



TORINO PROCESS 2012

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Table of Contents

ABBREVIATIONS	3
EXECUTIVE SUMMARY	4
A. VISION AND STATE OF THE ART IN VOCATIONAL EDUCATION AND TRAINING	9
B. EXTERNAL EFFICIENCY: ADRESSING ECONOMIC AND LABOUR MARKET NEEDS	12
C. EXTERNAL EFFICIENCY: PROMOTING EQUITY AND ADRESSING SOCIAL DEMANDS FOR EDUCATION AND TRAINING	17
D. INTERNAL QUALITY AND EFFICIENCY OF INITIAL AND CONTINUING VET DELIVERY	23
E. GOVERNANCE INCLUDING FINANCING OF THE INITIAL AND CONTINUING VET SYSTEM AND INSTITUTIONAL CAPACITIES FOR CHANGE	29
STRUCTURE OF THE EDUCATION SYSTEM IN AZERBAIJAN	37
DONOR PROJECTS TO SUPPORT VET REFORM IN AZERBAIJAN	38
BIBLIOGRAPHY	40

ABBREVIATIONS

CET	Continuing Education and Training (Additional Education according to the Law on Education)
CDVET	Centre for the Development of VET
E&T	Education and Training
ETF	European Training Foundation
EU	European Union
ENPI	European Neighbourhood Policy Instrument
HE	Higher Education
ICT	Information and Communication Technologies
IDP	Internally Displaced Persons
ILO	International Labour Office
IVET	Initial Vocational Education and Training (after 9th class)
LLL	Lifelong Learning
MOE	Ministry of Education
MLSPP	Ministry of Labour and Social Protection of the Population
NQF	National Qualifications Framework
RCMOL	Scientific Research and Training Centre of the Ministry of Labour
SME	Small and Medium Enterprises
SSCAR	State Statistical Committee of the Republic of Azerbaijan
TACIS	EU Assistance Programme for Commonwealth of Independent States
TVET	Technical and Vocational Education
UNESCO	United Nations Educational, Scientific and Cultural Organization
VET	Vocational Education and Training

EXECUTIVE SUMMARY

The Torino Process Report is looking at the achievements of VET systems against the changing needs of society and the economy. Azerbaijan's economic and social development has been steadily improving since 2006. In 2011 the World Bank classified Azerbaijan's economy as a higher middle income country. The period from 2006 until 2009 saw high economic growth, followed by a recession period from 2010 to 2011 when the GDP growth rate dropped from 9.3% in 2009 to 1.0%. Although much of this growth has to be attributed to oil revenues, the international image of other economic sectors and their share in GDP seems to be growing as well. The positive macro-indicators do not provide the full picture. Poverty has not been eradicated yet. Wage employment is only a small share of the labour market and the vast majority of the workforce work in small companies, in agriculture and family businesses. The energy sector is good for two thirds of the GDP, but employs less than one per cent of the workforce. Further progress in the diversification of the economy is critical to ensure stability of jobs that have been created over the past five years. Human resource development is key to this. Education reforms have intensified during the past decade. Budget allocations for education have increased five times compared to 2003. But there is still much room for improvement.

The Torino Process 2010 recommendations were defined by national stakeholders, but the report itself had been prepared by ETF. The first Torino Process report was published early 2011 and then translated into Azerbaijani. The Azerbaijani colleagues volunteered to do a self-assessment in 2012. The approach chosen was to update and improve the 2010/11 TRP report. Working in Azerbaijani, each of the institutions reviewed the texts that concerned their field of competence with the Ministry of Education integrating the different texts. These were translated several times back into English for ETF comments. ETF also prepared a draft chapter E on Governance. Additional information became available close to the validation event in November, where the findings were discussed with a wide group of national stakeholders. Queries on statistical data delayed the finalisation. The final 2012 report still reflects work in progress, which is very much in line with the reforms in VET themselves.

Findings of the TRP report 2010

The 2010 report documented increased attention to VET since 2007 – and in particular through the State Programme for VET Reform 2007-2012. The State Programme started a process of restructuring of schools and review of VET contents, links with enterprises had to be strengthened, and a methodological Centre for Development of VET was established. The upgrading of facilities was highly needed as the majority of schools could not offer the conditions for quality education with poor facilities, and basic infrastructure. According to data of the Ministry of Education in 2010, 78 out of the 107 current vocational schools needed restructuring.

The Law on Education that was adopted in 2009 established a new legal framework for education – which was more comprehensive and dedicated attention to lifelong learning. It was still to be succeeded by secondary legislation (regulations) and by specific legislation for higher education and for vocational education. The first Torino Process Report concluded that reforms included important innovations, in each segment of the education system in bringing Azerbaijan in line with European and international changes, but lacked system-wide mechanisms that can take account of regional, sectoral and national skills needs for general, vocational and higher education and adult learning. VET was following behind reforms in general and higher education, which were therefore starting to influence VET reforms. The report highlighted the need for more integrated approaches that look at

the relevance of the education and training provision as a whole. A small number of 7 pilot curricula had been developed with the support of Tacis and Unesco projects that were tested, but a consolidated approach to curriculum development was missing.

The wish to strengthen the links with the labour market had been translated into a number of concrete initiatives for cooperation with companies, but a systemic approach to involvement of enterprises in VET was missing. Systematic work at school, regional, sectoral and national level was needed. The formulation of occupational standards and the reform of qualifications linked to the introduction of the NQF offered a new approach to introduce more relevant quality assured qualifications, but the link between the occupational standards and the VET qualifications still needed to be fine-tuned. Many of the ideas for reform were identified, but needed to be adapted for implementation. The capacities for reform and implementation needed to be strengthened. The VET Department and the Centre for the Development of VET in the Institute of Educational Problems struggled with capacity limitations. The teacher student ratio in VET is high by international comparisons, but the VET sector struggles with both a surplus and a shortage of teachers. There are limited opportunities for new teachers. Over the last decade the workforce of teachers and instructors was slowly declining and aging. Most vocational schools still needed to upgrade their facilities.

Overall reforms had started, but bigger changes were needed to improve the quality and relevance of initial training, college education, higher education and Continuing Education and Training. Without more attention to the reform of education diversification in the economy cannot happen. It required that much more students need to specialise for the labour market. Initial training and college education needed to become more attractive and higher education needed to be more relevant for the labour market. Moreover, adult learning needed to be developed within a lifelong learning concept.

The national stakeholders formulated the following recommendations:

- a) Create a strategy for the development of stronger relations between employers and educational organizations, as well as for the development of social partnership;
- b) The formation of a coordinating council to regulate the relationship between business and education system, which will include representatives from government, non-governmental agencies and businesses;
- c) Support initiatives for the development and establishment of specialised institutions for the retraining and upgrading of the labour force in accordance with changing labour market needs (including support to existing VET providers)
- d) Create a legal framework aimed at activating the participation of employers in the process of training.
- e) Create a NQF to support the accreditation and certification of qualifications
- f) Establishment and support of bodies that can represent the qualification needs including representatives from the World of Work and in particular from economic sectors

Progress made during 2011/2012

The 2012 report largely supports the findings of the 2010 exercise. The period between the time of completion of the previous report and the present report has been too limited to signal any major changes, but in 2011/12 a number of the recommendations have been taken further.

These concern the role of a future workforce development agency to support the development of specialised institutions for retraining and upgrading of the labour force in accordance with changing labour market needs, the creation of a NQF and the establishment of bodies for the identification of the skills and qualification needs of

economic sectors. Moreover, there is also progress in the development of new VET curricula.

There are signs of change, through ad hoc cooperation at the local level of schools and individual companies but also gradually at the system level. But the appropriate mechanisms for a systemic change have not been identified yet. The main difficulty seems to be how to organise purposeful self-sustainable partnerships between the world of work and the education system. Schools in the present set up lack the responsibilities and means to develop strong local partnerships. Therefore, as far as the strategy for stronger relations between employers and educational organisations and the formation of a coordinating council is concerned no real progress can be reported, while there is also no clear legal framework yet for VET to activate the role of the participation of employers.

Two important draft decrees have been proposed to the Cabinet of Ministers and are under consideration:

The Working Group on the NQF led by the Ministry of Education has elaborated the details of a National Qualifications Framework for lifelong learning that builds on the law on education (2009) and on-going reforms in the country in general, vocational and higher education and in adult learning. The proposed framework covers eight levels for quality assured qualifications based on learning outcomes, with a strong link to occupational standards for the vocationally oriented qualifications. It should allow Azerbaijan to relate its qualifications to those of other countries that participate in the Bologna and EQF processes. The framework strengthens the importance of inter-institutional cooperation, the use of learning outcomes, and quality assurance for developing and registering qualifications, and for assessment and certification.

The Ministry of Labour has proposed the establishment of a Workforce Development Agency that should monitor skills and qualifications needs of the workforce, elaborate, maintain and implement occupational standards in cooperation with sectoral councils, accredit the organisations that use occupational standards for training purposes and quality assure the assessment and certification processes based on occupational standards, and provide an information base on the occupational standards and their use. With support of the DIOS project, the Ministry of Labour is developing 200 occupational-and-training standards for 7 priority sectors: construction; tourism and hospitality; energy; processing industries; agriculture; transport; trade, retail and individual services. Pilot Sector councils have been established within the DIOS project. Due to the low degree of business organisation, it is difficult to identify sector representatives that can truly represent their sector. Moreover, labour market information does not provide systematic indications of skill needs. With support of the ETF CVT project the role of sectoral councils are under review in order to explore a stronger ownership by representatives from economic sectors. After the decree on the Workforce Development Agency is coming into force, the role and status of the sector councils should be formalised.

The developments above show that the policy formulation process and legislative processes are progressing. In this context it is also worth mentioning that on 31 October 2011, the Cabinet of Ministers of the Republic of Azerbaijan approved the "Classifier of Specializations for Initial Occupational Education." This Classifier includes more than 700 occupational specializations. The Regulation on Vocational Education (2012) following the law on education (2009) also been approved recently regulating the implementation of vocational education in accordance with the law. These regulatory documents will have to be consolidated within a new strategic framework.

Proposals for a draft law on vocational education have been discussed last year with experts from the ministry of education, school directors and the centre for the development of vocational education, but have not been proposed to parliament yet as these documents are expected to be influenced by a wider strategic framework. An education development plan is expected following the adoption of the Azerbaijan 2020 – vision of the future strategy, which outlines the main strategic developments for the period until 2020. The Azerbaijan 2020 strategy stresses the importance of a balanced export oriented economy that is more knowledge-oriented and less dependent on oil revenues. Diversification of the economy is a priority, as is the promotion of private sector development, investment in infrastructure and human resource development. VET is mentioned specifically in the Azerbaijan 2020 strategy, underlining the need to increase the participation in VET, in line with the changing economic needs of the country. Regional training centres are to be established to support the improvement of the quality of vocational and tertiary education in line with regional development needs.

A new concept for VET is also in preparation, building on a the concept for VET in Agriculture, that was prepared by the Ministry of Education and the Twinning Project. The concept is expected to emphasise the needs to diversify the VET provision further, introducing dual and continuing vocational pathways, next to classical VET schools.

Internationally comparable data from Unesco confirm that education expenditures have increased over the past years in absolute and relative terms. The latest available figure shows that in 2009 3.3% of GDP was spent on education, but only 0.6% on VET. These increased budgets are still substantially below the EU average of 5.4% of GDP, and have to be seen as well against rising costs.

At the end of 2012, 27 vocational schools have been completely modernised. Twenty of these schools were refurbished or established with the support of the State Programme for vocational education 2007-2012. Seven schools received support from other sources, including the state programme for regional development and the Heydar Aliyev Foundation. This means that one in four vocational schools is modernised. However, restructuring efforts are expected to slow down in the immediate future as there is no follow up foreseen yet for the state programme for vocational education, in spite of a general reference to continued restructuring in the Azerbaijan 2020 strategy.

A major innovation in VET provision is the establishment of so-called VET Centres that can function both as schools and adult learning centres. Two centres reported in the previous Torino Process Report are operational in Gabala and Ismayilli. They have been developed with a clear regional support role in mind together with local stakeholders from regional and local administrations, and private enterprises in the region. It is a clear example of a more service oriented education system offering education and training services to different groups of learners, and enterprises. Additional centres are being developed or planned in construction, welding, new technologies, and for disabled learners in close cooperation with international partners.

A recent study on enrolment in VET that was done by the VET department shows a trend towards more interest in initial VET from older learners, and VET slowly becoming a specialization of choice, rather than a last resort. In a number of restructured schools the applicants for VET are now substantially outnumbering the available places. The employment situation for VET graduates is also gradually improving. According to

information for 2011, 37% of graduates from vocational schools have been able to find jobs, while 30% started their military service.

The pilot curricula developed with the support of TACIS, UNESCO and World Vision projects are being tested and the Twinning project in Agriculture and the Centre for the development of VET have worked on integrating different international methodologies for developing modular curricula based on occupational standards. In addition to the 15 new curricula that have been developed with the support of international projects the Ministry of Education has recently tendered work on an additional 40 new curricula. It is hoped that a consolidated approach for translating occupational standards, into vocational qualifications (educational standards) and curricula can be achieved.

Remaining challenges

In spite of all the progress made recently, the VET system as a whole still has to overcome a negative image of an old-fashioned system with obsolete facilities, delivering poor quality and with an outdated response to the labour market. Currently the development opportunities for school graduates are still limited, considering that less than 40% specialises after completing general secondary education. Most of them end up working for micro-enterprises, family businesses and small farms. Entrepreneurship is therefore important, but the education system is not really preparing for it.

Some enterprises are signalling skill shortages and skill gaps for a number of occupations. But for the majority of employers the skills of their employees are not yet decisive for growth. There is still lack of trust in the formal training systems among employers, and lack of confidence in the value of VET qualifications among students and parents. Those who enter into salary employment in bigger companies find themselves at the bottom of the company ladder, learning on the job. Informal apprenticeship is the main pathway for skills development. Those who study to specialize themselves are often ending up without a job in their field of specialisation.

New information shows that the image of VET is improving especially in the newly restructured schools. Based on information on VET graduates from 2011, 37% of graduates from vocational schools have been able to find jobs, while 30% started their military service.

This is still not satisfactory. The started reforms need to be carried further, with a stronger participation of the private sector. VET needs to become more relevant, and address the historical fragmentation of detached specialised institutions for skilled workers, technicians and professionals, to a system that can provide more integrated professional education services to different groups within a lifelong learning context. This also requires a closer cooperation between VET schools, colleges, universities and other training centres.

If Azerbaijan is really serious about diversifying its economy it urgently needs to address the quality and capacities of its education and training system; upgrade existing training programmes systematically and increase the number of students that specialise in VET, colleges and higher education.

A. VISION AND STATE OF THE ART IN VOCATIONAL EDUCATION AND TRAINING

The Chilean sociologist Eugenio Tironi has said that the answer to the question “what kind of education do we need?” is to be found in the answer to another question: “what kind of society do we want?” (Tironi 2005). Building a vision for vocational education is linked to our vision of how society and the economy are expected to develop. During the past ten years Azerbaijan has become a much more stable and richer country than in the previous decade characterised by political intransigence, within which there has been no public debate about Azerbaijan’s future development. In 2012 a national development strategy “Azerbaijan 2020 – a Vision of the Future” was formulated. It stresses the importance of a balanced export oriented economy that is less dependent on oil revenues. Diversification of the economy is a priority, as is the promotion of private sector development, investment in infrastructure and human resource development. Azerbaijan wants to strengthen its links with Europe and aims to modernise society with more opportunities for all citizens.

VET remains mainly synonymous with secondary vocational education, although Life Long Learning is starting to play a more important role in policies. The new law on education (adopted September 2009) has provided a more comprehensive framework for education policies in Azerbaijan, and outlines the general principles, the use of educational standards, the structures and quality assurance principles of the education system, the levels and principles for subsectors (including general education, initial vocational education, secondary specialized vocational education, higher education and for the first time continuing (additional) education. It also regulates admission, and the management of the education system. Lifelong learning seems an implicit goal of the education and training reforms in Azerbaijan.

The national curriculum for general education includes well defined learning outcomes. This curriculum is planned to lay a foundation for all learning up to the 11th class (and in the future 12 years of education), and thus it will influence as well the two and three years initial VET curricula. Its aim is to provide inclusive education to all citizens and facilitate the development of the knowledge, skills and competences that are considered important for active citizenship and participation in the knowledge society, but it lacks an economic dimension in terms of entrepreneurship and a stronger link to the economy, that are so underdeveloped in the present VET and higher education systems. VET is mentioned specifically in the Azerbaijan 2020 strategy, underlining the need to increase the participation in VET, in line with the changing economic needs of the country. Regional training centres are to be established to support the improvement of the quality of vocational and tertiary education in line with regional development needs.

Overall there remains however still a gap between policies in the making and implementation. The Ministry of Education is relatively small and has limited capacities to move beyond the administration of the network of educational institutions. The inter-linkages between the subsectors within the education and training system remain weak and the new law has also reconfirmed existing divisions. It is therefore important that the separate laws for general education, initial training, secondary specialised education and higher education and additional education effectively address the linkages between the subsectors and provide clear access and progression principles creating real progression opportunities for citizens within a lifelong learning framework. The education law provides an overall framework and echoes international developments, but there is no shared vision yet about how the education and training systems will need to be reshaped and developed

over the coming years. A vision is developing to move the country from black gold to human gold, but how the education system can assist to this important challenge is not at all clear.

The State Programme for VET development (2007-12) aimed at the optimisation of the network of VET institutions mainly by updating the infrastructure. School after school has been modernised. Until 2012 27 schools were fully modernized. But currently, the modernization activity could be slowed down, since there are yet no signs of a clear continuation, envisaged in a state program, although the Azerbaijani strategy refers to the needs of further improvements in the infrastructure. A new model of economic relationship between schools and enterprises is on the agenda too; as is the content of vocational training, staff development policies and the management in the field of VET. The results so far have been mainly noticeable at the local level. In 2009 the CDVET was established in the Institute of Educational Problems to support reforms at a national level, although it has not been very effective yet due to a limited mandate and limited capacities. There are numerous examples of developments at school level that show that VET is developing. The main innovation in VET regulation is the creation of the so-called centres of vocational education and training that can function both as schools and centres for adult learning. Two centres have recently been established in Gabala and Ismayilli. Their development has been made possible thanks to the strong support of the region by local concerned people from regional and local administration and private enterprises of the region. This is an obvious example of the service-oriented system of education through offering educational and training services to different groups of trainees and companies. Additional centres are also planned in construction, welding and new technologies.

A Tourism school in Mingechevir has been partnering with a college in Scotland, which has resulted in the development of an employment engagement manual that is being shared with other schools. Occupational lyceum number 11 in Baku is working closely together with the Hyatt hotel for the training of its staff. However these remain isolated largely unconnected examples. Azersun, a multinational company, engaged in the sphere of food industry, is working actively with the schools of vocational education in Bilesuvar for raising the importance of the learning process at schools and the need to raise the quality and effectiveness of institutions of vocational education and training in modern industrial processes. The reform so far has been mainly a one by one, school by school approach.

This is a very important period for the reform of vocational education and training in Azerbaijan. VET is gaining importance in the education and training system and is getting more attention. With the new framework law on education adopted, a new law on VET is in preparation. Projects like the British Council Skills@Work projects, the EU funded TACIS TVET reform project in Tourism, the UNESCO project on curriculum reform and the World Vision project have brought innovations, that indicate the directions of reforms in vocational education and training, seeking a stronger partnership with local businesses. Recommendations for a new VET strategy that have been discussed with a policy working group about how to strengthen capacities policy development and implementation, the implications of a NQF, a more learner-centred approach, staff development needs, the use of ICT and the funding of VET. A new relationship with businesses is emerging, with a number of larger companies taking a more keen interest in the VET sector. A new VET concept is under preparation.

The ETF received the following six key recommendations from national stakeholders that were collected by the VET Department of the Ministry of Education for the Torino Process in 2010. They reflect current priorities for developing a more relevant VET system:

- a) Create a strategy for the development of stronger relations between employers and educational organizations, as well as for the development of social partnership;
- b) The formation of a coordinating council to regulate the relationship between business and education system, which will include representatives from government, non-governmental agencies and businesses;
- c) Support initiatives for the development and establishment of specialised institutions for the retraining and upgrading of the labour force in accordance with changing labour market needs (including support to existing VET providers)
- d) Create a legal framework aimed at activating the participation of employers in the process of training.
- e) Create a NQF to support the accreditation and certification of qualifications
- f) Establishment and support of bodies that can represent the qualification needs including representatives from the World of Work and in particular from economic sectors

What is important about these recommendations is that they are looking for different approaches to establish a stronger relationship between business and education. A number of these recommendations have already moved into actions. The number of such initiatives in 2011/2012 prevails especially for point c (cooperation of schools and enterprises) and points e and f (related to the National Framework of Qualifications and development of professional standards). In addition, a bilateral pilot project of vocational education and training is launched in agriculture as part of the joint project with EU. All current initiatives have been presented by the Ministry of Labour and Ministry of Education. This may create a good opportunity for regions and schools to demonstrate a greater initiative and raise their activeness and impact on the current developments. The work on the NQF has started, with the nomination of a national interdepartmental working group that is supported by international experts. A review of the vocational teacher retraining system has started too. All these initiatives need follow up through the new VET law and the law on higher education to make a systemic impact.

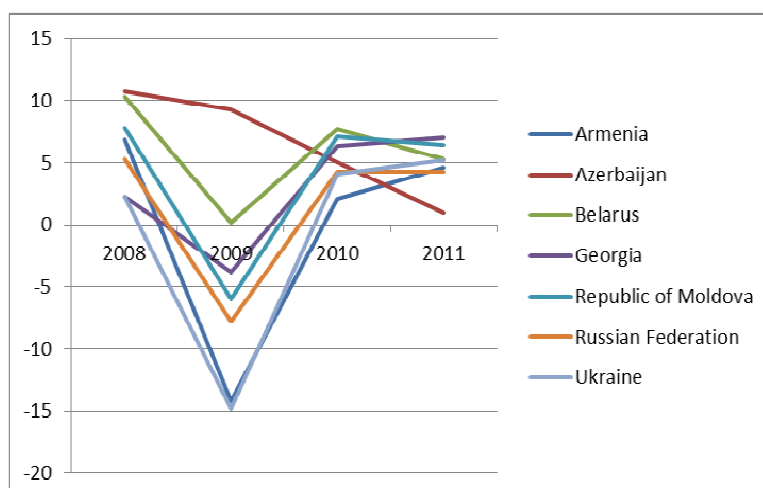
B. EXTERNAL EFFICIENCY: ADDRESSING ECONOMIC AND LABOUR MARKET NEEDS

A growing but unbalanced economy

The main economic challenges in Azerbaijan are how to translate economic growth in sustainable employment growth and overcome the largely informal patterns of employment, creating productive jobs in the formal sector that support the diversification of the economy.

The economy and labour market conditions of Azerbaijan are quite different from those in neighbouring countries to the West and North. The neighbours have seen their economies decline sharply due to the international financial crisis, but the economy of Azerbaijan continued to grow in 2009 when Azerbaijan was the only Eastern partner recording a positive growth rate of real GDP in 2009 at 9.3%. Year after year over the last ten years the economy of Azerbaijan has outperformed any economy in the European Union and the 29 ETF partner countries, especially since in 2005 the Baku Ceyhan pipeline came into operation.

In 2011 the World Bank classified Azerbaijan's economy as a higher middle income country, where per capita GDP has reached 10.136 by the current international dollar rate. As for the GDP growth, we see a positive dynamics in period from 2006 until 2009 followed by a recession period from 2010 to 2011 when the GDP growth rate dropped from 9.3% in 2009 to 1.0% in 2011.



The whole population has benefited from the economic growth, although the wealth has not been distributed in equal terms. The oil revenues facilitated macroeconomic stabilization. The collapse of large enterprises that dominated the Soviet era has been compensated by the development of a SME sector, mainly in trade and

services.

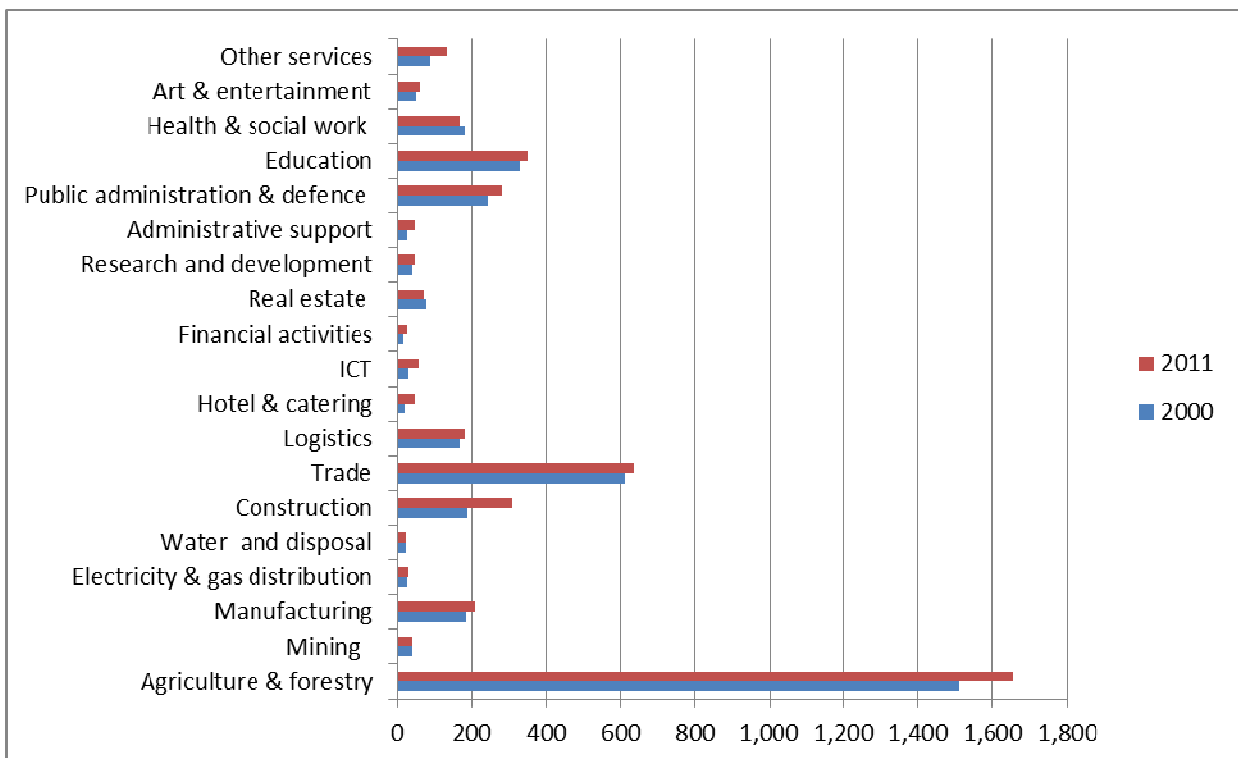
Source: World Bank (<http://data.worldbank.org/indicator/NV.AGR.TOTL.ZS> accessed on 20/08/2012)

Poverty indicators and health have seriously improved. The macro indicators reveal that Azerbaijanis have never had it so good as today. However, there still remain a lot of challenges to ensure a fair distribution of the wealth, about which more in the next chapter.

Privatisation has taken many years and was performed in different stages. Azerbaijan started the process only in 1995 by mass privatisation: 15% of small companies were distributed to their employees and the rest was opened to cash auction. The second step was made in 1997, when the voucher privatisation was adopted for medium and large enterprises which lasted to well into the previous decade, and from 2000 followed by case-by-case methods of selling off or liquidating enterprises.

The large majority of land privatisation (90%) took place between 1996 and 2000, which has had a large impact on agriculture, creating a huge number of small plots. During the past ten years through local processes of cooperation, land leases and land exchange larger farms have started to reappear.

The table below shows the shifts in employment per sector between 2000 and 2011 that has mainly taken place from agriculture to services, but does not show any dramatic shifts.



Source: State Statistical Committee of Azerbaijan 2012

There are little indications that the economy is diversifying. There remains to be a high dependency on oil revenues. But the oil extraction sector is not labour intensive (less than 1% of the work force). In terms of employment agriculture is still the leading sector, but



losing ground in terms of its contribution to the GDP.

Source: State Statistical Committee of Azerbaijan

A private sector with a high degree of informality

In Azerbaijan, only a little portion of the labour force works (4,6% of total employment according to official statistics) outside the formal system of state regulation and therefore informal according to the national definition. Half of the population still work in what ILO defines as vulnerable employment. This share has remained stable in spite of a growing economy. The transfer of workers from the “informal” to the formal economy is not increasing. The exception has been the service sector which in other countries is seen as a motor for informal employment. In industry and construction we have seen an increase of informal labour contracts. Especially young people are employed in the informal sector as well as people over the retirement age. 16,9% of the informally employed population are rural residents, whereas 83,1% are urban residents (SSCAR, 2011).

Lack of work experience represents a major determinant for accepting undeclared jobs. Consequently young people between 15-25 years are much higher represented in the informal sector, than people at the end of their career. Lack of specialisation in education plays an important role in informality too. 91% of people with only primary education work in the informal sector (Black Sea Labour Market ETF Cross Country Report).

Less than 50% of young people specialise, by going either to initial VET, secondary specialized education or higher education (SSCAR 2011). Many of those who specialise are not able to find a job in their field of specialisation.

Source: SSCAR 2012

Those who enter into salary employment find themselves at the bottom of the company ladder and are usually learning on the job. Informal apprenticeship seems to be the main pathway for skills development.

Higher education has been traditionally a pathway in public sector jobs. Only 7% of individuals with a higher education degree work in the informal sector (SSCAR 2011).

The contribution of vocational and higher education to private sector development is weak. Partially this is due to the labour market structure where family businesses play an important role and informal recruitment processes are widespread. Moreover, few businesses are actively involved with vocational schools, colleges and universities. This is further analysed in the last two chapters of this report.

The population of Azerbaijan is growing and the government is trying to stimulate job creation in the private sector. In recent years many new enterprises have been created. It is relatively easy to open new businesses. This is encouraged and facilitated by the state, but exporting and selling on the home market is another matter. It is therefore feared that many companies may not be sustainable. According to the Ministry of Labour 770.000

jobs were created over the last 6 years of which 70% are claimed to be permanent and 20% of these are in newly created enterprises. Moreover, 80% of these jobs have been created in regions. Many of these jobs are “informal sector jobs”.

As in many other partner countries the informal sector functions as a buffer for the lack of formal jobs. Azerbaijan is the only country in the ENPI- East region that has witnessed a growing labour force over the past decade. According to official data the labour force has increased by 25% while the active population grew by 16% (SSCAR 2010). Nevertheless unemployed does not seem to have increased. On the contrary official figures show a decreasing trend. There is no reason to doubt this trend, due to the absorption capacity of the informal economy.

Moderately efficient tools for monitoring and responding to labour market trends

The extent of the informal sector makes it more difficult to obtain reliable labour market information. Analysis of labour market data in recent years showed e.g. job destruction in the construction sector during recent years, while informal jobs in this sector seemed to increase. In the service sector an opposite trend could be observed. There are different systems in place to collect labour market information, but none of them so far provides an accurate overview of changes in sector employment and occupations. This is felt to be a major handicap of the existing systems, especially as the country wants to move to diversifying its economy. Below is an overview of the systems that are currently in place to analyse the labour market.

Over the years the tariff qualification guidelines inherited from the Soviet Union have been adapted and the list of occupations and the classifier of specialities for technical vocational education, secondary specialised education and higher education have been reviewed and adapted in line with the ISCO classification, But these +instruments have nevertheless lost their labour market significance outside the public sector. For that reason the Ministry of Labour has taken the initiative to start the development of modern occupational standards as the basic indicators for labour market needs in terms of occupations and skills. These are to be referenced according to the new ISCO 08 classification. With the assistance of the World Bank a pilot set of 200 standards are to be developed for four priority non-oil sectors: tourism, construction, food processing, and alternative energy. These areas are seen to be of strategic importance to diversify the economy. A centre is being established under the Ministry of Labour that should ensure that more standards are developed and updated in line with labour requirements.

The first pilot standards are developed in close cooperation with leading enterprises, but there is not yet a consensus how labour market needs are to be identified. The absence of representative sectoral organisations through existing chambers or social partner structures makes a dialogue on skill needs between the world of work and labour and education practically impossible. It is not clear how the occupational standards should be used, apart from the development of training standards for the Ministry of Labour. The number of people that are currently trained through the training centres of the Ministry is still very limited. This can therefore not justify the efforts for developing such a high number of occupational standards. The link with the IVET system that has started to develop its own pilot occupational standards to renew vocational qualifications is still be clarified. The development of the national qualifications framework could possibly clarify these links, integrating occupational standards, training standards for the upgrading and retraining of adults and educational standards for initial an where relevant secondary specialised and higher education qualifications.

Main Statistical Resources Available regarding the Labour Market in Azerbaijan

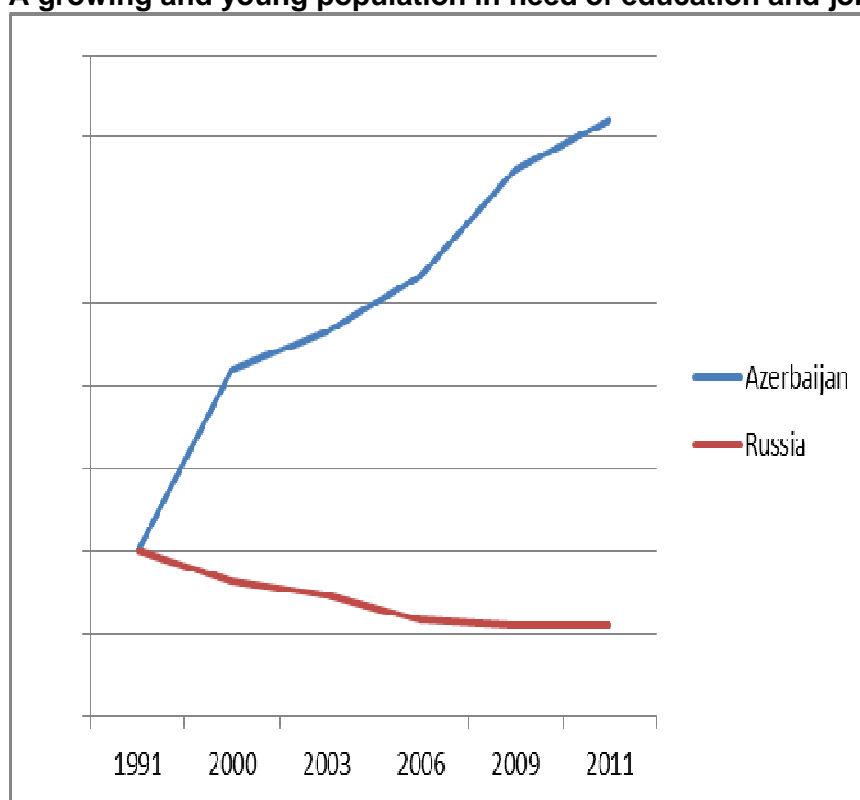
Population census	Labour Force Survey (LFS)	Household Budget Survey (HBS)	Others
<p>- Done in 1999 and in April 2009.</p> <p>- Includes questions on ethnic structure; mother tongue; literacy and education; main causes of infant, child and maternal mortality; migration; and participation in the labour force and unemployment.</p>	<p>- Statistics Committee in 2003. Second time in 2006; since 2007 carried out quarterly.</p> <p>- Between 2003 and 2006, specific labour related surveys based on ILO standards (part-time employment in 2004, child labour 2005, transition from education to work 2005 and on child and women labour 2006). Results used to estimate LM indicators.</p> <p>- Dissemination limited. Quarterly data provided for a limited number of public agencies only and to general public annually, with one year lag. The latest available labour market statistical yearbook (2009) refers to the 2008 LFS results.</p>	<p>- Current HBS methodology since 2000, sampling enhanced in 2006.</p> <p>- Quarterly.</p> <p>- Main topics: household size; household income and its sources; consumption of households; assets, housing, and access to public utilities; economic activity; role of agricultural goods in assets and living standards of households; education; etc.</p> <p>- Main data available annually, with a lag of one year. Detailed data, with a lag of two years.</p> <p>Other relevant nonperiodical survey:</p> <p><i>Household Survey on Remittances and Poverty (2007)</i>, by</p> <p>- ADB</p>	<p>Wage Survey:</p> <p>- Conducted annually since 1996, based on survey on establishments.</p> <p>- Information on wage rates and working hours in different industries by different occupations and positions. Thus, enables analysis on return to positions, industries and the working time.</p> <p>- Agriculture, fisheries, public administration, production and distribution of public utilities not covered.</p> <p>- The survey results are annually available.</p>

Source Black Sea Labour Market Study ETF, 2010

C. EXTERNAL EFFICIENCY: PROMOTING EQUITY AND ADDRESSING SOCIAL DEMANDS FOR EDUCATION AND TRAINING

The nineties saw a serious deterioration of living standards and human development indicators, in the wake of independence and the war over Nagorno-Karabakh. During the previous decade growth and stability have led to a steady improvement of the life expectancy, a reduction of poverty, gradually improving education attainment levels and lower unemployment, in spite of a growing young population and a rapidly increasing labour force. Most young people seem to be able to find some form of employment. Azerbaijan has moved up 16 places in the UNDP HDI index in the past five years. Average life-expectancy has increased more than five years in the last 15 years, average schooling has increased from 10 to 13 years and in the same period the gross national income per capita in purchasing power has increased 450%. It seems that people never have had it as good as now in Azerbaijan. The macro-indicators do not tell the full story. Although the situation has improved considerably during the last decade, there are still many social challenges that shape the demand for skills.

A growing and young population in need of education and jobs



Contrary to the trend in the other Eastern Partner countries, Azerbaijan has a growing population, which puts pressure on the education system and the labour market, as young people need schooling and need to find jobs. Just to illustrate how different the demographic developments are is illustrated by the corresponding graph which shows the demographic trends over the past ten years for Russia and Azerbaijan. Azerbaijan now has more than 9 million inhabitants and has grown 28% since independence, while

Russia's population has declined by 7 million (-5% of the population). In Azerbaijan 23% of population is within the age bracket of 0-14 (Russia 15%), 70% within the age bracket of 15-64 (Russia 72%), and 7% for those 65+ years old (Russia 13%). This means that in relative terms that are at least 50% more young people in Azerbaijan than in Russia, while in Russia there are almost twice as many people over the age of 65.

The informal character of the economy that was described in the previous chapter has to be seen as well against the background of the labour force. The vast majority of young people leave the education system without a specialisation. According to 2009 data from the state committee for statistics 28.0% secondary school graduates obtained a bachelor degree, 7.6% of students obtained a secondary specialised education (college) degree and 7.6% of secondary school students completed initial VET. This means that about 47% of the students have specialised, slightly more than 37% in 2006, but with a lower number of graduates in initial VET, while the number of HE graduates is growing.

The young people without any specialisation are trained on the job in the companies where they have found employment starting at the bottom of the company ladder. Their chances for social mobility and career development beyond the company that employed them are limited. The chance is big that they will have a low income and some are at the risk of poverty.

Internally displaced persons, internal and returning migrants have more difficulties to get access to jobs

Among the other large groups that could benefit more from integration and retraining measures are internal migrants, internally displaced persons, and returning migrants.

The urban-rural divide is strong in Azerbaijan. Growth is not equally divided between rural and urban populations. Land reform has led to a fragmentation of the landownership. The contribution of agriculture to the GDP has decreased significantly, although employment levels are more or less stable. Agriculture has been an important source of employment and has provided food security and hence an important source of income and stability. Rural households produce on average half of the food they consume. (Azerbaijan Agricultural Markets Study, World Bank 2005). The growth of employment in the urban areas and particularly around Baku, has led to internal migration from rural areas. The exact extent of the migration to the Baku metropolitan area is unclear. Official statistics show that the city has just over 2 million permanent residents while another half a million live in the Absheron metropolitan area around Baku. This would be an increase of 20% since 1995, when the population was at its lowest level after independence, but unofficial estimates speak of a doubling of the city's population.

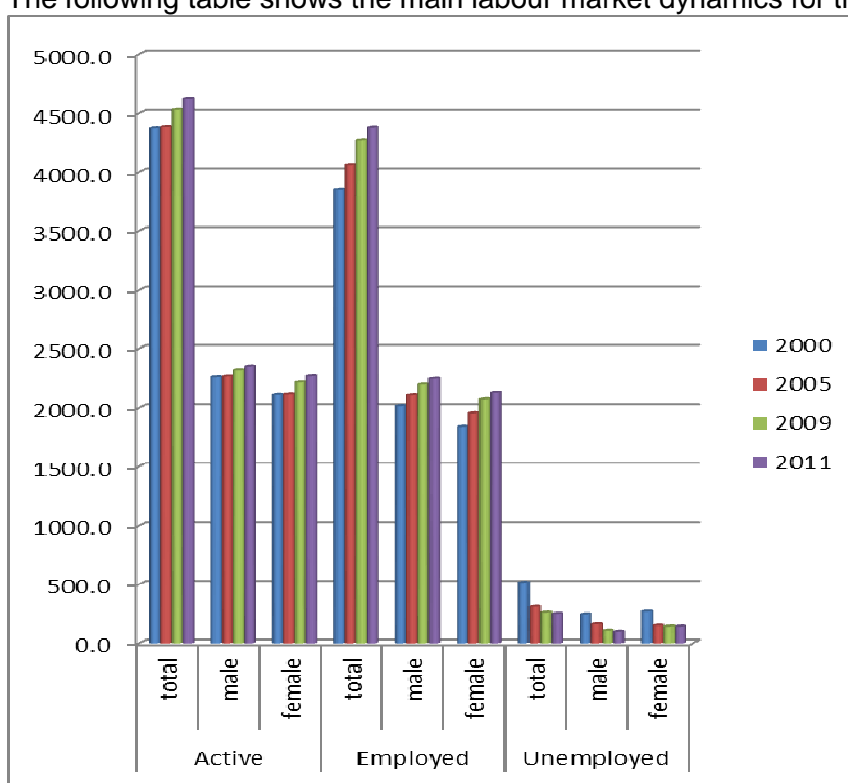
This process has been amplified after the conflict in Nagorno Karabakh which has had disastrous results for Azerbaijan. 20% of the territory has been occupied by Armenian forces and more than half a million Azerbaijanis fled or were driven from their homes and land. Many of these refugees went to the Baku metropolitan area in search of work. A large share of them lives in the areas close to the occupied territories. Many of them come from rural areas and have been deprived from their houses, land and livestock. The impact of the conflict is still very tangible today. Unemployment and inadequate livelihood opportunities continue to be a problem for internally displaced persons (IDPs). A recent World Bank poverty assessment for Azerbaijan found that half of the IDPs surveyed were not working or were seeking work (World Bank, 1 March 2010). With substantial government support through the State Programme for IDPs the poverty rate among IDPs has decreased from 75 per cent to 25 per cent from 2003 to 2009 (Government of Azerbaijan, 30 November 2009). Many refugees have found temporary shelter in schools and still today, more than 16 years after the conflict 55 out of the 107 IVET schools are

housing more than 14.000 IDPs (Ministry of Education, Feb 2011). Without a final settlement their future remains uncertain.

Over the past twenty years more than a million Azerbaijani workers and their families have migrated in particular to Russia. However, in comparison to its neighbours the migration flows have decreased significantly during recent years. According to national statistical data Azerbaijan has become a net receiver of migrants during the past two years, although this is not yet confirmed by internationally verifiable statistics. The contribution of migration to the GDP has been modest, around 3-4% of GDP during the last decade. But migration has been a source of remittance that benefitted in particular poorer families and hence has had particular positive effects on poverty and inequality (Rustamov, ADB 2008). As for the internal migrants a large share of migrants moved from small towns and rural areas in Azerbaijan to urban employment in Russia. The reintegration of returning migrants into formal jobs has been complicated by the fact that they are often unable to document their experience abroad and cannot get any formal recognition for it. Since 2006 migration policies have been enhanced through a State Programme on Migration and the establishment of the State Migration Service that also oversees the immigration flows to Azerbaijan. Azerbaijan is gradually becoming a receiving country for migration with migrants from Asia as the main immigrant workers. Foreign nationals are mainly employed in the oil sector but also in construction, transportation, and services.

Women have become more vulnerable in the labour market

The following table shows the main labour market dynamics for the period 2000-2011.



The increase of the labour force has been substantial, while the economically active population grows at a much lower pace. Unemployment has not risen, but has instead fallen substantially. The logical explanation is that more people have become inactive, but the data coming from on the labour force survey on the economically inactive population or the participation trends in education are inconclusive.

In spite of a slight downward correction in the latest LFS data, there is a trend towards more inactivity among women. Due to labour division in Azerbaijan more women are working in the health and education sector, where jobs have been frozen or cut. Employment of men increased between 2005 and 2007 by 6.2 percentage points, while the share of women's employment decreased by almost 5% (ETF Country Report Black Sea Labour Market 2010). The biggest gaps in inactivity rates are observed among women of age 25 to 39. At this age cohort women are 4 to 5 times more likely to be economically active than men. Women's high inactivity rate coincides with the average age of marriage in Azerbaijan (23.7 years) and with beginning of child-bearing and caring years. Moreover as the table below shows women are more likely to end up in informal jobs.

	2003				2008			
	male		female		male		female	
	x1,000	%	x1,000	%	x1,000	%	x1,000	%
Employers	140	7.1%	99	7.1%	101	4.9%	19	0.9%
Own-account workers and Contributing family workers	709	35.9%	566	40.4%	970	47.4%	1,247	62.1%
Employees	1,127	57.0%	737	52.5%	977	47.7%	742	37.0%
Total	1,976	100%	1,402	100%	2,048	100%	2,008	100%

LFS data, an Overview of Women's Work and Employment in Azerbaijan, UvA 2010

Another disturbing reality is that among the relatively worse-off families the net enrolment rates in secondary and tertiary education are lower for women than for men.

Only partially successful responses to address the needs of socially disadvantaged

The labour market in Azerbaijan is for a large part informal. The education system in Azerbaijan is not well connected with the labour market. This applies to the sector as a whole including the vocational education and training provision. Moreover, education and training reforms so far have paid little attention to the needs of the labour market and particularly of disadvantaged groups. Some important changes have taken place recently however. Vocational schools have started to provide short courses for young people as well as adults. For courses up to six month certificates are issued and for courses of more than six months diploma's. No statistics on the number of short course participants have been obtained. But there is even anecdotal evidence of bachelor degree holders attending initial training schools. Like in many other countries parents prefer that their children to go to general education. Initial VET is therefore only a positive choice for few families. Socially weaker groups are overrepresented in initial training, which has an important social function. Eight out of the 107 initial training schools are based in prisons. A number of NGOs are carrying out VET activities as part of their poverty alleviation measures.

VET is not very effective as an instrument for social mobility. Initial VET students can get two types of qualifications. The Diploma of Speciality is issued to all those who successfully complete the vocational exams. The attestate of full secondary education is only issued to those who pass the national end-of-school exam. Initial VET is not a real pathway to higher levels. It is possible to go from VET schools to colleges, and students, who have completed full secondary education in vocational lyceums, are eligible to continue to university too. Only 7% of vocational lyceum graduates continue to a bachelor's degree, as they have to pass the selective national admission exam. In comparison to students in general education VET students receive less hours of general education, in spite of the fact that they have one more year of education.

The government has developed state programmes for IDPs and for migrants, which contain a series of active labour market measures. The MLSPP has developed both passive and active measures to support integration in the labour market, including job fairs, business start ups and vocational training. The General Employment Department (The Public Employment Service of Azerbaijan) trained almost 5000 people in 2009, a doubling of the 2007 figures. This is a substantial increase, but remains low in comparison to the needs for retraining. Three out of four trainees were young people under 30. The General Employment Department has established two training centres for the training of unemployed and is planning to open an additional two centres. Modular short courses have been developed, on a pilot basis in cooperation with the MOE using ILO's Modules of Employable Skills approach. Guidance and Counselling activities have been initiated by the General Employment Department to stimulate young people to choose specialisations with job and career opportunities. There are plans as well to work with parents associations. To reduce the number of jobseekers among university graduates, the MOE has reduced admittance to higher education and is monitoring university graduates. Many policies have been developed during the last ten years to support active labour market measures.

Until 2006, the *Poverty Reduction and Economic Development* program (elaborated for the period 2003-2005) represented the key document for implementing policies in the field. Between 2004 and 2008, the *Programme on Socio-Economic Development of Regions* complemented the poverty reduction strategy. Both documents stipulate the use of EU's ALMP policies for boosting employment.

The *Medium-term Economic and Social Development Programme* represents another policy instrument, which updates every year the employment situation in the economy and tries to reconcile economic growth and employment objectives. This defines the policy priorities in terms of employment for medium-term, on the basis of two additional documents: the *National Employment Strategy*, elaborated for the period 2006-2015, and the *State Programme for Implementation of the Employment Strategy*, which covers the period between 2007 and 2010.¹

The employment policy in Azerbaijan has its fundamentals in a national employment strategy that sets the objectives, and in the socio-development programme which tries to correlate the employment goals with economic development objectives. In order to link the medium-term development objectives with long-term employment goals, the government elaborated a corresponding plan for implementing the strategy. On top of that, the *State Programme for Sustainable Development and Poverty Reduction* was elaborated in 2008, covering the period until 2015. There are many initiatives, but not all the policies are effective, as they are hampered by a good understanding of the needs and limited capacities for implementation.

¹ See: Ministry of Labour and Social Protection of the Population of the Republic of Azerbaijan (<http://www.azerweb.com/en/ngo.php?id=1630>)

Employment policy framework 2003-2008

<i>First employment policy initiative</i>	<i>Main strategic documents on employment policy</i>	<i>Adoption of Labour Code</i>
<p>1991: Employment law</p> <p>2001: Employment law and the related Presidential Decree on implementation of the law.</p>	<p>2003: Poverty Reduction and Economic Development program</p> <p>2001: The Medium-term Economic and Social Development Program</p> <p>2006: National Employment Strategy NAS (2006-2015)</p> <p>2006: State Program on Provision of the Decent Work 2006-2009</p> <p>2007: Action Plan for implementation of NAS 2007-2010</p> <p>2008: State Program for Sustainable Development and Poverty Reduction</p>	<p>1999</p>

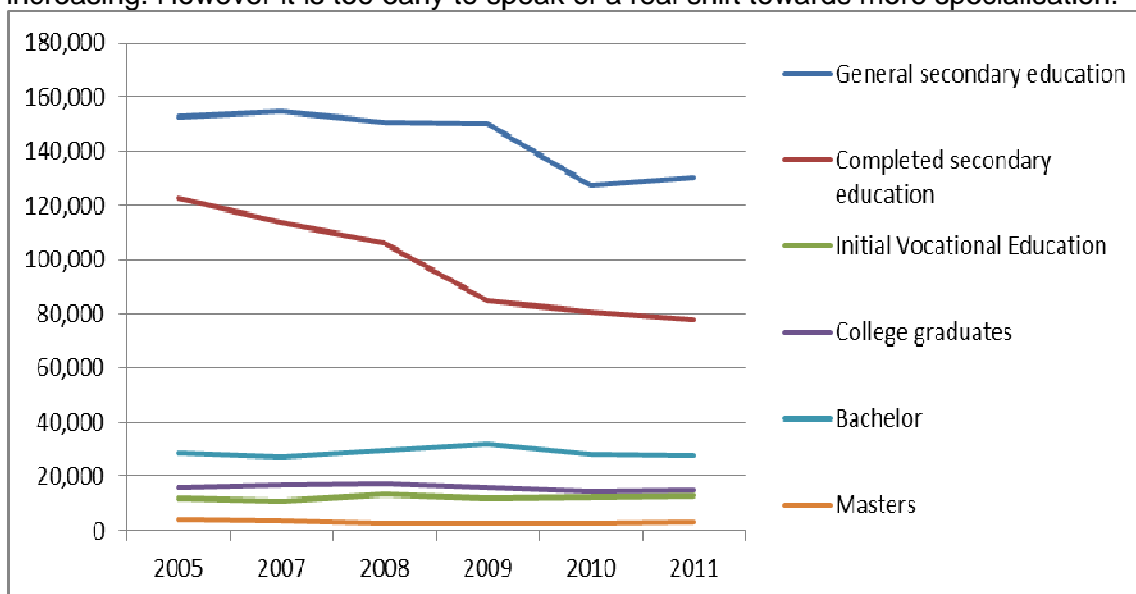
ETF, Black Sea Labour Market Study, 2010

D. INTERNAL QUALITY AND EFFICIENCY OF INITIAL AND CONTINUING VET DELIVERY

VET is currently divided in three policy areas for initial VET, college education and continuing vocational training (*Additional Training* according the law on education). HE is predominantly academic. The connections between these different policy areas are weak, although there is hope that they could be strengthened through the NQF.

The links between vocational schools and companies are also weak and actually the whole education system is rather detached from the labour market. There is a still a strong bias towards academic knowledge acquisition with insufficient attention to the development of competences. The 2006 and 2009 PISA result confirm the need to focus more on the students' abilities to apply their knowledge and show that the education system is underperforming in comparison to most other countries that took part in PISA. Although reforms have started, the impact is not yet visible due to the fact that implementation is rather slow.

The table below shows recent trends in graduates in different segments of the education system that can be used to illustrate the most common career options made. A first qualification is obtained in Azerbaijan after general secondary (9 years) which is part of compulsory education. Full secondary can be completed after 11 years of general education or 9+3 years of vocational education in vocational lyceums. Initial vocational education offers a diploma of specialization that can be obtained by VET students from VET schools (1-2 year) and vocational lyceums (3 years). College education can be obtained after 9+4 years or 11+2 years. Higher education (for both bachelor (4 years) and masters' programmes (2 years)) is open to students that have passed the national university admission exam. A diagram of the education system is provided I annex. There is a decreasing trend of secondary education graduates, while the numbers of graduates from initial VET, and colleges and higher education are low but their relative share is increasing. However it is too early to speak of a real shift towards more specialisation.



Source: SSCAR, 2012

Can a more attractive and relevant VET system be an alternative for HE or no specialisation at all?

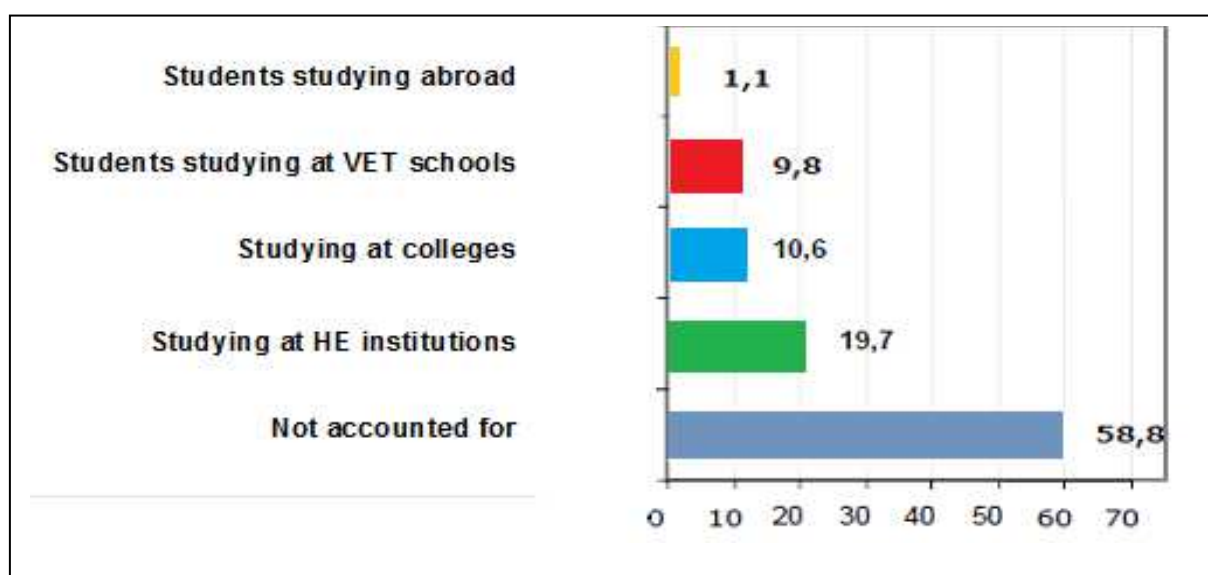
As in other transition countries the demand from families for HE exceeds the offer. Every year about 100.000 secondary school graduates participate in the national university admission exam. Less than 30.000 were admitted to higher education in 2010. Colleges are seen as a reserve option. Although they are not part of the formal higher education system, they are more connected to HE than IVET.

The new education law foresees the introduction of a sub-bachelor degree and arrangements are in preparation to ensure a better transition for college graduates to obtain a bachelor degree. IVET does not enjoy the same positive interest. IVET reforms started only in 2007. The State Programme for Technical and Vocational Education Development 2007-12, aims to modernise the IVET provision. School after school is restructured and reequipped. This is very necessary given the state of schools. According to the Ministry of Education 78 out of the 107 current VET schools need restructuring. VET Centres offer a new model of vocational education. The brand new Tourism VET School in Ismayilli is a regional VET Centre that has been developed in close cooperation with local and regional authorities and local businesses. It is starting to provide training to young people and adults.

Participation in initial VET is gradually increasing. An analysis on the participation trends in initial VET carried out by the Ministry of Education in 2012 shows that the persons applying for VET are increasing in age, and that the number of applicants is now in many places higher than the available places, especially where there are upgraded facilities.

Education reforms have started in general education where a new national curriculum is formulated that clearly defines learning outcomes and provides a more integrated approach of different subjects in the curriculum. Teachers are being retrained and the curriculum is introduced year by year since 2007. By 2018 it will cover the complete secondary education provision and the reforms will start influencing the IVET provision in five years from now.

The dropout rate in secondary education and VET is not high, but it remains problematic that many pupils simply do not specialise further after secondary education. The vast majority of young people leave school with general education and without any specialisation for the labour market.



Source: ETF country Report Black Sea Labour Market Study 2010

Currently around 15% of school students who finish lower secondary schools (9th grade) enter into vocational schools and colleges, while the rest continues their education at general secondary schools. After completing full secondary, another 33% of graduates continue specialising at colleges and universities. This is a slight improvement compared to five years ago.

Consequently, the majority of young people on the labour market are unskilled and need to develop their skills on the job. In a labour market that is dominated by micro enterprises and family businesses, recruitment is predominantly done through informal channels and skills do not seem to play a determining role. At present the return on investment of specialisation is limited. Many graduates of vocational schools and colleges risk unemployment. The 2008 Labour Force Survey data show a level of 13% of unemployed among VET graduates against 12% for general secondary education graduates, 11% for people without secondary education, and 7% for higher education graduates.

These figures are still positive compared to the school to work transition survey that ETF undertook in 2005 among more than 1000 graduates of vocational lyceums, vocational schools, and colleges in Baku and Sumgait. At the time of survey only 28% of the respondents were employed two year after graduation, and 6% were continuing their study, whereas 65% were technically unemployed. Of those who were employed, 64 % found work in the private sector while 36% had ended up in public employment. Only 29% were working in the field they had been trained for, with 12.25% more or less within their profession. The vocational lyceum students had the best performance with 40% being able to find a job.

The Ministry of Education is systematically monitoring the employment figures of VET graduates. Based on information on VET graduates from 2011, 37% of graduates from vocational schools have been able to find jobs, while 30% started their military service.

This still seems a clear indication that the provision of skills is far from adequate, but what is actually needed by businesses is difficult to define. According to the Business Environment Survey of the EBRD in 2005 only 7% of Azerbaijani enterprises surveyed declared that skills and education of workers is an impediment for growth, the lowest level in any of the countries participating in the survey. This percentage has increased to 12% in 2009, but is still very low.

There are important sectoral differences in the attitudes of employers. Tourism is one of the growth sectors where employers are more concerned. The Skills@Work Survey of the British Council that took place in 2009 among 59 employers and 125 learners indicates that 56% of employers in Azerbaijan were of the opinion that young people lack the skills needed in the hotel business. The vast majority of them provides therefore extensive training on the job. Many of them (64%) expect that more training is needed as skill requirements are progressively changing. More than 70% felt therefore that government should do more and prioritise training in the tourism sector.

The MLSPP has initiated an initiative to articulate business training needs in seven priority sectors that include apart from construction; tourism and hospitality; energy; processing industries; agriculture; transport; trade, retail and individual services. It has started the development of occupational standards and training standards with support of a World Bank loan, but the approach has not been connected with the IVET provision.

There are some indications of a more demand driven approach of the IVET provision. Within the framework of the TACIS TVET Reform project a number of large companies in the ICT, food processing and hospitality sector has developed cooperation with schools

and the Ministry of Education. The VET Department of the MOE and the CDVET are supporting schools that are interested in introducing new profiles based on local demand. The Agricultural VET School in Quba visited for the TRP study e.g. developed a course for tax collectors at the request of local authorities.

The main problem for systemic reform is now to translate these from pilot approaches and general recommendations, into concrete measures that are integrated in the IVET system. The capacities for reform are limited. The VET Department in the Ministry of Education is understaffed. The VET Centre in the Institute of the Problems of Education also struggling with capacity limitations. In schools the situation is not much better. There is a problem with an aging workforce in the VET sector, among teachers and instructors. The number of teachers has been relative stable for the last ten years. In initial VET the teacher student ratio is around 13 students per teacher which is relatively efficient compared to general secondary education with 7 students per teacher due to strict qualification requirements and a fragmented curriculum. Older teachers seem to cling on to their jobs, as the safety net for retiring teachers is far from adequate. It is difficult for young teachers to enter the system. The retraining system for teachers in vocational education has declined, in spite of regulations to ensure regular retraining. There are now plans for an overhaul of the VET teacher retraining system, following reforms for teacher retraining in primary education. The TACIS programme's VET project and the Azerbaijan Teacher Training Institute are in the process of formulating new concepts for retraining measures but the capacities and funds for retraining are very limited. The MOE hopes that it can overcome both the capacity problems and the quality of retraining by pulling existing regional and national resources together and by tendering retraining courses among private and public providers. An attestation mechanism for accrediting competent teachers is seen as another solution.

The VET sector struggles with both a surplus and a shortage of teachers. The retraining measures may therefore not be very effective without appropriate remuneration and retirement schemes. Salaries are a major share of the education budget, but teacher salaries are below the average salaries. It is not surprising that for most young people a teaching profession is not attractive. Still there are many students in pedagogical faculties for general education subjects. It is very difficult to find good VET teachers with both the necessary qualifications and experience in industry. This type of teachers is almost entirely trained in the soviet era. The start of a new Twinning Project in VET in Agriculture offers a perspective for continued assistance to VET reform but there is a need of more integrated approaches that look at the relevance of the education and training provision as a whole.

Towards more relevant and better linked quality-assured qualifications

Many VET qualifications are out-of-date. Qualifications in Azerbaijan as elsewhere have a double meaning. For learners and employers these are the official documents (certifications, diploma's and degrees) awarded after successfully completing a programme. For people working in the education sector these are the standards describing the requirements for certification. In the case of Azerbaijan such requirements are described in State Educational Standards. The quality of provision is determined through these state education standards describing the contents, material and technical basis, necessary infrastructure, the qualitative requirements of providers as well as the expected learning outcomes. The state standards have different functions. Education institutions are evaluated on the basis of these standards, as well as the scores and success rate of students. The current state education standards are based on the "Republican Classification of Worker Occupations and Common Tariff Qualifications

Reference Book'. This classification system has been inherited from the former Soviet Union and has been used to assign people to jobs and to determine salaries. The Republican Classification was adopted by the Cabinet of Ministers' decision of 25 April 1995 and updated in 2002. Later on 31 October 2011, the Cabinet of Ministers of the Republic of Azerbaijan approved the "Classifier of Specializations for Initial Occupational Education." This Classifier includes more than 700 occupational specializations. The classifier's functions must be reviewed about the National Qualifications Framework enters into force. The classifier in its current form is expected to be replaced with the online NQF registration.

Azerbaijan clearly intends to develop qualifications that are in line with international and European practices. For higher education the Bologna process and the Qualifications Framework for the European Higher Education Area create a clear framework that Azerbaijan as a signatory of the Bologna process will need to implement. For other areas of learning there are no existing international commitments, but Azerbaijan clearly wants to develop a comprehensive NQF that can be referenced as well to the European Qualification Framework for Lifelong Learning (cf. Ministerial order for the establishment of a national working group, 2010). The design of the NQF is a priority that has to be completed in 2011. This should then be the basis for a decree of the Cabinet of Ministers.

An evaluation of the law on education and corresponding regulations shows that the legal framework created with the new law is very appropriate for a NQF. The normative acts outline very clear principles for certification for all state recognized qualifications including all adult learning providing a single reference. Moreover through the reforms of general education, the national curriculum, through pilot projects in VET, through occupational standards developed under the responsibility of MLSPP, and through reforms in HE the definition and use of learning outcomes is developing. They will need to be reinforced to ensure transparent and comparable qualifications. Both certificates and State Educational Standards need to describe the main learning outcomes. Moreover, as there is a development towards unitisation, modularisation and the use of credit the development of databases of accredited qualifications and units is expected to be a next step in the reforms, hence creating a common pool of qualifications and units that are part of the NQF. The certification of units is already foreseen through certificates for courses up to six months and diplomas for courses of more than six months. Degrees are only issued in HE. Currently two credit systems are foreseen: ECTS (European Credit Transfer and Accumulation System) for higher education and colleges; and national credits for other courses. There is a plan to introduce a national credit system for all learning on the basis of ECTS. All qualifications and programs are expected to be expressed in credits in the future.

INNOVATION, PARTNERSHIP, AND ENTREPRENEURSHIP

The major innovations in VET provision are the establishment of VET Centres that can function both as schools and adult learning centres. One such centre has been recently established in Ismayilli and is described above. It has been developed with a clear regional support role in mind together with local stakeholders from regional and local administrations, and private enterprises in the region. It is a clear example of a more service oriented education system offering education and training services to different groups of learners, and enterprises.

Another innovation is the move towards a NQF and towards qualifications that are based on occupational standards and the development of more flexible modular provision. These

innovations still need to be consolidated into a nationally agreed approach and linked to the development of occupational standards by the Ministry of Labour.

The MOE has also invested in developing a web portal for schools to keep them better informed and to provide on-line access to new educational programmes and materials.

The establishment of the Centre for VET Development in the Institute of Educational Problems is another important innovation, as it pools the expertise for VET curriculum innovation and research in a single institution.

The VET Department in the Ministry is small but has shown to be flexible in supporting pilot initiatives from schools, enterprises, NGO's and international projects. Such initiatives are e.g. the work of the food holding Azersun with VET schools focusing on curriculum innovation and the retraining of VET teachers, exposing them to new production practices in the food processing sector. The aim of this pilot is to combine retraining with the development of a system of attestation of teachers and builds on an old concept but is really innovative in the present situation. The TACIS Programme's IVET project has brought many innovations, including new curricula for hospitality services, and a VET strategy. The Tourism College in Mingechevir has developed an employment engagement manual that is available to schools. Many local schools develop their own innovations such as the cooperation with farmers for the training of students in agriculture, or developing completely new special purpose curricula like the programme for tax collectors in Quba.

The MLSPP has developed job fairs for school graduates and guidance and counselling for students under the title "1st step in your career". Meetings between students and potential employers are organised and parents associations are going to be sensitized about the importance of career choices. Many people end up in micro-enterprises and the Ministry has therefore developed an entrepreneurship programme to support people to establish their own business.

There are many good ideas for innovation at different levels, and the real bottle-necks for realisation are the capacities for implementation. Azerbaijan has a very small MOE compared to other countries and only few national specialised organisations that can help to implement reforms. The solution that is currently favoured therefore is to use donor projects and to tender out such activities (like e.g. in the teacher retraining system). This is only a partial solution as there are capacity problems as well with service providers. Moreover, it does not stimulate expertise development in national institutions. It seems inevitable that with more investment in education, the supporting institutions need to grow and develop as well.

E. GOVERNANCE INCLUDING FINANCING OF THE INITIAL AND CONTINUING VET SYSTEM AND INSTITUTIONAL CAPACITIES FOR CHANGE

Using the ETF definition for VET as education and training which aims to equip people with knowledge, know-how, skills and/or competences required in particular occupations or more broadly on the labour market (ETF -1997- adapted by Cedefop -2008-), the VET system in Azerbaijan is fragmented.

There are links between the different parts, but each part could be considered as systems in their own right.

Speaking of VET we could consider:

VET Managed and regulated by the Ministry of Education

1. Initial VET
2. Post-secondary VET (college education)
3. Teacher training and retraining system
4. HE (in accordance with the Law on Education is also defined as Higher Vocational Education)
- 5.

VET Regulated by the Ministry of Education but not managed by the Ministry

6. The private initial and post-secondary VET provision
7. Public Colleges, Training Centres and Higher Education Institutions under other line ministries
8. Regulated CVT, provided by the State Employment Service, and other entities (including some private providers and NGO's)
- 9.

VET Not regulated

10. Other non-formal training activities within organisations and enterprises

For practical purposes the main focus of this chapter is on initial vocational education and training (IVET), which includes 60 vocational schools (providing vocational education for trades, with a small general education component), 47 vocational lyceums (vocational schools that provide both vocational and full secondary education) and 2 vocational centres a new school type that aims at training young and adults. Students can access VET after the 9th class. Recently the initial VET training system has witnessed an increased interest in participation, with a growing group of older students above 17 and even above 21 entering the VET school system. VET reforms started in 2007 with the reconstruction of schools, new VET approaches, and improved links with companies, as part of the VET strategy 2007-2012. Although the initial VET system is still highly centralised, there are many developments showing an increased role for local actors, schools, companies, NGOs. These new developments are not (yet) part of institutional reforms in the system (with the exception of the VET Centres), but seem to be exceptions to the system to make it more flexible and responsive to identified needs. The VET department in the Ministry of Education is always involved in making the special arrangements, although they often are aimed at very local circumstances. There

are so many examples, that one can confidently conclude that the possibility of making special arrangements is part of the system right now.

VET governance in Azerbaijan is hierarchically organised. At national level the main actors are:

a **The President** approves multi-annual national reform programmes like the VET Strategy 2007-2012, There are many other state programmes with an element of vocational education and training, such as the State Program on socio-economic development of the Regions of the Republic of Azerbaijan 2009-2013, the State Program on implementation of the Employment Strategy of the Republic of Azerbaijan (2011-2015-years); the Azerbaijani Youth State Program 2008-2015 , the State Program on Poverty reduction and Sustainable Development in the Republic of Azerbaijan; The State Program on refugees and displaced persons, the State Program on improvement of living conditions and increase of employment.

b **The Cabinet of Ministers:** Confirms national strategic documents in line with the Law on Education, including the classification of specialities, new qualification types, educational standards, regulations, and concepts, as well as the yearly enrolment plan for students, that has been prepared and agreed between the Ministry of Education and the Ministry of Finance. The yearly enrolment plan includes the “state order” of the student places fully funded by government.

c **The Parliament** approves new laws (A new Law on Education was adopted in 2009, and laws on VET and higher education are also foreseen)

d **The Ministry of Education** deals with implementing VET policies. In the ministry the following departments are involved in VET governance: Department of Vocational Education (responsible for Initial VET), Higher Education (which is responsible for colleges (post-secondary VET), the Strategy Department (responsible for HR planning for the education system, teacher training and retraining, but also regulating CVT in general), Department of Accreditation and QA (Licensing and QA of schools in cooperation with selected experts from schools and universities), Department of Economic Affairs (budget allocations), the Department Management of Education (deals with the selection of Directors of schools).

e **The Centre for VET Development** – Institute of Educational Problems (methodological support for teaching and learning, including educational standards, classifier of specialisations, curricula, and teaching aids, retraining of teachers (short courses for specific purposes)

f **The Azerbaijan Teachers’ Institute** is responsible for teacher training and retraining (together with regional centres) although this retraining system is under revision.

Stakeholder cooperation at national, sectoral, regional and provider level

Wider stakeholder participation at national level has been institutionalised recently through a tripartite agreement with entrepreneurs’ confederation and trade union confederation in which mutual involvement and cooperation between the Ministry of Education and Social Partners in each other’s initiatives have been agreed. There are no permanent bodies for social partner involvement, apart from the Council for National VET Strategy that meets annually to monitor the implementation of the National VET Strategy 2007-2012. This council also includes other ministries such as the Ministry of Labour and the Ministry of Economic development as well as the association of school directors.

More focused cooperation has been experimented in the form of a policy group within the Tacis TVET reform project (2009-2010), in order to support the development of a new VET reform strategy. This group included representatives from industry and social partners, representatives from schools, the research and training centre of the Ministry

of Labour, representative from the VET Centre and the Ministry of Labour. Other multi-stakeholder organisations were established recently for the development of the NQF (Inter-ministerial committee) and as steering committee of TVET Twinning project in Agriculture. All these bodies have a temporary status and specific mandates. There is no permanent VET council. In general the official social partner organisations in Azerbaijan exercise little influence in VET and although there is a policy to structurally include them for consultation purposes; it is difficult to increase their role given their limited capacities and relatively weak links to enterprises. Involvement of bigger enterprises is growing and has found very concrete forms of cooperation at a sectoral level (e.g. Azersun food-processing company, Knauf academy for plastering in construction etc, Hyatt hotels in Tourism). Although this cooperation is mostly focused on individual schools or VET centres, it often has wider implications for the VET provision at a sectoral level across the country.

A potentially important development is the establishment of sectoral committees to assist in the development of occupational standards. Seven pilot sectoral committees exist within DIOS project. They cover the sectors construction; tourism and hospitality; energy; processing industries; agriculture; transport; trade, retail and individual services. Line Ministries, State Committees, State Agencies identify members. The sectoral committees include permanent members from public organisations and confederations of entrepreneurs and of trade unions, and a changing membership from companies, line ministries, professional associations and training providers. In spite of the support from international projects there are many challenges to establish more permanent structures. There is no consensus yet between different actors on their role and the legal basis for these bodies is missing, and there is lack of awareness and experience, and weak interest of employers, given that there is no strong competition on quality within country. The Ministry of Labour has prepared draft legislation for a Workforce Development Agency that is reviewed by the Cabinet of Ministers to support sectoral committees. It is proposed that apart from occupational standards sectoral committees could oversee curriculum development and training based on occupational standards, and accreditation of providers & assessment centres.

Azerbaijan is divided in approximately 59 rayons of which 11 are located in and around the capital Baku. In 12 rayons there are no VET schools, but rayons have an important potential role in VET management. Rayons are currently involved in the validation and approval of the inventory of the demand for labour carried out by schools, before this is submitted to the Ministry of Education and in some cases they have clearly indicated their own training needs to the Ministry and even requested the establishment of new VET providers. Rayons can in principle take the initiative to open schools. Examples of these are e.g. a course for tax collectors requested by the rayon authorities in Quba, and the establishment of the VET Centre in Ismayli. Appointment of school principals is agreed with rayon authorities. In Ismayli employers are included in the pedagogical council of the new VET Centre and this participation in the management of providers is foreseen to be extended to all VET institutions. According to the new regulation on assessment employers have to be part of any exam commission and can even chair them.

Planning of the provision, qualifications and curricula

Schools make an inventory of the staffing and skill needs of local enterprises. Rayon authorities verify these school inventories with their own understanding of the local needs. The Ministry of Education verifies the request. The Department of Economy and the Ministry of Finance agree the state order. The VET Department and the VET Centre provide support in terms of programme development and teaching aids. Short term teacher retraining courses are also provided by them to support the introduction of new programmes. Schools implement the training in strict accordance with the curriculum and identify local enterprises where practical training takes place. Exams are regulated

by the VET Department and the VET Centre. The VET Department has 6 permanent staff. The VET Centre has 18 staff. The accreditation department in the Ministry of Education (established in 2010, with 8 permanent staff) monitors the quality of schools in cooperation with experts from schools and universities. It has developed a questionnaire to check the student performance and support self-assessment by the schools.

Enterprises, rayon authorities and even individuals can request specific programmes, regardless whether they are included or not into the classifier of the existing specialisations. Enterprises sometimes fund and deliver new VET programmes in cooperation with schools or other providers that are methodologically supported by the Ministry of Education and the VET Centre and awarded with a formal qualification.

Azerbaijan is working towards a NQF for LLL. A draft concept and decree has been developed by a National Working Group, established by the Minister of Education and chaired by the Deputy Minister of Education and including 7 Heads of Department from the Ministry of Education, covering all the important policy areas concerned, A representative of the State Commission on Student Admission, a representative from the Ministry of Labour and Social Protection of Population, the Director of Scientific Research and Training Centre for Labour and Social Problems, A Vice Rector of a University, a representative from the Ministry of Economic Development. The working group did not include any representatives from social partners, nor from students, as these were not considered as “decision-making bodies” according the Ministry of Education. The National Working Group is being assisted by World Bank and ETF. The concept for the NQF for LLL has been developed on the basis of the new education law from 2009 that introduces some concepts of lifelong learning, learning outcomes and has a whole part dedicated to continuing education (additional education). All the existing regulatory documents, existing qualifications and the latest standards and curricula have been analysed in order to identify the learning outcome descriptors that could be the basis for the national level descriptors. Only few new VET qualifications exist and they still have an experimental status. The NQF foresees eight levels that are benchmarked to existing qualifications. The NQF is seen as a quality assurance tool that should improve the quality and recognition of qualifications and promote progression and mobility.

The education law mentions all the main qualifications. After lower secondary education students can go to either initial VET, or continue in general education or enter into college education. After initial VET they can receive a diploma of specialty. Students that finish full secondary education, including students that complete vocational lyceums, can receive an “Attestation of Maturity” diploma, which gives them the right to enter into the national entrance exam for universities. Students of vocational lyceums hold two diplomas: the attestation and the diploma of specialty. College students can complete a sub-bachelor degree. They also need to pass the national university entrance exam to progress to a Bachelor. For CVT there are different types of awards foreseen. “References” without any particular value are issued for non-formal training programmes, but accredited programmes can be awarded with certificates (for courses lasting less than 6 months and diplomas for courses of more than 6 months. The Ministry of Education is also in charge of accrediting training programmes and providers. This task is carried out by the accreditation department of the Ministry of Education, together with selected subject experts. According to the Law on Education all awards apart from the PhD and Doctor of Sciences degrees (for which there is a higher attestation committee) are to be awarded by the Ministry of Education, which is the only institution that is authorized to issue awards.

The needs for new qualifications and curricula can be identified in different ways, through (1) the yearly feedback from schools, (2) requests from enterprises and rayons or (3) on the basis of new occupational standards. 30 new vocational qualifications and curricula are planned for next year that will be developed based on a new methodology.

More than 50 occupational standards have been developed by the Ministry of Labour in the framework of a World Bank support reform project.

The VET Centre broadens the occupational standards into qualification profiles which are the basis for the qualifications. These include general education and progression requirements. Curricula are developed by the VET Centre, recently on the basis of modules derived from the occupational standards. The Classifier for Specialisations is a guide for the development of qualifications but not compulsory if there are duly justified labour market needs for new qualifications and programmes. The VET Centre also designs the work based part of the VET curriculum describing for each profile specific requirements for practice. Schools implement and select enterprises for practice. Teaching aids are developed by service providers (mostly editing houses) based on tender procedures that outline broad guidelines from the Ministry of Education. An expert Commission nominated by the Ministry of Education reviews the teaching materials, before they are approved and published.

Management of VET providers: including budgets, HR, programmes, links and equipment

The Department of Economics of the Ministry of Education and Ministry of Finance establish funding arrangements and approve school budgets. Schools execute budgets in line with guidelines from the Department of Economics of the Ministry of Education. Schools do not have much freedom on how to plan and spent their resources and need prior approval for expenses from the Department of Economics, even if the resources have been the fruit of additional income streams, which is a disincentive for schools.

- ***School leader and teacher recruitment and development***

The Department for the Management of Education in the Ministry of Education is in charge of organising the selection of school directors through a national exam. Rayons are consulted before directors are nominated. Directors can fire teachers that are underperforming but have no say in recruitment. Before teachers were selected by school directors, but to ensure higher quality and to avoid subjective selection procedures, the recruitment has been nationalised. If the teachers score well in the exam they will be automatically hired. The teacher-student ratio is still rather high (few students per teacher) but this is gradually changed. 2/3 of teachers in VET are female. There are no special programmes for initial training of VET teachers. Most of the teachers and practical trainers/ instructors have completed various universities and colleges, without a special pedagogical preparation. The Azerbaijan Teacher's Institute (ATI) train teachers for in-service training. The in-service training system is under review. The current funds are not sufficient to cover the costs of travelling to the ATI' regional centres for the compulsory 6 weeks retraining. Instead of a tri-annual training in the centres of the Azerbaijan Teacher's Institute in Baku or in the regions, a set of smaller modules are being introduced which can be used in the schools themselves in annual retraining sessions by selected teacher training services, that have been recruited through tendering procedures. Short term ad hoc programmes are organised by the VET Centre and the VET Department of the Ministry of Education, when new programmes are introduced. Companies are normally not involved in the training and retraining of VET teachers. In order to raise the quality of the local VET provision and bring it in line with modern production methods, the Azersun food company exceptionally developed its own teacher retraining programme for the VET school staff in Belosuvar

- **Funding arrangements**

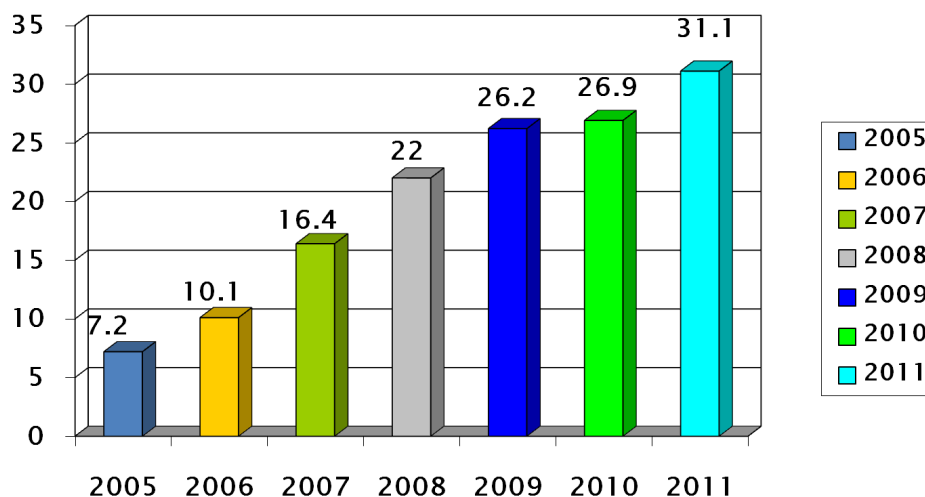
Although many new elements have been introduced through recent education reforms, the pace of reforms is slow. The government tries to balance the supply-driven needs of system of schools, predefined curricula and teachers with the developmental requirements for a more service oriented education system offering education and training services to different groups of learners, and enterprises. Quality seems to be determined a lot by inputs (equipment, buildings). This is understandable since the VET sector has been neglected until five years ago. There is however, a need to focus more on the results of learning. VET Schools are normally unable to answer the question what happens to their students when they leave. There needs to be a better understanding of destinations. In the European Quality Assurance framework for VET the graduation rate, the progression rate and the employment rate are the key indicators for the quality of the provision.

In 2007 the State Programme on Technical and Vocational Education development 2007-2012 was approved to modernise the VET provision and bring it closer to labour market needs. It aims at improving the technical infrastructure for VET, establish economic relations and improve the management of the VET system, renew the contents of VET and bring it in line with contemporary requirements, improve the teacher training system for VET and raise the social status of VET.

20 schools were completely restructured with support of the state programme. Seven more schools received support from other sources including contributions from local and regional budgets, and from the Haydar Aliyev Foundation. International projects have also played an important source of innovation and additional funding. While initial VET depends almost completely on state financing, the college and university education system in Azerbaijan have been able to attract substantial private contributions. Higher education has 60% fee paying students, colleges 45%. In higher education a per capita funding system has been introduced, strengthening the development of the system towards student preferences. State funding is being opened to private as well as public providers which will need to compete for funding.

The Economic Department of the Ministry of Education in cooperation with the Ministry of Finance define the budget allocations to schools. Although a centralised funding approach may seem to guarantee more equal treatment of schools and efficiencies across the whole system, the current funding conditions differ from school to school and there is no common platform from where schools can compete on an equal footing. Alternatively to ensure a responsive VET system it would be possible to give rayons a stronger voice in setting budgets in line with local development priorities. The current funding arrangements are perpetuating the existing situation, and do not encourage the closure and opening of schools.

The evolution of the amount allocated for VET is indicated below.



These amounts reflect the costs for education management and operations and do not include investments. Taking into account the inflation correction this means a tripling of the budget over the past 7 years. Despite the increase of public allocations for education, its share in GDP has remained relatively stable. Since 2004 the average spending on VET is less than 0,06% of GDP. Spending on education as a whole fluctuates between 2.5 and 3% of GDP. The education budget is around 5.5% of the non-oil GDP. However, as a share of GDP it is still substantially below the EU average of more than 5%. A large share of the budget (approximately 70%) is going to salaries, in spite of the fact that salaries in the education sector are relatively low.

Developing and Regulating Continuing Vocational Training and a new role for existing providers

The survey of the Ministry of Education on enrolment in VET 2012 shows a gradual shift towards older learners. New VET Centres has been established in Galaba, and Ismayli in tourism and hospitality, while VET Centres are opened in Baku in new technologies, in Welding and in Construction (all developed with international support). There is a changing role for VET schools and a clear need for adult learning. This is strengthened by the fact that for the last 20 years between half and two third of secondary school graduates entered into employment without any specialisation, whereas in the Soviet Era two thirds of students went to VET and 1/3 to HE. According to the Head of Department for VET in the Ministry of Education schools need to be open to everybody In order to respond to current needs and should not have age limits, or only full time programmes for young people.

For CVT the Law on Education foresees that CVT provision is licensed by the Ministry of Education while the ministry is also in charge of the certification process, but in practice these requirements are not always applied. CVT is very diverse, and it is actually not possible to speak of a system. The Law on Education, the NQF and the quality assurance arrangements, the requests of bigger companies for a nationally QA CVT provision, the development of occupational and training standards are indications that regulation and QA of CVT is on the agenda.

Both the Ministry of Labour, and the Ministry of Education demonstrate increased interested in this area in the light of finding a lifelong learning response to the needs of diversification of the economy. Moreover, they work in close cooperation with other bodies including companies, other ministries and non-governmental organisations like the employers and trade unions confederation and the association for adult learning. It is still unclear whether there will be a single leading institution for CVT development at a national level and how the legislation will be aligned and further developed and in particular concerning the national QA and certification arrangements. According to the "Guidelines on Ensuring Occupational Development of Employment Seeking Citizens:" certificates can be awarded by the Ministry of Education and signed by the management of the educational institution and the examination commission, but they can also be signed by the management of employment centres and the examination commission for training organised by the state employment service. The draft regulation of the Workforce Development Agency foresees that the agency would license raining providers and companies providing training based on occupational standards and would certify this training. This is however contested by the Ministry of Education.

Current capacities for implementing reforms

The staffing allocations to VET in the Ministry of Education and in the Centre for VET development are limited and not expected to grow very much given the tight financial control of posts in the public administration. Recruitment is regulated through specially organised state examinations. The establishment of the Workforce Development Agency by the Ministry of Labour is subject to these restrictions as well. Through the

experience with international projects, many of the core staff in the ministry has a good understanding of the requirements of modern VET systems, but they often lack the means to put these into practice at a system-wide level. In schools the number of staff is higher and relatively favourable considering the number of students, but there is also a trend here to reduce the staff numbers steadily to improve efficiency. Women largely outnumber men as teachers. The system has only limited possibilities to rejuvenate the personnel. The average monthly salary of a person employed in Education in 2011 amounted to 283 Manat. This is not only just 90% of the average employees' salary; it is also just a quarter of the average salary earned in the oil sector.

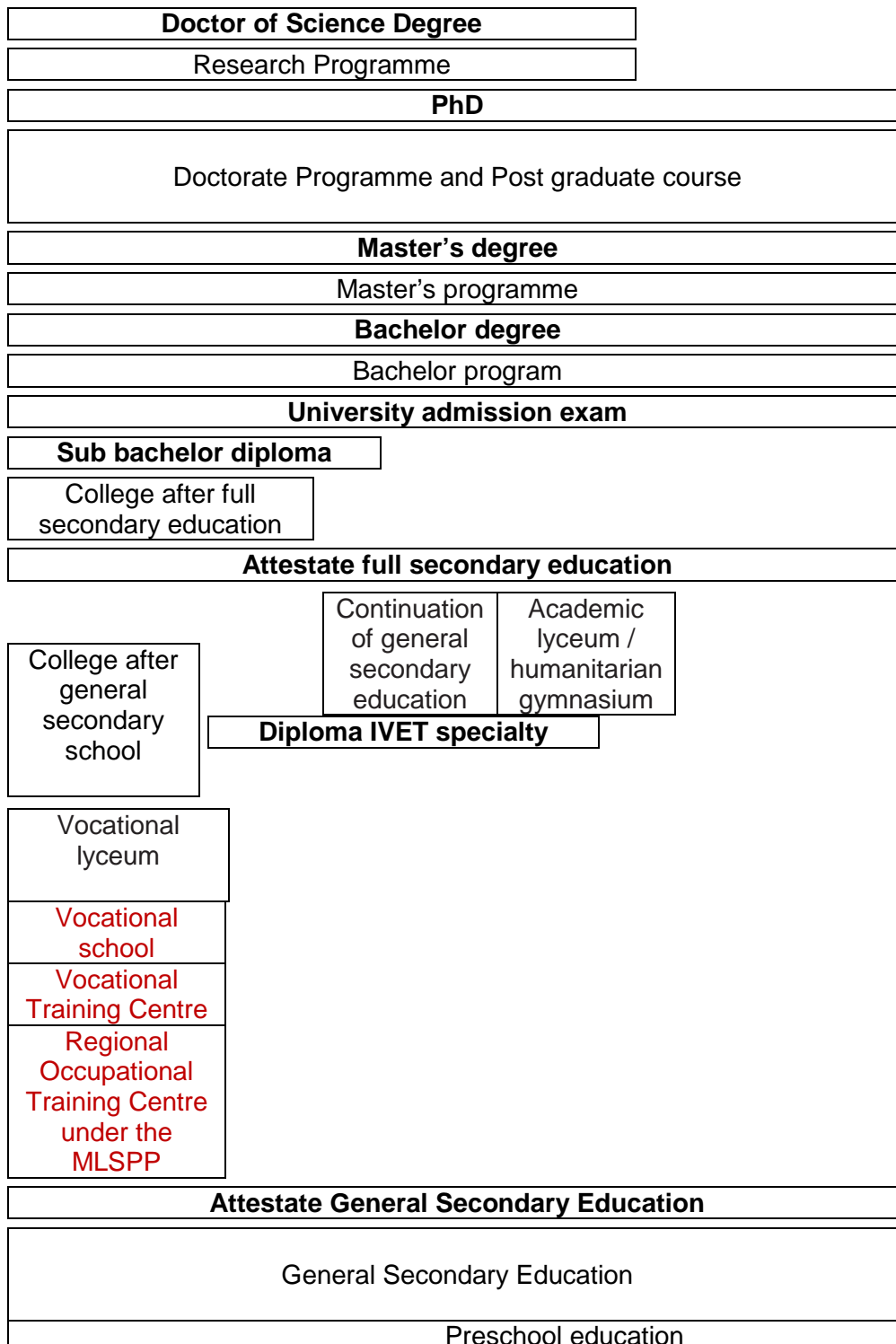
Staffing limitations are a clear challenge for implementing system wide education reforms. Any substantial reform programme for vocational education will have to take this into account.

Conclusions on governance

Important changes are taking place affecting the governance of VET in Azerbaijan. The system remains largely a hierarchical centralised system, and the use of state exams for recruiting teachers and school directors, tender procedures to centralise procurement and accreditation requirements are strengthening the central role. Yet in search for more fit-for-purpose solutions cooperation with companies at local level are slowly strengthened with the support of the central authorities. New VET centres offer new governance models given a role to local entrepreneurs and rayon authorities. The development of more relevant qualifications based on occupational standards, the proposals for the NQF and the Workforce Development Agency and the establishment of sectoral committees are developments that can potentially facilitate a better balance between the role of providers and of sectors and companies. Investment in education has increased. Some curricula have been modernised. 27 restructured schools offer better conditions for vocational education. Schools are beginning to respond more to the expectations of students and parents, but they have limited possibilities to tailor their offer to local employment needs.

The VET system still has to overcome a negative image of an old-fashioned system with obsolete facilities, delivering poor quality and with an outdated response to the labour market. VET need to become more relevant, strengthening links with businesses further, and address the historical fragmentation of detached specialised institutions for skilled workers, technicians and professionals, to a system that can provide more integrated professional education services to different groups within a lifelong learning context. This requires a closer cooperation between VET schools, colleges, universities and other training centres. If Azerbaijan is really serious about diversifying its economy it urgently needs to address the quality and capacities of its education and training system; upgrade existing training programmes systematically and increase the number of students that specialise in VET, colleges and higher education.

STRUCTURE OF THE EDUCATION SYSTEM IN AZERBAIJAN



DONOR PROJECTS TO SUPPORT VET REFORM IN AZERBAIJAN

DVV 2008

Vocational Education and Training in the South Caucasus (2008)

British Council, 2007-2010

Skills @Work project:

- Skills survey
- Employer engagement manual
- Partnering Tourism Colleges
- International Skills@Work Challenge

ETF support 2010-11 (as an example of our long term support)

Analytical reports:

- Torino Process and education and Business Study
- Black Sea labour market study

Capacity building and policy learning:

- Lifelong learning in Eastern Europe
- SME Policy assessment in Eastern Europe
- Support the national working group for NQF
- Support the draft VET law
- Supporting the VET Teacher Training System

TACIS Vocational and Training Reform Strategy and Pilot implementation in selected region in Azerbaijan

Development of National Strategy and Action Plan for IVET Modernisation

- Proposals elaborated with multi stakeholder policy working group on
- Leadership and Continuing Professional development
- Employer links
- A knowledge Base for VET 0
- Use of ICT in VET
- National Qualifications Framework
- Validating qualifications and curricula
- Financing VET

Development and Piloting of modern competence based IVET system

- 5 new IVET modular programmes based on occupational standards

UNESCO, 2009-2010

- Review of the VET curriculum development process
- Development of two pilot modular curricula based on occupational standards
- EU Twinning project Strengthening IVET in Agriculture 2011-2013

- Extend on-going VET strategy reform to VET sector of agriculture.
- Mid-term policy and action plan for competency-based VET system in agriculture
- Development of occupational standards & curricula related with agricultural economic sector
- Pilot implementation of formal/ non-formal trainings several agricultural VET schools and school strategies for sustainable implementation
- Curricula developers, school managers and teachers are trained and able to disseminate project outcomes
- Development of improved occupational standards re. ISCO08 & relevant training standards
- Adaption of the National Catalogue of Occupations
- Development of 200 Pilot Occupational Standards for 4 priority sectors
- Occupational Standard's Assessment
- Training Standards for retraining of adults
- Data-basing and distribution
- Capacity Building Occupational Standards Centre
- The MLSSP is the main beneficiary of the last project, the MOE in the other project

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The Torino Process is a project of the European Training Foundation.

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