



COUNTRY ANALYSIS 2005
RUSSIA

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Summary

The Russian economy continues to grow at a rapid pace, and high energy prices have generated the substantial revenues necessary for the government to stabilise the fiscal situation and implement much-needed socioeconomic reforms. Unemployment has continued to fall and investments into education and human resources in general are increasing. Diversification of the economy and stimulation of growth outside the fuel and energy sectors require effective government interventions but also a new skilled labour force.

The country faces an ongoing demographic decline in years to come that will particularly affect the education system, but also the labour market. Poverty and inequality are still major issues. Structural reforms are taking place – in health, education, housing, social areas and public administration – and the government has set an ambitious target to cut poverty by half by 2007.

Russia has implemented several education reforms since the beginning of the 1990s. However, major restructuring and efficient use of overcapacity across the education system remains a challenge for the coming years. Improving access to and raising the quality of education, the development of continuing vocational education, and making the education sector more investment-attractive are the present government priorities. The active participation of social partners and the public in education and training requires appropriate legal provisions and the development of incentives to make it institutional and operational.



The future of Russia depends on its capacity to support rapid economic growth at the same time as its valuable human resources are facing a serious demographic dip. The situation calls for increasing efficiency and restructuring of the education system to serve lifelong learning needs, redeployment of the unemployed or those at risk of being laid off, development of appropriate labour market and immigration policies, and increasing the quality and competitiveness of human resources. The ongoing devolvement of the financing and management responsibilities of training institutions from the federal to the regional level challenges the overall quality assurance system at all levels of education.

With the overall aim of improving economic growth and recognising the importance of human resources development (HRD), the ETF suggests concentrating donor assistance in the areas of (1) tertiary education, (2) continuing training, (3) strengthening dialogue between education and social partners and (4) addressing the social inclusion of marginalised groups. The most appropriate interventions could include more partnership and people-to-people schemes and a reduction of traditional technical assistance.

1. Current situation and trends in human resources and labour market development in the Russian Federation

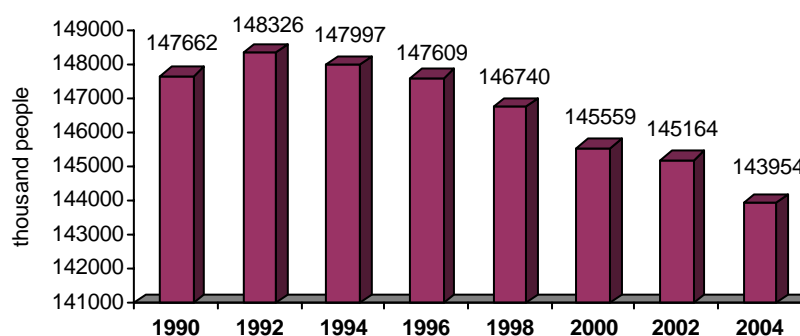
Background

The Russian economy has continued to grow at a rapid pace in recent years. Official figures for growth in GDP and industrial production in 2004 were unexpectedly high (both at over 7%). Real income is increasing and the poverty rate has declined further. Exceptionally high oil prices brought in higher revenues for the government in 2004. The unemployment rate fell accordingly from 8.4% in 2003 to 7.9% in 2004. A positive macroeconomic situation could also allow Russia to increase its expenditure on education in order to reach the target of 4.5% of GDP in 2006 as set earlier by the State Council.

Demographic trends

According to the census carried out in 2002, the population of the Russian Federation was more than 145 million (see table below), with a proportion of 73.3% of urban population, of which 15 million people were living in Moscow and St Petersburg. Almost 74% of the population was concentrated on the western side of the Urals.

Table 1. Population



The current demographic situation in Russia combines a low birth rate and a low average life expectancy. The birth rate is 1.1 per woman (1.5 in Europe), and the decrease in life expectancy is mainly due to alcoholism, low levels of sanitation and the spread of Aids. The increase in male

mortality does not have any precedence in modern societies. According to the State Statistics Committee, the size of the population decreased from 148.3 million in 1992 to 145.2 million in 2002 (dropping further to 144 million in 2004). By 2010 the total population is expected to be less than 142 million. The natural decrease of the population amounted to -6.7 (per 1,000 population) in 2002 and -6.2 in 2003. This tendency is expected to persist in the coming years.

The decreasing numbers of children and teenagers under 16 in the overall population will have a major impact on the education sector, affecting negatively the enrolment of young people in all levels of education and forcing education and training providers to turn their attention to other age groups and categories of learners. Over the period 1995–2004, enrolment in general education

shrunk by 13.2%, and it is expected to decrease further by up to 36.4% (compared to 1995). In vocational education and training (VET), by 2010, numbers are expected to decrease – in initial VET¹

Enrolment of students (in thousands)

	1999/2000	2000/2001	2001/2002	2002/2003	2003/2004
General Education					
	21,369	20,554	19,909	18,918	17,798
Initial VET					
	1,694	1,679	1,649	1,651	1,649
Secondary VET					
	2,175.6	2,360.8	2,470.2	2,585.5	2,612.1
Higher Education					
	4,073	4,741.4	5,426.9	5,947.5	6,455.7

¹ Initial level vocational education provided by PTUs.

by 36%, and in secondary VET² by 26%. In higher education, numbers will be growing until 2006, followed by a 16% dip by 2010 (against the 2006 level).

At the same time, the population is ageing (life expectancy has not decreased as much as the birth rate). This will bring consequences in the short to medium term, including changes in the behaviour of the workforce (older people tend to be less receptive to technological innovations and less prepared to change job), and in the longer term will also create additional pressure on the state budget (for example, in terms of increasing demand for healthcare and retirement benefits). The (so far) positive balance of migration flows, however, may lead to the realisation of alternative scenarios.

Immigration

From 1990 to 2004, the reduction of the Russian population would have been much bigger had there not been a substantial **immigration** flow, mainly from the former Soviet Republics. Russia had 129,000 registered migrant workers in 1994 and 378,000 in 2003. There are an estimated three to four million unauthorised foreign workers in Russia, which amounts to 6% of the Russian workforce.

In spite of the fact that the Russian economy desperately needs migrant workers to fill the gaps in its labour force, there is currently no proper immigration policy but rather a number of prohibitive measures, meaning that most immigration remains illegal.

Labour market and employment

In 2003 the economically active population amounted to about 71.1 million people (15–64 year olds), which gives Russia an activity rate of 69.6%. The employment rate was 64%, amounting to 65.4 million employed people.

Employment growth is mostly in the private sector, where, according to the Ministry of Trade and Economic Development, employment has risen by over 2% since 2000, reaching about 31 million people. About 60% of the employed work is in large and medium-sized enterprises.

The growing sectors of the economy embrace coal mining, oil extraction and petroleum refining, metallurgy, energy, light and food, traditional industries in the machine-building sector, wood processing and furniture manufacturing, and manufacturing of construction materials. The information and communications technology (ICT) sector is growing rapidly and is considered to be one of the most attractive sectors of the economy for investment. The structure of employment is changing (reduction in the share of industry, growth in agricultural employment, “saturation” of the economy with engineering specialists), and the labour market continues to suffer from underemployment and latent unemployment, growing youth unemployment and a significant proportion of the population employed in the informal sector and secondary employment. At the same time, qualification requirements are growing and there is an increasing demand for qualified workers.

The effective development of the labour market is further affected by a number of factors:

- the fuel and energy sectors and industries dealing with the primary processing of raw materials have exhausted their employment growth potential;
- a high rate of low-qualified labour and labour in industry can still be observed, while the employment share of the service sector is not yet high (a lack of skilled labour force might be a factor here);
- in many enterprises in the growth sectors – for example, construction – the qualifications and skills of the workforce lag way behind requirements;
- there is a slow employment growth outlook for middle-level specialists in the education and health sectors as compared to the situation in OECD countries.

On the whole, unemployment is going down. From October 1998 to 2004 it dropped from 13.2% to 7.9% of the economically active population. During the same period, overall employment rose by 14% (from

² Secondary level vocational education provided by teknikums and non-university level colleges.

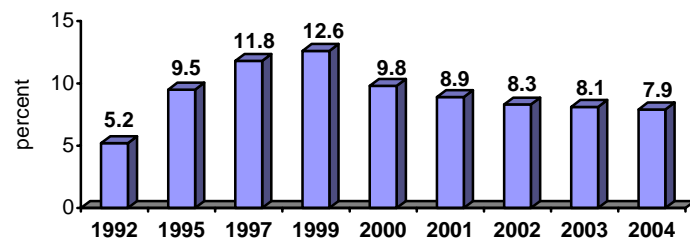
58.4 to 66.5 million). However, regional variations are enormous: the maximum unemployment rate is 34.9% in the Republic of Ingushetia, and the minimum is 2.1% in Moscow.

Overall unemployment in 2003 amounted to approximately 5.8 million people (15–64 year olds). About 1.3 million people received unemployment benefits. Registered unemployment began to grow in 2002 (including that of young people with a higher professional and secondary vocational education) due to rising unemployment benefits and the newly introduced reduced rates of utility payments for the registered unemployed.

Unemployment in the Russian regions is characterised by a predominant share of the rural population and a high share of men and young compulsory school dropouts. Rural unemployment continues to grow (at around 10.7%, against 8.3% in the urban population in 2003).

In 2003, GDP by sector was 5.2% in agriculture, 35.1% in industry and 59.8% in services.

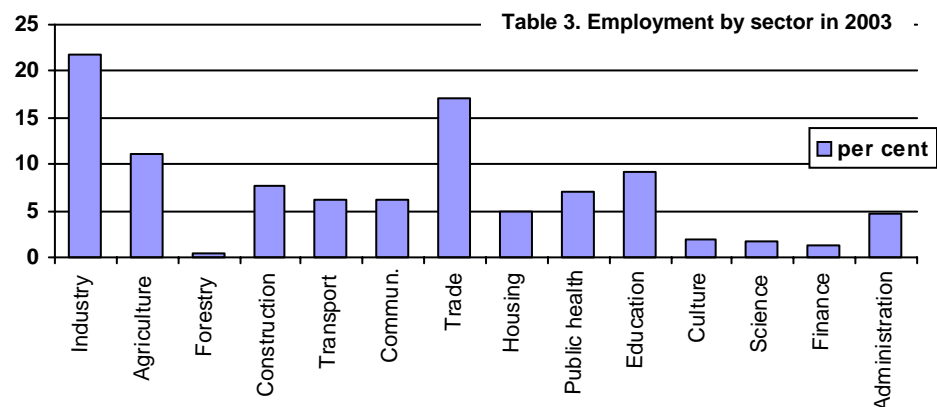
Table 2. Level of unemployment



Socioeconomic policy

The socioeconomic development programme of the Russian government³ (2005–2008) appears to be a promising document in terms of diversifying growth, which could have a positive impact on the expectations of investors. It places great emphasis on issues of diversification and competitiveness outside the energy sector. An ambitious agenda for structural reform gives particular focus to the public and social sectors. This includes the reform of health, education, housing, social protection, pensions, state administration

and the budgetary sphere, and the development of private–public partnerships. The upcoming accession to the WTO is expected to generate substantial macroeconomic and household benefits in Russia.



Poverty and inequality are still major issues. Almost

30 million Russians live in poverty, with children particularly at risk. Moreover, income disparities have grown over the last decade (the Gini coefficient was 0.37 in 2002). Over the last ten years, the phenomena of young people at risk and increasing criminality have challenged the traditional methods and policies used to deal with these problems, requiring capacity building from those working with disadvantaged groups and making the development of new social and inclusive education policies a priority. Although economic growth has been pro-poor in Russia so far, this growth needs to be more broadly based to have a greater and more sustainable impact on poverty, with new jobs created in the rapidly developing small and medium-sized enterprises sector.

³ See http://www.government.ru/data/news_text.html?he_id=15&news_id=8855.

2. Contribution of HRD to socioeconomic development

Education policy and reforms

The first education reforms, dating back to the 1992 Law on Education (amended in 1996), liberalised the education sector and gave more autonomy to training institutions and a framework for decentralisation. Over the years, this generated a large market for education and training services, particularly in higher education, but decreased the overall quality of and access to education throughout the country due to the absence of appropriate steering mechanism and policies. The latest education reform actions are related to the adherence of higher education to the Bologna process and the devolvement of management and financing responsibilities for vocational education from the central to the regional level.

In 2000 the government of Russia approved the National Doctrine on Education. In the same year, a five-year programme on education development was approved. The resolution of the government to take a leadership role in the reform was made explicit in 1999, 2000 and 2001 when the federal budget allocations on education grew by 50% annually. Similar positive changes have taken place in the Russian regions.

In September 2001 the Education Modernisation Concept, running until 2010, was adopted. It urges the Russian government to adopt a long-term education reform strategy covering primary, secondary and tertiary education in its entirety. The key objectives of this policy include providing greater access to the system, raising the quality of education, and improving the content of education and its overall efficiency and effectiveness.

In March 2004, in the context of civil service reform, a Ministry of Education and Science was established through a merger of two ministries. The central function of the Ministry is to develop and control the state education policy. It has two subordinate agencies dealing with operational and other issues: the Federal Inspectorate Service on Education and Science, and the Federal Agency for Education.

At the moment, the distribution of functions between the Ministry of Education and Science and its two agencies has not yet been finalised and there is an overlap of tasks. Nevertheless, major objectives have been formulated to ensure the smooth running of all levels of education.

In April 2005 the Russian government adopted a new document on *Priorities of development of the education system*⁴. This document provides for:

- development of an up-to-date system of continuing vocational and professional education;
- enhancement of the quality of VET and higher education;
- access to quality general education;
- enhancement of investment attractiveness of the education system.

The document underlines the need to create an effective market of education services to address the needs of the labour market. This implies, as a consequence, the necessity of introducing radically new mechanisms of certification and accreditation of curricula that will require a new organisational and legal framework and will engage representatives of professional associations, the education community and employer organisations.

One of the priorities in 2005 for the Russian Federation is to enhance the investment attractiveness of the education system by ensuring the introduction of new principles of financing universities, ensuring greater transparency for founders of processes of financing and administering education institutions, and creating the conditions for raising the quality of governance in the education system.

⁴ See <http://www.mon.gov.ru/edu-politic/priority/1183/>.

Decentralisation

Another major ongoing development is the transfer of most VET schools to regional jurisdiction and financing. By 2006, all VET schools currently affiliated to federal line ministries such as the Ministry of Agriculture will have been handed over to the Federal Agency for Education. For the time being a number of VET schools remain under the direct funding and management of the federal authorities, but it is very likely that these will also be transferred to the regions in the years to come.

In spite of the fact that decentralisation, as such, is a very positive development, the situation of VET schools may cause substantial problems, primarily due to the financial constraints resulting from the very different financial standings of the various regions. VET development will depend largely on the goodwill of the local administration. The quality of training provided in different regions could therefore remain questionable, in the absence of adequate funding or other policy mechanisms to streamline regional disparities. The restructuring of VET schools that has already started to optimise school networks and reduce the number of small and obsolete VET schools will continue in a context of serious financial and resource constraints.

Higher education

At present, the current Russian higher education community consists of over 1,000 higher education institutions, 655 of which are state institutions. In 1990 there were only about 700 institutions. During the last ten years, both state and non-state higher education institutions have created more than 2,000 branches. Of these, 64% are state registered and 36% as non-state.

From a total of six million students, about 5.2 million or 87% are registered at state institutions. The distribution of state institutions by branches of the economy is as follows: industry and construction: 169; agriculture: 60; transport and communication: 29; economy and law: 101; medicine, sport and physical culture: 62; education: 179; art and cinema: 55.

A total of 36% of non-state institutions enrol about 13% of students. This means that many of the private institutions are fairly small and mainly attract students locally in their respective region. Private institutions have mainly been opened for the professions that were required by the labour market: lawyers, economists and accountants. In many regions this has led to an excessive supply of these professions, which has increased tensions on the labour market. A large number of the faculty members at private universities are full-time employees at public universities. Geographically and traditionally, higher education institutions are concentrated in European Russia.

The Russian higher education system remains relatively centralised. The federal government is responsible for no less than 50% of all higher education institutional expenditures and keeps all state-owned institutions' funds under strict control through a special system of treasury accounts. It provides accreditation, attestation and licensing of all institutions, private or public, it establishes considerably detailed unified standards of higher education programmes defining the curricula and content for all disciplines, and it maintains the monopoly on issuing diplomas confirming higher education degrees. The management of higher education institutions is now more autonomous than in the previous system but still depends very much on factors such as financial stability, leadership and management, political linkage and institutional culture.

In terms of financing, reduced state funding has meant that institutions need to search for other sources of revenue and tend to maintain relations with all levels of authorities, business, industry and communities to diversify their sources of income, generate revenue and/or get financial and other kinds of support.

Social partnership

In spite of the fact that there are no legal provisions on social partner involvement in education, the goal of fostering social partnership in VET is explicitly set down in the National Doctrine of Education and other government documents. Tripartite general agreements (at the federal level) signed between all-Russian associations of employers, trade unions and the RF government for the term of one to three years contain provisions relating to social partnership in VET (namely, they recognise the need for

forecasts of demand for occupations and qualifications, a coherent human resources development policy, independent certification of personnel, in-company and on-the-job training, occupational standards, and so on). Practical effects of the efforts made by the federal education authorities to involve social partners more actively in education and training remain low due to a lack of mechanisms to implement such efforts. Effective institutional mechanisms that would allow a structured dialogue between the education sector and social partners are yet to be established.

Nevertheless, social partnership in VET is developing particularly at the regional and institutional levels where social partners are becoming increasingly involved in vocational education, employment training and in-service training. In the regions, social partners have started taking initiatives to be involved in VET by sitting on the boards of VET schools and meeting with regional departments of education. They are also consulted on volumes and profiles of training for their region. At all VET schools, representatives from industry are mandatory members of final examination panels. However, public governance in education remains poorly developed and often even good relations and partnerships between social partners and education are based on informal contacts and agreements.

Partnerships between VET schools and employment service agencies help to extend the remit of VET schools to training the adult population, diversifying their training services and providing job opportunities for VET graduates.

3. Current state of EU-supported HRD-related programmes: achievements and lessons learned in partner countries

The EU has provided substantial assistance to education in Russia through the Tempus Tacis programme and a number of specific Tacis projects, the most representative and largest being DELPHI and MTP. The ETF has complemented the EU initiatives with smaller-scale projects but has consistently focused on building local capacities to develop the country's human resources.

It is essential to underline that all interventions – by creating environments in which policy makers, experts, institutional staff and younger generations of students and employees can interact and do common work – have the effect of establishing and feeding a policy dialogue in a broad sense, which is beneficial for tighter relations between the EU and the Russian Federation and should be continued.

A survey carried out within the framework of the Ministry of Education and Science project on assessing the costs of implementation of the Bologna objectives by the State University Higher School of Economics reveals a high degree of dynamics in awareness growth, especially among the top management of the universities, vice-rectors, deans and heads of departments. The awareness level of professors and students, however, still remains rather low. So a lot of work still has to be done, but the process is gaining pace; this is largely due to inter-institutional cooperation within the Tempus framework. Tempus projects have helped to increase contacts between the universities, build sustainable international institutional partnerships, and modernise the curricula and university management systems.

In terms of staff development and mobility, the Tempus programme has always paid special attention to academic visits; hence, mobility has consistently been an integral part of all kinds of Tempus grants, not only as a form of cooperation, but also as a tool for the implementation of departmental- or institutional-level development.

Tempus has made a considerable contribution to the development of Russian higher education by financing more than 7,200 Russian teacher and staff mobilities to EU countries. (More than the 30% of these mobilities concentrated specifically on university management, European studies, modern languages, and education and teacher training.)

The current Tempus budget for Russia is approximately €10 million per year. By January 2004 there were 176 running projects in Russia (64 JEPs⁵, 112 IMGs and 3 SCMs). The total contractual value of the projects is about €27 million.

⁵ Joint European Project, Individual Mobility Grant and Structural and Complementary Measures.

The Bologna process is bound “to provide an anchor and compass for Russia and Europe”, and it is strongly felt that academic cooperation within the Tempus programme can become an important gear in this process.

DELPHI (Development of Educational Links and Professional and Higher Education Initiatives) is a project implemented in direct partnership with the Ministry of Education and Science, the first phase taking place between 1999 and 2001 and the second between 2003 and 2005.

With seven regions involved, DELPHI has addressed changes in the content and management of education and training with a view to better meeting labour market demand and providing better services to meet societal demand, by developing continuing training and pursuing quality in and access to the Russian education system in the fields of vocational professional education and training, management training and open and distance learning.

From the Ministry’s point of view, the project is seen as an important opportunity to introduce innovations at the regional level and build experience that is adequate to the Russian situation and can inform approaches and mechanisms that prove effective for institutions and regions alike. It is also seen as a means to approach the EU processes – providing up-to-date information about the Lisbon strategy and Copenhagen process, for example – and form competent education specialists, managers and planners that can eventually take the changes further.

The Managers’ Training Programme (MTP) represents the Tacis contribution to the Presidential Programme, launched by the Russian government to retrain at least 5,000 managers of public and private companies with a view to boosting the economy and economic modernisation. The project approach is based on on-the-job training: Russian managers are hosted for periods of one to three months in an EU company whose sector and market are comparable to the one of origin of the Russian manager. Being exposed to a new environment, the “trainee” is able to do, observe, compare and learn with the help of EU coaches and by means of ad hoc training seminars.

The North-West and Kaliningrad are regarded by the EU as priority areas within the framework of the neighbourhood and cross-border policy. A two-phase project on enhancing e-skills in SMEs is ongoing in North-West Russia and aims to boost the competitiveness of local SMEs by increasing the effectiveness of their ICT environment. As regards Kaliningrad, for which a special programme is in place, two HRD-relevant initiatives were agreed in 2003 and 2004 respectively: the project “Strengthening and developing business and administrative education”, and the project on “Vocational training and labour resources”. Both are intended to invest in work-related competence for the benefit of social and economic development in the medium to long term.

Support to the Ministry of Education and Science and nine pilot regions is being provided by the ETF in the context of ongoing decentralisation towards the regional level of VET financing and management. A gradual transfer of these responsibilities is taking place as of 2005. This project is being implemented in cooperation with the World Bank and the Finnish government.

A study on assessing the long-term impact of ten years of Tacis and other donor programmes in the managerial training field is currently being conducted by the ETF together with the EC Delegation and the Russian Federal Commission on Management Training. The study aims to identify the sustainable effects of training and provide advice on new forms of cooperation within future programmes.

The ETF is also arranging policy advice workshops on a regular basis, on such issues as the Copenhagen process in the EU, national qualification frameworks and lifelong learning, and benchmarking Russian practices with those of the EU Member States and beyond. Last but not least, information and advice is made available to the Ministry of Education and Science and the North-West Russian regions through the National and Regional Observatories, which have built capacity to analyse VET and labour market issues and their interrelations.

Fifteen years of cooperation in the sphere of education and training have generated a large and varied number of programmes and specific projects from which, through sustainable successes and less positive results, general lessons can be drawn, as follows:

- Firstly, experience has proven that ownership on the part of the country’s people and institutions can dramatically increase the observable impact of cooperation projects and activities. Involvement of stakeholders from the early stages of planning and design is therefore to be ensured to the maximum extent.

- Secondly, interventions of a structural nature that embrace a range of correlated components of change processes are necessary, in order to establish common work among a wide range of groups that have a say in these change processes and create among them common languages and methods.
- Thirdly, and in parallel, facilitating people-to-people contacts is important for maximising exposure to policies and approaches that are practiced abroad on the part of actors at all levels: experts, staff members of institutions, and young people.
- Fourthly, because education reforms are time-consuming, continuity of joint work is the basis for generating changes and making them sustainable in the long term.
- Lastly, common work conducted at all levels – from governmental to the level of institutes and companies, from national to local, from young to old people – has laid the basis for a policy dialogue between Europe and Russia, which will continue to bear fruit in the future.

4. Significant investments by other international/bilateral donors in the field of HRD

There are two large education reform interventions that are supported by the World Bank: the US\$50 million Education Reform Project (2003–2006) and the US\$100 million e-Learning Support Project (2005–2007). The objective of the Education Reform Project is to provide assistance to the Ministry of Education and Science and competitively selected regions of Russia to reform general and vocational education in order to (a) improve quality and standards, (b) promote the efficient and equitable use of scarce public resources for education, (c) modernise the education system (structure of network and institutions) and (d) improve the flexibility and market relevance of initial vocational education. The e-Learning Support Project will support the Education Modernisation Concept goals of improving the accessibility, quality and efficiency of general and initial vocational education. The programme is designed to set up enabling conditions to assist with the system-wide introduction and enhanced use of ICT in Russian general and initial vocational schools.

A major investment into regional vocational education and training reform was made in North-West Russia in 1996–2003 by various EU Member States that cooperated with the ETF in improving the relevance of VET to regional labour markets.

Contributions to the Presidential Programme have been made by Germany, the UK, the Netherlands, Canada, Japan and other bilateral donors, and many EU Member States have their own bilateral cooperation schemes in education and training.

5. Challenges for HRD and labour market-related modernisation processes

To take advantage of the current high rate of economic growth, the Russian economy needs increasingly (re)qualified employees, managers and researchers for innovating and diversifying its economy, thus increasing its competitiveness. Alongside, reinforcing democratic institutions, active citizenship and the rule of law continue to remain of prime importance for the country's overall development, and not least for its relations with the EU.

Active HRD policies at the national and regional levels, including lifelong learning and involving both new generations and the current labour force, can be powerful instruments for carrying out these major strategies.

The ongoing devolvement of the financing and management responsibilities of training institutions, from the federal to the regional level, creates tensions for the overall quality assurance system at all levels of education, of which planners must be aware.

Against this background, the HRD sphere presents the following main challenges for the mid-term period.

Tertiary education

Contemporary tertiary education (including all institutions, from universities to tertiary VET) requires new standards that would ensure the universal and fundamental character of education, as well as its practical orientation. As today the system of higher education faces challenges relating not only to meeting the current needs of the economy in a qualified workforce, but also to the integration of the Russian Federation in the international education space, introduction of the bachelor's and master's levels will contribute to expanding the attractiveness of the system.

Diversifying the financing system and reforming the governance and management of higher education institutions remains an important part of tertiary education reform. Old-fashioned management methods and a lack of transparency hamper the modernisation of higher education as a whole. The relevance of higher education to regional labour markets and the economy requires more flexibility and better planning of enrolment and volumes both at the federal and regional levels. In particular, there is a risk that traditional universities will be developed at the expense of other education sectors and routes that, for a given region, may be more relevant in terms of employment.

As a combined consequence of the Bologna process and the demands of students, families and companies, the existing barriers between different typologies of tertiary-level institutions should be reduced. Real chances for flexible access and paths are at present very limited, imposing constraints on students' careers. These divisions moreover prevent the establishment of collaborative programmes between institutions, which would be beneficial for lifelong learning initiatives.

Besides, well-consolidated scientific knowledge and know-how and highly educated professionals and researchers have supported the country's advancement over decades. Increasing investment and, at the same time, international cooperation in scientific fields will continue to be a fundamental resource for the country's sustainable development.

Continuing education and training as a key component of lifelong learning

An expanding economy creates a favourable environment for HR development, provided that policies, instruments and implementation devices are put in place. CVT, training and retraining can greatly contribute to the positive economic development of the country. To this end, however, the existing CVT system has to be upgraded to become adequate to contemporary requirements and able to anticipate demands. Issues of quality of content and of delivery, accessibility and effectiveness are at stake, and instruments that allow transparency of qualifications, validation and certification of acquired competences, and recognition of non-formal and informal learning are to be deployed and implemented.

The likely restructuring and optimisation of school networks and the integration and harmonisation of different VET levels may lead to a redeployment of teachers who have become redundant as a result of declining demographic trends and the ongoing decentralisation process. Development of continuing training in a lifelong perspective may represent an opportunity for many of these teachers who need new skills and competences. Their commitment and motivation is an essential building block in diversifying continuing training and making lifelong learning accessible for everyone.

In addition, modifications to the economy and its desired diversification should, in the future, bring increased mobility between jobs, with the result that the economically active population will need better access to skills upgrading and training opportunities to support these changes in the labour market. Although there is a lack of systematic data collection as regards access to continuing training, occasional surveys show an increasing demand for adult retraining, originating from both individuals and companies, but this is not always met with adequate supply.

Furthermore, the Russian economy is proving attractive to workers of the neighbouring Russian-speaking countries. Mainly composed of low-skilled workers, a flow of registered and non-registered immigrants are finding jobs in agriculture, industry and services with relative ease, in the Russian Federation. Their access to training and retraining may provide additional support to development and integration.

Dialogue between education/training actors and social partners

Progress has been made towards a common understanding and closer work when planning for future education and training needs between the education and economic sectors. Successful pilot experiences, however, are scattered and do not form widespread practice.

Due to the lack of social partnership and an education system that has so far been centrally managed, public governance is also poorly developed; this hampers the transparency and trust of society and the labour market towards education and training and its effectiveness and quality.

The Russian government acknowledges the necessity of developing public–private partnerships, but there is still limited knowledge, experience and understanding of how to do this in practice.

Therefore, the government should take the lead in institutionalising and providing adequate frameworks in education and training for cooperation and dialogue with social partners through the development of incentives including budgetary financing. At the same time, regional authorities should be encouraged to develop and strengthen social partnership in the regions. The perspective of lifelong learning cannot be realised without common work on the part of all stakeholders.

Addressing the social inclusion of disadvantaged groups

In spite of economic growth and the existing pro-poor social policies, it is important for the Russian government to strengthen and develop further policies and specific measures regarding vulnerable and marginalised groups such as disabled people, young people at risk⁶ and recidivists, with a view to their inclusion and (re)integration into society. The problems involved in reintegrating these groups are increasingly being recognised by decision makers. However, new types of approach and support services must be created to address the social inclusion of the disadvantaged.

The traditional education and training system has great difficulties in coping with this challenge, and substantial progress is needed to further adjust regulatory frameworks. This should lead to new teaching programmes and learning environments, community programmes and the development of life, labour and other transferable skills among the disadvantaged in order to facilitate their reintegration, as well as a change in attitudes towards marginalised groups of the population. International practices in this respect are very helpful and may provide practical models and approaches to be applied in Russia.

Training programmes should take into account the limitations of the various disadvantaged groups and provide them with relevant competences and skills. Learning should be organised in a continuous interaction with local communities to facilitate their integration. Training and guidance for entrepreneurship and self-employment should be provided for people who do better outside paid employment.

6. Levers in HRD and related labour market policies through which system reform can become sustainable

Tertiary education

The reforms triggered by the Bologna process, in particular for introducing the new levels of higher education as a basis for forming the structure of qualifications and designing curricula adequate for societal needs, encouraging higher education institutions to develop lifelong learning paths, promoting equal access to further development and implementing national quality assurance systems, should be activated.

This comprehensive reform, which encompasses changes at both the legislative and policy levels and at the institutional level, should pave the way towards the integration of Russia into the European Higher

⁶ Children and young adults who, through low self-esteem or poor social skills, are prone to becoming involved in crime, suicide, domestic abuse, drug and alcohol abuse, early pregnancy, and school absenteeism.

Education Area. Tight collaboration between Europe and Russia will be crucial for the accomplishment of this modernisation process. This collaboration can take place in two complementary forms, as follows.

The realisation of more systemic changes would require the design of structural and coordinated interventions, involving the federal institutions along with selected regions. Moreover, the modernisation of the complex governance of tertiary education is at stake; the issues involved are, among others, the management of public and private institutions, the diversification of sources of funding, partnerships with enterprises as well as public authorities, the creation of alliances and common programmes (if not merging) between a varied range of institutions, the diversification of learners' groups, and the facilitation of smooth progression routes across institutions and programmes. The "traditional" design of interventions that bring together a variety of parties in a common undertaking would be advisable in this context.

On the other hand, as highlighted earlier in this document, the engagement of staff members of institutions will represent a critical element for actual implementation and the realisation of innovative experiences. Student mobility will also be a major instrument for supporting the implementation of the Bologna process and will in fact test the reform by ensuring that student stays abroad are mutually recognised by both host and home institutions.

The active role of students and young peoples' associations – in terms of the promotion of internationalisation and of different forms of innovative, autonomous and self-governed initiatives – is relevant for developing these groups' responsibility in social life and democratic citizenship. It would also be functional in forming the European Higher Education Area.

Lifelong learning with a specific focus on continuing education and training

The development of a state-of-the-art system of continuing vocational and professional education and training (CVT) is currently being considered by the Russian government as a first priority (see footnote 4). As illustrated above, this prioritisation is consistent with the economic development policy and the twofold aim of increasing the participation of Russia in world trade and diversifying the national economy (see footnote 3). The following areas of work and related levers are recommended:

1. Promoting the culture of lifelong learning among citizens, and valuing and rewarding learning experiences at all ages. To increase the attractiveness of continuing learning and improvement, a specific role is played by CVT; its quality level is therefore a central factor. Investments should be directed at increasing the excellence of content and the professionalism and motivation of teachers, other staff members and experts, opening the system to an international dimension, and widening the use of ICT, among other aspects.

The progressive creation of a lifelong learning culture should bring closer correlation between CVT and initial education, diversification of learning opportunities offered by providers, validation and accreditation of non-formal and informal learning opportunities, and partnerships between diversified typologies of training organisations for the innovative provision of learning opportunities and the overcoming of excessive barriers and segmentations.

Facilitated and continued access to learning opportunities for skills acquisition and reskilling on the part of adult workers, the unemployed and, not least, immigrant workers would enhance and consolidate further the current growth trend. It would also contribute greatly to the sophistication that any modern and knowledge-based economy demands.

2. Measures recommended include specific actions on policy formulation and implementation, cooperation and exchange at the international level to compare with others' approaches and methods, and people-to-people approaches, as outlined below.

Measures of the first type, related to the policy level that will favour the development of CVT, can be broadly defined as follows:

- a. developing national frameworks, which would pave the way to transparency of qualifications and to greater dynamism in the interrelation between the education supply, learning needs and skills demanded by the economy;
- b. innovation in the management of CVT services, creating consortia of public and private organisations, introducing marketing (demand-led) approaches to needs appraisal and design;
- c. investing in CVT-related research and participating in international networks and fora of professionals and researchers;
- d. attracting national, local, public and private resources for adequately funded formal and non-formal education and training;
- e. developing the analysis of data and selected indicators over time, for the purpose of improved planning and the evaluation of effectiveness.

More generally, the existing dialogue and information exchange on lifelong learning and related policies in Europe (such as the Lisbon strategy) and worldwide, as well as specific measures, should be continued and greatly increased. Russia is encouraged to be involved in a number of international fora in which education and training developments are debated and measured (at present this is the case for the Bologna process, but not, for example, the Copenhagen process); this would support the modernisation of the national system. A lesson of almost 15 years of international cooperation on training and education is that only continuity can enrich the dialogue and lead to actual partnership and stable results.

3. It is difficult to imagine such an increase in the role of CVT and lifelong learning in general without the engagement of teachers and other staff of learning organisations into newly formulated programmes, validation forms, monitoring and evaluation. Their involvement should be envisaged throughout every initiative and geographical focus.

Dialogue between education/training actors and social partners

In contemporary visions, the quality of public services also implies a greater consideration for the expectations of the demand side. Based on this, the creation of participatory or joint mechanisms for the involvement of employers and related parties, as well as employees, in the planning of new training programmes and the criteria upon which validation and certification of continuing learning experiences are based, would bring benefits in terms of quality enhancement.

Appropriate institutional infrastructure that involves social partners in creating sustainable platforms for partnership and cooperation, increasing awareness of the importance of investment in human capital, and diversifying funding sources for education and training, would require the continuation of the initial experiences realised at both the federal and regional levels. This would be fundamental, especially in light of the introduction of qualification frameworks, to which the sector-specific components are central. Sector-based national reference points aimed at providing information and guidance on all issues concerning qualifications could be encouraged. In the medium to long term, this would lead to comparability of qualifications with those in other countries.

New approaches to education management that give a voice and delegate powers to other important stakeholders apart from the state authorities such as the public, employers, and parents, should be developed. This may require new ownership and management arrangements and the development of incentives to empower the public to increase their participation and commitment.

Membership in international policy fora, twinning and partnership arrangements would be advisable as additional leverage mechanisms.

Addressing the social inclusion of disadvantaged groups

Activities should focus on the overall development of an increasingly inclusive education and training system that does not isolate marginalised groups from mainstream education and society.

This implies improving access to education and training, modernising the regulatory framework, gradually reducing exclusive education institutions, developing new teaching and learning programmes for teachers and trainers and creating new learning environments and opportunities within the mainstream education system for the disadvantaged, in the spirit of (re)integration into school and society as opposed to route separation and diversification.

The provision and development of education services and training opportunities for the disabled, offenders and other marginalised groups facilitating their rehabilitation and (re)integration into their communities should be pursued.

New interventions aimed at young people at risk, such as counselling, on-the-job training and gradual integration into small enterprises or other suitable work environments, should be developed as appropriate. Innovative identification of other alternatives allowing young people to participate in recreation, education and community-based activities is also important.

Expertise support should be given to specific policy formulation including legislation, school-to-school contacts and other twinning opportunities, and specialised training for teachers and other operators.

HOW TO CONTACT US

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