enhance their interpersonal skills or core competences. The high level of specialisation in vocational studies means that graduates

have considerably less room for mobility in the labour market and that their education may not provide them with sufficient learning skills for further studies. Ministries, departments, and the Khakimliks (municipal authorities) in the Velayats and in Ashgabat all independently determine quotas for the specialties provided by initial vocational training that they consider as a priority. Each year, the lists of vocational schools, deadlines for courses, and admission criteria are published in the mass media. Each institution analyses the demand for specific professions in various sectors of the economy and in consultation with certain enterprises and determine enrolment quotas.

Secondary vocational education

The aim of secondary VET is to train intermediate-level specialists for relevant sectors of the economy taking into account the students' needs for enhanced skills and competences. Secondary VET is provided in secondary schools of different types (colleges, secondary professional schools and others) and at certain higher education institutions that hold the relevant licenses. Training in secondary vocational schools is provided on a full-time basis. In 2010/11, there were 27 secondary vocational schools and 6 206 enrolled students (a 44.2% increase compared to 2000/01). Table 6 and Figure 8 in Annex show the number of students in secondary vocational institutions by region/sector.

Secondary vocational training is provided in the following subject areas: medicine (nurses); teacher training (kindergarten and elementary school); art and music; banking; trade; and aviation (pilots and related professions). They are subsidised by the government, but they may also provide fee-based vocational education. Due to the fragmentation of VET across different line ministries and the Ministry of Education, the progression routes of qualifications are poorly defined and there are obvious gaps in the fields of study, particularly at the secondary and post-secondary vocational levels. In order to develop vertical and horizontal learning pathways and progression routes, it would be necessary to analyse the demand for skills in the labour market. This analysis is also needed to improve the quality and relevance of VET graduates.

To improve the coordination of VET across the line ministries and vocational schools, a VET Unit was re-established by the Ministry of Education in February 2009.

While initial vocational schools are located in all towns and cities, the vast majority of secondary vocational schools are located in Ashgabat. Most of these schools are linked to the line ministries, but a number of vocational schools are run by Khakimliks.

Between 1995/96 and 2000/01, the number of students in secondary vocational schools fell by 3.6%. This decrease was due to a change in state policy in 1997 that transferred part of the vocational training of young people to general secondary schools. Between 2000/01 and 2007/08, the number of students in secondary vocational schools fell by 11.6%, a further decline caused by the extension in 2007 of general secondary education from nine to ten years, leading students to continue their education in general secondary schools.

Over 50% of VET students are enrolled in initial vocational schools. Figure 9 in Annex shows the distribution of students by type of school and gender in 2008/09. Of the students enrolled in secondary vocational institutions, 36% are women and 64% men. The only area in which women predominate is health care (about 63%). Some 42% of female students are enrolled in such specialties as education, art, cinematography and economics.

Continuing VET

As regards continuing VET, employers can identify the training needs of their staff and organise training to meet the specific conditions of the employment contract in order to retrain their employees and upgrade their professional qualifications. Such training may be provided in educational institutions or by way of on-the-job training and/or distance learning.

Some 30.3% of registered educational institutions are engaged in continuing VET. The form of ownership of these entities varies (state, foreign, mixed without participation of foreign capital, private and social).

State educational institutions provide continuing VET in foreign languages, management, marketing, economics, and computer literacy. Similar services are provided by foreign educational institutions and other types of educational establishments. Most continuing VET services are self-financed (84% – see Figure 13 in Annex).

Tertiary education

Tertiary education is less accessible, not so much because the majority of higher educational institutions are located in the capital, Ashgabat, but because the number of places in state-funded universities is limited. Since most universities cannot enrol fee-paying students, the total number of places is limited and the system is unable to absorb all the applicants willing and able to undertake university studies. The quotas for tertiary education are determined on the basis

of applications from sectoral ministries and departments and are classified by specialisation and region. These are submitted to the Ministry of Education, which analyses all applications and draws up an overall admissions plan.

According to the Ministry of Education, 25 600 students applied for admission to the 21 tertiary educational institutions in 2010/11. Of these, 5 400 were admitted (300 more than in previous year). Figure 10 in Annex shows the number of students in higher educational institutions by sector.

In 2008, the Academy of Government Service under the President was set up to improve the country's public administration capacities.

Entrepreneurial learning

The majority of entrepreneurs belong to the generation educated at the Soviet time. Many of the directors and managers of SMEs previously worked as managers or directors in state enterprises. Therefore, they received no formal business training and mainly developed their business skills through practice in the workplace. Similarly, most of the teachers and trainers providing business training in educational institutions were educated in the context of a centrally planned economy. This means that it is a challenge for state educational institutions to provide adequate training in business subjects due to their lack of knowledge and experience in this area. There are few entrepreneurs among business trainers and educators. Despite these shortcomings, it is considered that the potential for developing a market for private training providers in business is good because the education level of the people engaged in private business is sufficiently high (78.7% of entrepreneurs have initial or second-level vocational training, partial or complete tertiary level).

The provision of continuing education in the private sector for managers and employees is limited. In practice, only 3.8% of SME managers have received any additional education (retraining) or participated in business training courses or seminars to upgrade their skills. Only 4.6% of SME managers have had the opportunity to send their employees to training courses. Most of the available training courses deal with subject areas suitable for managers and accountants (83.3% of the people who attended training courses are accountants, 11.1% managers and 5.6% other employees), and few of them cover more than one topic.

According to a survey conducted by the Union of Economists, entrepreneurs are interested not only in formal training but also in opportunities for networking and exchanging experience. However, many entrepreneurs do not take

advantage of the existing business training opportunities. There are several reasons for this, including a lack of awareness of their own training needs, lack of time, and the high cost of training. In addition, access to training is poor in rural areas.

Training needs analysis for the entrepreneurial sector should be carried out regularly and the training market should be developed because 21.3% of entrepreneurs reported having a need for skilled staff³. Many entrepreneurs (40.9%) consider that incentives are needed to develop the training market in the entrepreneurial sector (in terms of registration, licensing and credit guarantees). Such incentives could also be used to shape the market and expand the number of subjects. Figure 11 in Annex presents the training needs of the entrepreneurial sector by subject.



Monument to *Ruhnama*, the Holy Book of former President Saparmurat Niyazov, Ashgabat

³ Information taken from a survey of a sample of SME managers on the subject of gender equality in business (Union of Economists of Turkmenistan and UNDP, 2008).

6. FINANCING OF VOCATIONAL EDUCATION AND TRAINING

Pre-school, primary and secondary education is largely financed by the state. In 2005, pre-school accounted for 17.4% and compulsory education 64.8% of the education budget. State expenditure on secondary VET and higher education amounted only to 1.2% and 7.3%, respectively (see Table 5 in Annex). Thus, free education is provided mainly in general education, and, to some degree, in higher education, while initial and secondary VET is largely fee-based. In 2008, 90% of students enrolled in initial vocational institutions were fee-paying and only 10% were covered by the state budget. In secondary VET, some 17% of students receive free education (mainly students in the Trade and Cooperative College and the Turkmen Specialised School of Finance and Economy).

In 2008, 320 organisations were registered as providers of educational and training services, a figure that represents 1.8% of the total number of organisations registered in the country (State Committee for Statistics). Almost 26% of these institutions offer initial and secondary vocational education. These institutions are state-owned. Some 75% of the schools offering initial and secondary vocational education are self-financed and the rest are financed through the state budget.

Very few state educational institutions use mixed financing – combining state budget and other sources (see Figure 12 in Annex). Centres providing continuing training in a number of sectors do have mixed financing models (see Figure 13 on the sources of financing of adult education).

The educational institutions providing services for adults are state-financed. A few educational institutions use mixed form of financing. In 2010/11, 7% of students in higher educational institutions paid an enrolment fee. Most of them were students of the International Turkmen-Turkish University.

In order to increase public participation in VET financing, new regulations were promulgated in 2011 on the establishment of state 'elementary' vocational schools that will train students and employees who have a general secondary education level. These schools can be financed by public institutions (local and regional governments), private companies, fees, and/or the state. The curricula must be approved by the Ministry of Education, and schools must be accredited. These schools can also offer on-the-job training cooperation with companies. They are also permitted to organise income-generating activities.



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7. DONORS' INTERVENTIONS

During the period 2007–10, Turkmenistan received EUR 22 million in EU support in the framework of the National Programme. An allocation of EUR 321 million for the multi-annual Central Asian Indicative Programme has been agreed for the 2011–13 period. Allocation for Turkmenistan makes up EUR 31 million.

The EU National Programme included the following projects in the field of education and training.

- The **EU-funded project – ‘Further improvement of the quality and relevance of professional education’** (EUR 3 million) represents an important step towards the modernisation of VET in Turkmenistan. The aims of this two-year project, which started in August 2011, are to strengthen policy-making capacity, enhance the planning and review of training standards, introduce new subjects and methodologies, and upgrade the skills of teachers and trainers. The Ministry of Education is the main stakeholder, and a steering committee has been set up that includes all the relevant stakeholders and representatives of other donors active in the field of education and training.
- A complementary **EU-funded project – ‘Support to modernisation of the education system’** (EUR 1.5 million) was launched in February 2010. The objective of this project is to support the reform of secondary general education and review the overall strategy of the education sector. It also includes more specific activities related to the implementation of teacher training and pilot testing of revised curricula.
- **Tempus** financed a series of projects with a budget of approximately EUR 10 million during the period 1997–10. Tempus has been an effective tool for promoting international cooperation between Turkmen universities and similar institutions in the EU and neighbouring countries. The programme has been instrumental in motivating staff and introducing new ways of teaching and learning.
- **Erasmus Mundus Partnership** focuses on the mobility of individual students, teachers and researchers.

Other projects

- The **Central Asian Research and Education Network (CAREN)** is a project that provides high speed Internet access for universities and research centres. CAREN helps researchers in Central Asian countries not only to collaborate with one another, but also to engage in joint projects (for example, telemedicine and distance education) with their peers in Europe and other parts of the world.
- The **Norwegian government** has carried out a study on VET in Turkmenistan to identify possibilities for future cooperation in VET reform through intervention in pilot sectors.



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Revival epoch’*

- The **United Nations Children’s Fund (UNICEF)** has two ongoing projects in Turkmenistan: one on inclusive basic education and one on child-friendly learning environments. UNICEF has organised study visits for Turkmen stakeholders focused on education systems and management and is also organising a series of training programmes on the financing and management of education.
- **UNESCO** is providing support for the analysis of students’ learning outcomes in grades 4 and 5 and an assessment of curricula and textbooks.
- The **United Nations Development Programme (UNDP)** is supporting the training of information technology teachers for general education (grades 8 to 10, and in some schools from grade 6) and setting up resource centres in schools for the use of multimedia technologies. In total, 20 pilot schools have been provided with computer equipment and Internet access.
- The **United States Agency for International Development (USAID)** is working to develop the capacity and build the infrastructure needed to support sustainable economic development and growth in Turkmenistan through programmes targeting agro-business and VET (the Accounting/Certified International Professional Accountant project and the Junior Achievement project).
- The **European Bank for Reconstruction and Development** country strategy approved in 2010 emphasises that further improvements in the economic, political and social sphere in Turkmenistan are essential and encourages implementation of projects in agro-business, energy, infrastructure, linked to SMEs development.
- Other projects with **Turkish support** have been carried out in the field of agricultural skills. Exchange programmes with various countries have been set up for students and teachers involved in higher education.

8. CONCLUSIONS

The growing population and the high percentage of young people entering the labour market pose a challenge to the Turkmen authorities: an adequate level of quality of education and training needs to be ensured in order to use this opportunity as an important contribution to the socioeconomic development of the country. Another challenge of the existing training system is represented by its ability to provide SMEs with the entrepreneurial and technical skills needed to ensure a full success to business.

At the end of the 1990s when the management of initial vocational schools was decentralised to ministries and municipalities, the national VET agency responsible for the overall quality assurance was closed. During the transition years many vocational schools were shut down and only those able to generate income or attract sufficient attention and resources from their ministry survived. As the VET system has become fragmented, the quality of provision has deteriorated owing to the absence of a national institution in position to steer the overall system and to monitor the implementation of a national strategy across the line ministries, local institutions and vocational schools in line with the demand of the labour market.

Progression routes among education pathways are not clearly defined and there are gaps in the fields of study, particularly in secondary vocational studies. In order to develop vertical and horizontal learning pathways and progression routes and to plan adequate education supply, a careful analysis of the demand for skills in the labour market will be needed. Such an analysis will also help to reduce the mismatch between supply and demand and create more options and better opportunities for learners.

Despite the fact that most initial vocational schools are formally connected to a ministry, which also appoints their principal, they receive no regular financial support from the state. International analysts report that the predominance of fee-paying VET provision has led to a substantial reduction in equal access to education and training in the rural population and among students from low-income families. Other outcomes include a decrease in the number and scope of the vocational courses on offer and a focus on the provision of a narrow range of skills.

Realising the need to strengthen the coordination of VET across the line ministries and vocational schools, the present government set up a new VET Unit in the Ministry of Education in February 2009. Staffed by a limited number of professionals, this new unit has been given the ambitious task of coordinating the VET system, harmonising the provision of courses, and developing national guidelines and standards to align supply and demand and to re-establish much needed quality assurance mechanisms.

Furthermore, the availability of skilled workers trained by a modern and efficient education system will be essential to the success of the government's policy aimed at diversifying the economy to make it less dependent on hydrocarbon resources, more competitive in sectors like tourism, and more attractive to investors.

The recent creation of a Ministry of Labour and Social Welfare is an important step towards ensuring that adequate policies be implemented to promote employment. One important task for this ministry will be to coordinate the analysis of labour market dynamics to identify present and future skills needs and the links between such needs and the pre-employment and continuing training provided by public and private institutions.

At present, only scant information is available on the skills needs of emerging economic sectors and how these might be fulfilled by the supply of graduates trained in vocational institutions. The new regulations introduced in 2011 on the establishment of elementary vocational schools are also a clear indication of the priority assigned by the government to the issue of skills for employability.

The EU project, which started recently, will respond to the need to plan and review professional education standards, strengthen policy-making capacity, introduce new subjects and methodologies, and upgrade the skills of teachers and trainers. In this way, it will further increase the quality and relevance of professional education and support the economic and social development of Turkmenistan while increasing opportunities for young people. The immediate results of the EU project will support Turkmenistan's medium- and long-term development agenda as defined in the 2030 strategy currently being developed by the government.

As mentioned above, the places currently available in tertiary education cannot meet the demand for enrolment. Thus, most of the workforce is made up of graduates of general and vocational secondary education. In the current situation, it is vital that the quality of the workforce should keep up with the pace of technological innovation and those students and employees should have access to quality pre-employment and continuing VET.



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There is currently greater awareness in Turkmenistan that an improved VET system could play a key role in the country's socioeconomic development and the diversification of the economy. Steps have been taken by the authorities with the assistance of donors to improve the quality, effectiveness and efficiency of the system. The reform is, however, a long-term undertaking, and the lack of data and information on the current system could hamper the reform process and the effectiveness of dialogue among key players. For this reason, data on enrolment, graduation, career paths and employment must be collected, analysed and compiled to inform a strategic overview and to guide the development of the instruments needed to monitor the progress of reform.

ANNEX STATISTICAL DATA

TABLE 1 INDUSTRIAL OUTPUT BY REGION AND SECTOR, 2007 (%)

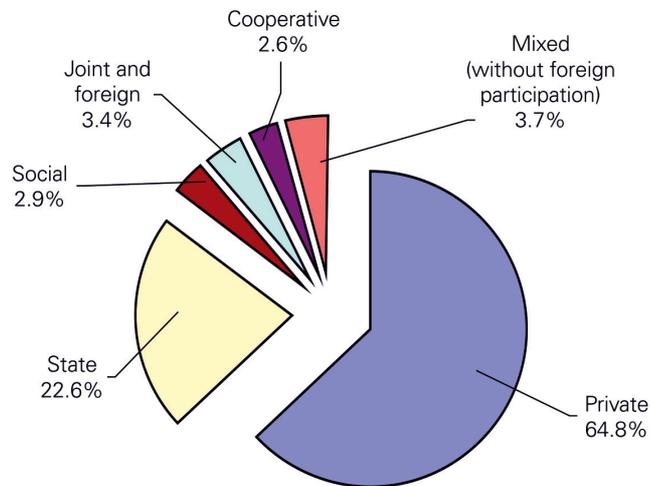
| | Ashgabat | Velayats | | | | |
|--|-------------|-------------|-------------|-------------|-------------|-------------|
| | | Akhal | Balkan | Dashoguz | Lebap | Mary |
| Power industry | 5.9 | 0.5 | 0.3 | 0.4 | 0.6 | 0.5 |
| Fuel industry | – | 53.5 | 86.2 | – | 44.4 | 57.8 |
| Oil production | – | – | 38.6 | – | 0.1 | – |
| Oil processing | – | – | 47.6 | – | 14 | – |
| Gas | – | 53.5 | – | – | 30.3 | 57.8 |
| Mechanical engineering and metal working | 4.3 | 0.02 | 0.1 | 0.5 | 0.5 | 0.4 |
| Chemical and petrochemical (including pharmaceutical) | 3.7 | 2.1 | 0.4 | 0.1 | 1.3 | 0.8 |
| Woodworking and pulp-and-paper industry | 0.9 | 0.4 | 0.02 | 0.1 | 0.1 | 0.1 |
| Construction materials | 2.8 | 5.6 | 1.2 | 1.2 | 1.4 | 0.5 |
| Glass and white ware Industry | 0.3 | – | – | 0.01 | – | – |
| Light industry | 40.4 | 22.5 | 5.8 | 43.3 | 19.6 | 19.2 |
| Textile | 15 | 17.6 | 3.1 | 22.3 | 14.4 | 15.2 |
| Clothing | 23.9 | 4.9 | 2.6 | 21 | 5.2 | 3.8 |
| Leather, fur and footwear industry | 1.5 | – | 0.1 | – | – | 0.2 |
| Food | 36.7 | 15.3 | 5.8 | 53.9 | 31.2 | 20.5 |
| Flavourings | 30.8 | 12.1 | 4.1 | 44.9 | 21.6 | 16 |
| Dairy and meat | 3.7 | 2.2 | 1 | 5.5 | 6.5 | 3.5 |
| Flour and cereals | 2.2 | 0.8 | 0.1 | 3.1 | 2.9 | 0.9 |
| Other | 5 | 0.08 | 0.18 | 0.49 | 0.9 | 0.2 |
| Total | 100 | 100 | 100 | 100 | 100 | 100 |

Notes: Rows in bold refer to sector totals expressed as percentages of national production. Other rows represent sector breakdown expressed as percentages of sector totals.

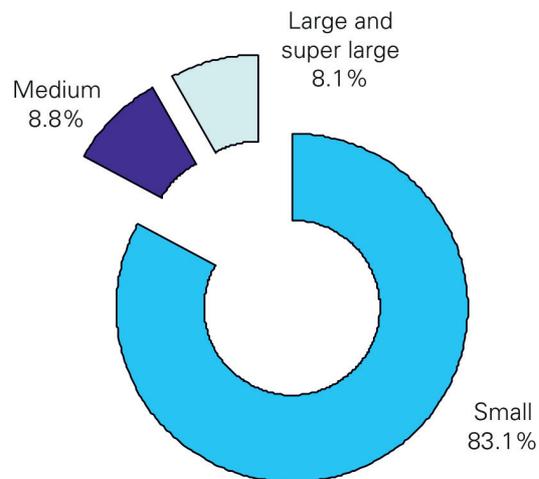
TABLE 2 DISTRIBUTION OF EMPLOYMENT BY SECTOR AS A % OF TOTAL EMPLOYMENT BY REGION, 2010

| Economic sector | Turkmeni- stan | Ashgabat | Velayats | | | | |
|--|-------------------|------------|------------|------------|------------|------------|------------|
| | | | Akhal | Balkan | Dashoguz | Lebap | Mary |
| Industry | 14.2 | 16.7 | 14.5 | 27.1 | 10.2 | 14.4 | 11.3 |
| Agriculture | 46.7 | 1.6 | 55.1 | 15.7 | 63.6 | 49.1 | 59.6 |
| Forestry | 0.1 | 0.6 | 0.1 | 0.1 | 0.0 | 0.1 | 0.0 |
| Fishery | 0.2 | 0.0 | 0.1 | 1.4 | 0.2 | 0.2 | 0.0 |
| Transport and communications | 5.4 | 10.3 | 2.9 | 10.5 | 3.7 | 5.6 | 4.1 |
| Construction | 8.0 | 23.3 | 4.9 | 12.3 | 3.6 | 6.8 | 5.0 |
| Trade, catering, logistics and marketing | 6.9 | 16.2 | 6.8 | 7.0 | 4.9 | 6.1 | 4.3 |
| Data and computing services | 0.0 | 0.1 | 0.0 | 0.2 | 0.0 | 0.0 | 0.0 |
| Real estate | 0.4 | 2.2 | 0.1 | 0.5 | 0.0 | 0.1 | 0.1 |
| General sales activities | 0.1 | 0.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Geological exploration and hydro-meteorological services | 0.3 | 0.7 | 0.4 | 0.8 | 0.0 | 0.3 | 0.2 |
| Other sectors of industrial production | 0.1 | 0.5 | 0.0 | 0.1 | 0.0 | 0.0 | 0.0 |
| Housing and community services and non-production types of consumer services | 3.3 | 7.0 | 1.9 | 5.9 | 1.9 | 2.8 | 2.7 |
| Health care, physical training and social welfare | 3.8 | 4.8 | 3.3 | 5.3 | 3.0 | 4.2 | 3.5 |
| Education, culture and art | 8.0 | 9.2 | 7.4 | 9.7 | 7.5 | 8.3 | 7.3 |
| Science and research | 0.2 | 1.0 | 0.0 | 0.3 | 0.0 | 0.1 | 0.1 |
| Lending services, finance and insurance | 0.5 | 1.0 | 0.4 | 0.7 | 0.3 | 0.4 | 0.4 |
| Public administration | 1.8 | 4.3 | 1.6 | 2.4 | 1.1 | 1.5 | 1.4 |
| Total employment | 100 | 100 | 100 | 100 | 100 | 100 | 100 |

Note: 0.0 indicates a very small percentage.

FIGURE 1 REGISTERED ENTERPRISES BY FORM OF OWNERSHIP AS OF 1 JANUARY 2012 (%)

Source: Website of State Committee of Turkmenistan for Statistics (www.stat.gov.tm)

FIGURE 2 DISTRIBUTION OF REGISTERED ENTERPRISES BY SIZE AS OF 1 JULY 2008 (%)

Source: Website of State Committee of Turkmenistan for Statistics (www.stat.gov.tm)

TABLE 3 POPULATION DYNAMICS AND EMPLOYMENT STRUCTURE, 2009–10

| | % change over previous year | | Structure (% of total labour force) | |
|---|-----------------------------|------|-------------------------------------|-------|
| | 2009 | 2010 | 2009 | 2010 |
| Total labour force | 2.6 | 2.4 | 100.0 | 100.0 |
| Working age population in the labour force | 2.5 | 2.4 | 98.6 | 98.6 |
| People not of working age but in the labour force | 5.4 | 3.3 | 1.4 | 1.4 |
| Economically active population | 2.9 | 2.7 | 78.8 | 79.0 |
| Employed population | 3.1 | 2.8 | 69.8 | 70.0 |
| State sector | 0.3 | 0.6 | 18.2 | 17.9 |
| Non-state sector | 4.1 | 3.6 | 51.6 | 52.1 |
| Job seekers | 4.6 | 4.3 | 5.4 | 5.5 |
| Economically inactive population | 1.6 | 1.3 | 21.2 | 21.0 |
| Students aged 16 and over | 13.9 | 4.7 | 5.9 | 6.2 |
| Unpaid family workers | -2.5 | -1.3 | 15.3 | 14.8 |
| Total employed population (all sectors) | 2.5 | 2.3 | 94.6 | 94.5 |

TABLE 4 EVOLUTION OF YOUNG POPULATION* BY GENDER AND TYPE, 2004–08

| Year | Urban | | | Rural | | | Total | | |
|-------------|---------|---------|---------|---------|---------|---------|---------|---------|-----------|
| | Men | Women | Both | Men | Women | Both | Men | Women | Both |
| 2004 | 231 082 | 217 190 | 448 272 | 322 413 | 318 609 | 641 022 | 553 495 | 535 799 | 1 089 294 |
| 2005 | 236 477 | 222 662 | 459 139 | 334 199 | 329 598 | 663 797 | 570 676 | 552 260 | 1 122 936 |
| 2006 | 241 494 | 227 560 | 469 054 | 345 735 | 340 409 | 686 144 | 587 229 | 567 969 | 1 155 198 |
| 2007 | 246 148 | 232 035 | 478 183 | 356 434 | 350 389 | 706 823 | 602 582 | 582 424 | 1 185 006 |
| 2008 | 250 124 | 235 710 | 485 834 | 366 310 | 360 018 | 726 328 | 616 434 | 595 728 | 1 212 162 |

(*) As per the United Nations definition, young people are those aged between 15 and 24.

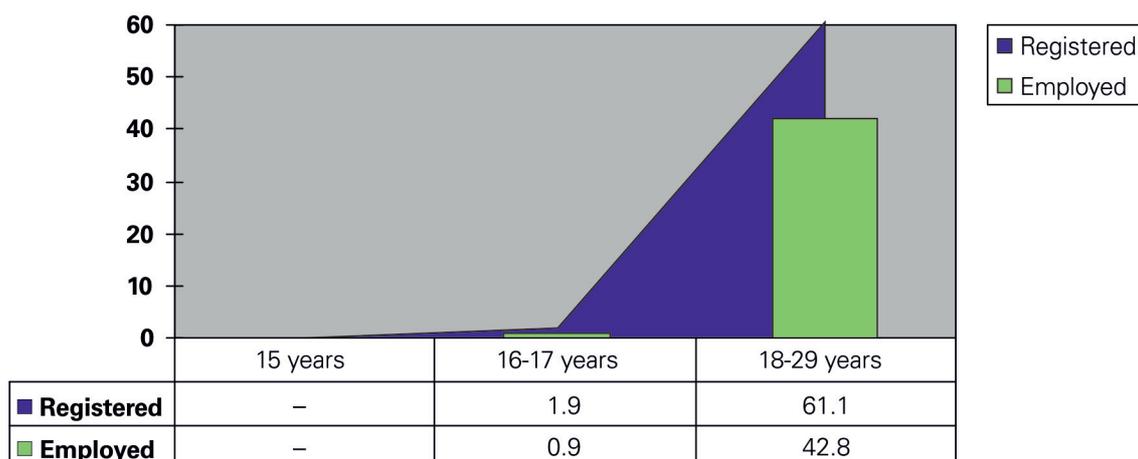
FIGURE 3 NUMBER OF YOUNG PEOPLE EMPLOYED AND REGISTERED WITH EMPLOYMENT SERVICES BY AGE, 2010 (THOUSANDS OF PEOPLE)

FIGURE 4 EDUCATION LEVEL OF INDIVIDUALS REGISTERED WITH EMPLOYMENT SERVICES, 2010 (%)

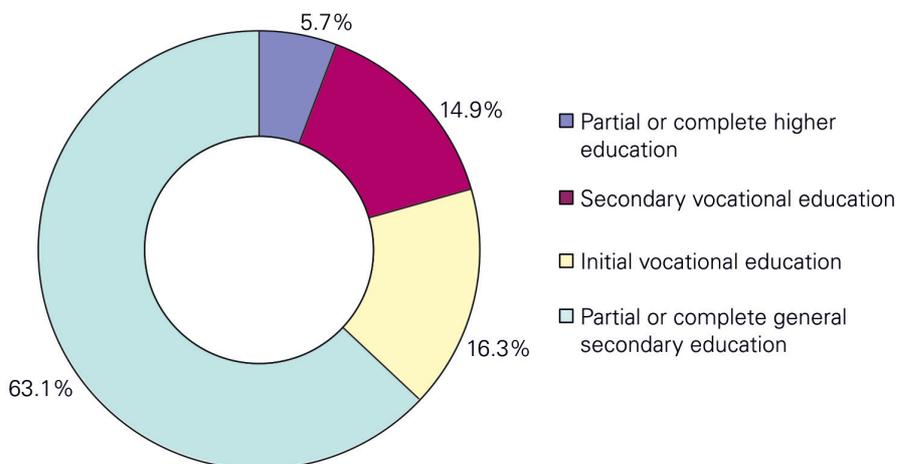
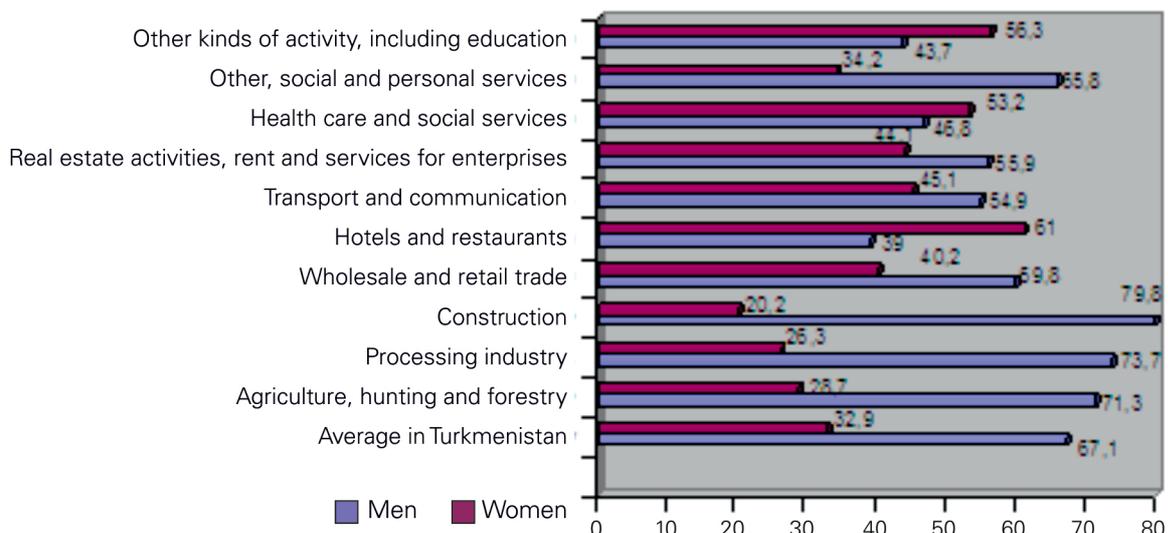
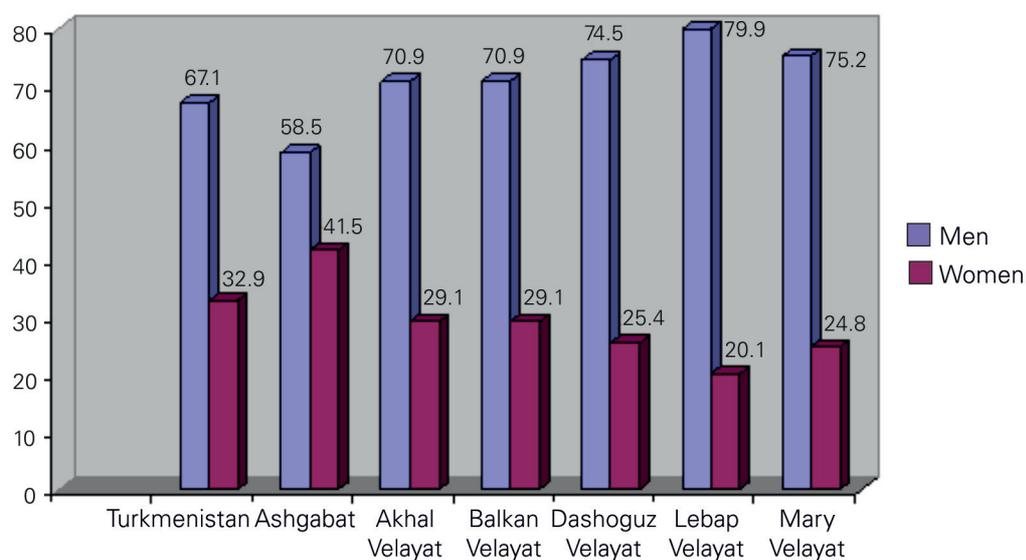


FIGURE 5 EMPLOYMENT IN SMEs BY GENDER AND SECTOR, 2007 (%)



Note: Data reflects the average number of people employed.

Source: State Committee of Turkmenistan for Statistics, *Small entrepreneurship in Turkmenistan in 2007, Part I, 2008.*

FIGURE 6 EMPLOYMENT IN SMEs BY GENDER AND REGION, 2007 (%)

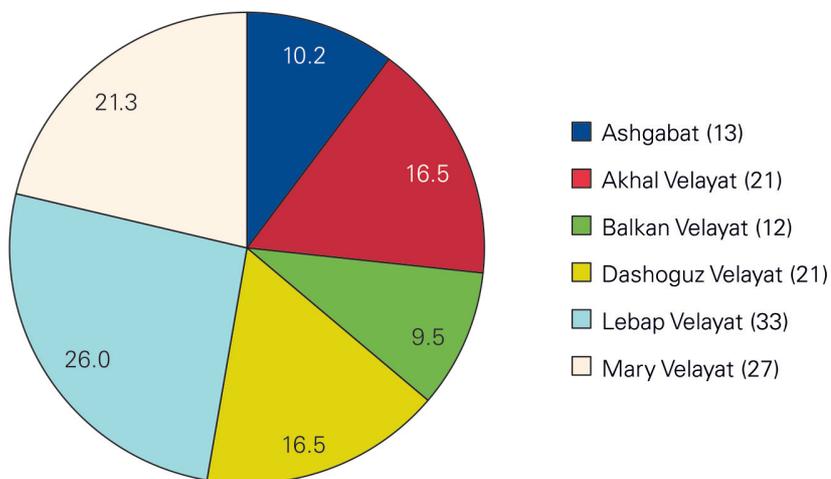
Note: Data reflects the average number of people employed.

Source: State Committee of Turkmenistan for Statistics, *Small entrepreneurship in Turkmenistan in 2007, Part I, 2008*.

TABLE 5 STATE EDUCATION BUDGET, 2004 & 2005* (MILLION MANATS)

| Indicator | 2004 | 2005 |
|--|--------------------|--------------------|
| Total expenditure on education and science | 4 537 998.6 | 5 650 191.8 |
| Total without capital investment | 4 475 305.6 | 5 588 088.1 |
| Science | 198 700.3 | 256 055.0 |
| <i>% of all expenses</i> | 4.4 | 4.5 |
| Culture and mass media | 377 076.1 | 481 354.6 |
| <i>% of all expenses</i> | 8.3 | 8.5 |
| Education | 3 962 222.2 | 4 912 782.2 |
| <i>% of all expenses</i> | 87.3 | 86.9 |
| including: | | |
| Pre-school, general secondary education and vocational training | 3 329 218.9 | 4 120 603.2 |
| % | 84.0 | 83.9 |
| Preschool institutions | 677 761.5 | 854 431.5 |
| <i>% of all expenses of education</i> | 17.1 | 17.4 |
| Primary and secondary schools | 2 583 333.6 | 3 181 046.6 |
| <i>% of all expenses of education</i> | 65.2 | 64.8 |
| Boarding schools | 68 123.8 | 85 125.1 |
| <i>% of all expenses of education</i> | 1.7 | 1.7 |
| Vocational training | 288 904.5 | 415 336.6 |
| <i>% of all expenses of education</i> | 7.3 | 8.5 |
| Secondary vocational educational schools | 41 624.1 | 58 228.8 |
| <i>% of all expenses of education</i> | 1.1 | 1.2 |
| Higher educational institutions | 247 283.4 | 357 107.8 |
| <i>% of all expenses of education</i> | 6.2 | 7.3 |

(* No information available for other years.

FIGURE 7 REGIONAL DISTRIBUTION OF INITIAL VOCATIONAL SCHOOLS, 2010 (UNITS, % SHARE)**TABLE 6 NUMBER OF STUDENTS IN SECONDARY VOCATIONAL INSTITUTIONS BY REGION, 2008/09**

| | Number of educational institutions | Admitted students | | Trained students | | |
|---------------------|------------------------------------|-------------------|--------------|------------------|--------------|------------------|
| | | Total | Women | Total | Women | Trained for free |
| Turkmenistan | 18 | 1 715 | 1 224 | 4 024 | 2 757 | 678 |
| Ashgabat | 7 | 926 | 636 | 2 089 | 1 343 | 678 |
| Akhal Velayat | 1 | 40 | 13 | 80 | 26 | 0 |
| Balkan Velayat | 2 | 85 | 45 | 213 | 144 | 0 |
| Dashoguz Velayat | 3 | 270 | 206 | 641 | 457 | 0 |
| Lebap Velayat | 2 | 89 | 67 | 287 | 195 | 0 |
| Mary Velayat | 3 | 305 | 257 | 714 | 592 | 0 |

FIGURE 8 NUMBER OF STUDENTS IN SECONDARY VOCATIONAL INSTITUTIONS BY SECTOR, 2000/01 & 2007/08

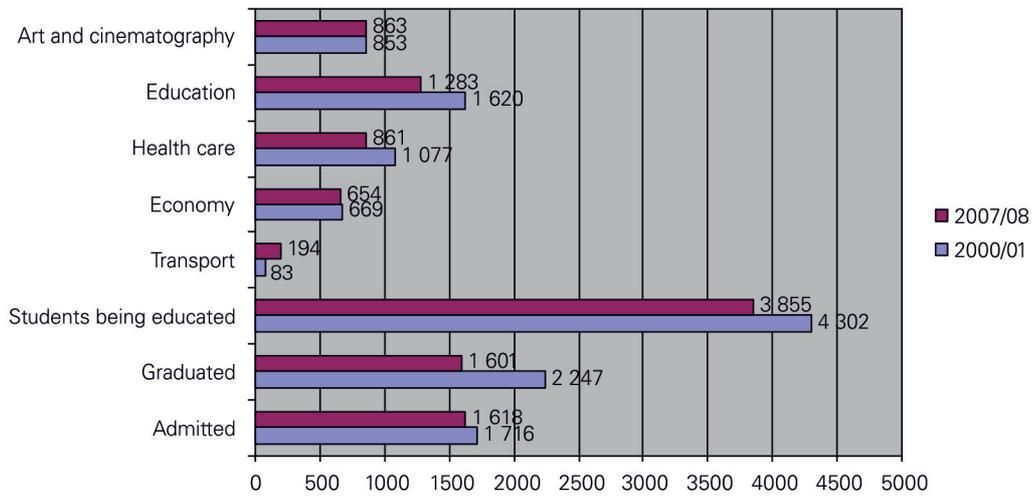


FIGURE 9 DISTRIBUTION OF STUDENTS BY TYPE OF VOCATIONAL SCHOOL AND GENDER, 2008/09 (%)

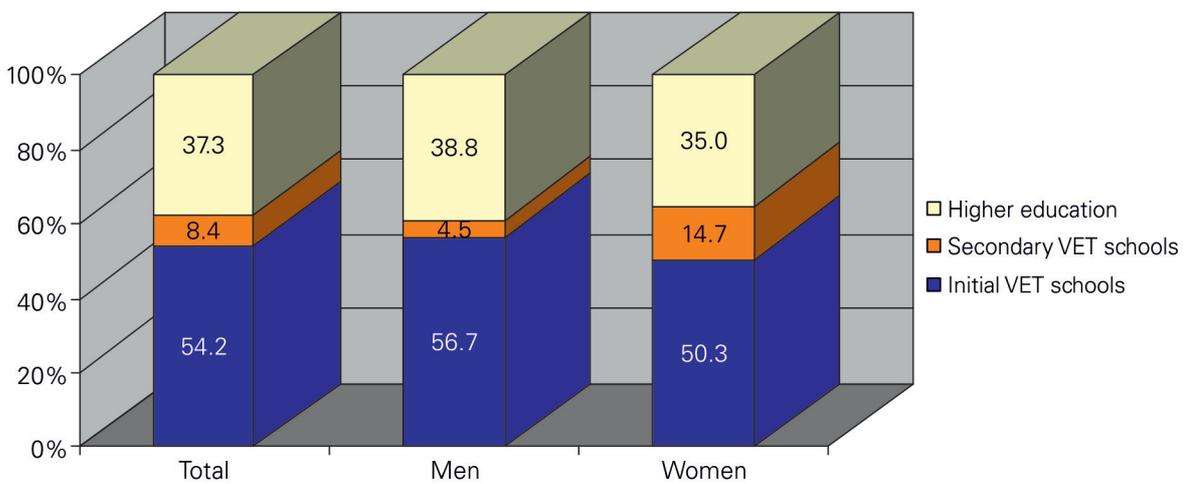


FIGURE 10 NUMBER OF STUDENTS IN HIGHER EDUCATIONAL INSTITUTIONS BY SECTOR, 2000/01 & 2007/08

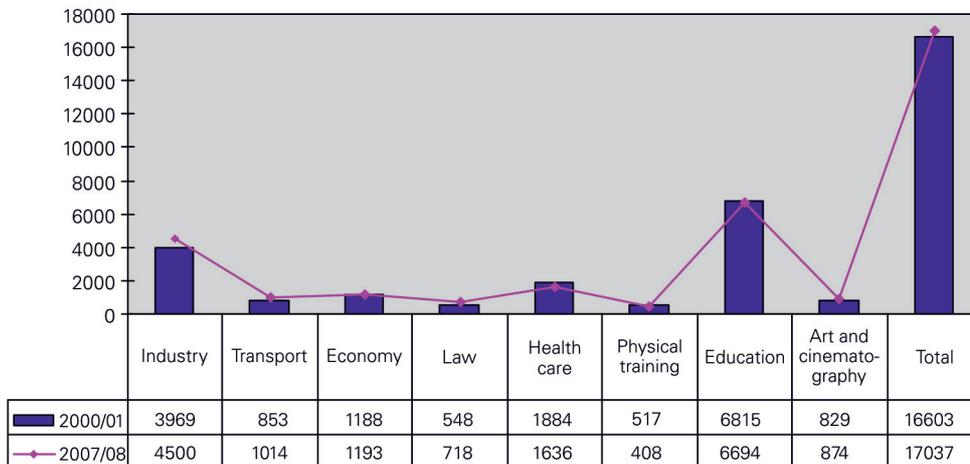
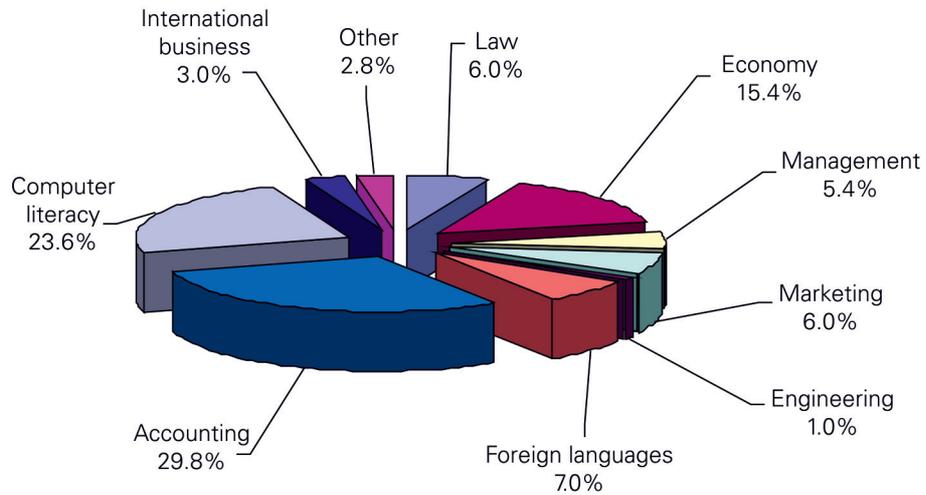
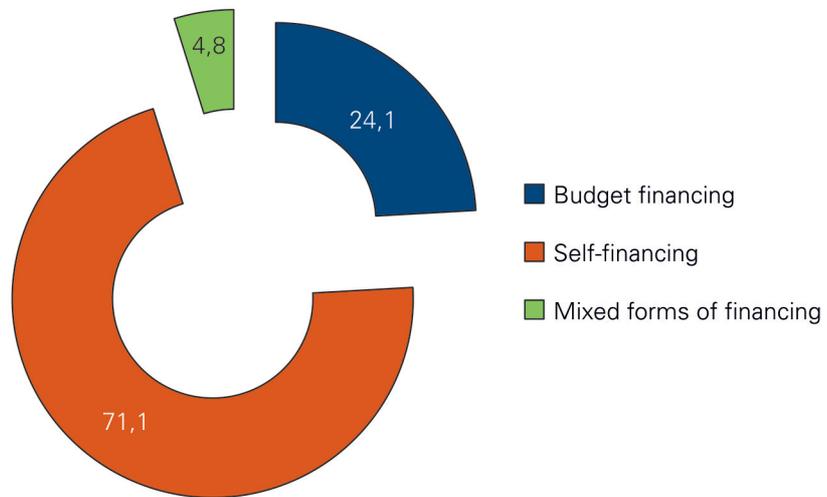
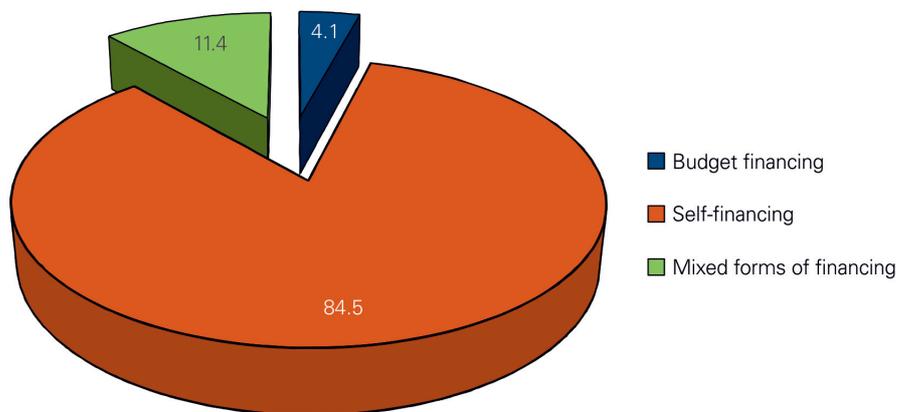


FIGURE 11 TRAINING NEEDS OF THE ENTREPRENEURIAL SECTOR BY SUBJECT (%)



Source: Survey of a sample of managers of small enterprises and sole proprietors about gender equality issues in business, The Union of Economists of Turkmenistan and UNDP, 2008.

FIGURE 12 SOURCES OF FINANCING OF STATE VOCATIONAL SCHOOLS (%)**FIGURE 13 SOURCES OF FINANCING OF ADULT EDUCATION AND OTHER FORMS OF EDUCATION (%)**

ACRONYMS

| | |
|---------------|--|
| CAREN | Central Asian Research and Education Network |
| ETF | European Training Foundation |
| EU | European Union |
| GDP | Gross domestic product |
| PPP | Purchasing power parity |
| SME | Small and medium-sized enterprise |
| UNDP | United Nations Development Programme |
| UNESCO | United Nations Educational, Scientific and Cultural Organisation |
| Unicef | United Nations Children’s Funds |
| USD | US dollar |
| VET | Vocational education and training |

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