

Modern skills requirements and the role of educational institutions to support jobs rich economic transformation and youth employment

Date: *Wednesday, 4 June, | Online and in-person event*

Time: *10:00 - 12:00 Kyrgyzstan time*

Venue: *125/1 Toktogul st., Bishkek, UCA conference room, 2nd floor*

Language: *English and Russian*

Participants:

World Bank team:

- David Stephen Knight, Lead Economist, World Bank
- Michael Weber, Senior Economist, Human Development, World Bank
- Sobir Kurbanov, Consultant, World Bank

University of Central Asia:

- UCA faculty, researchers and students from Bishkek campus
- UCA network of partners from academia, research institutions, universities and think tanks based in Bishkek

Agenda:

10:00-10:10 – Opening by the University of Central Asia (Prof. Christopher Gerry, Rector)

10:10-10:20 – Opening by the World Bank team (David Stephen Knight or the WB country office representative)

10:20-10:45 – Presentation on the jobs rich economic transformation in the Kyrgyz Republic (David Stephen Knight)

10:45-11:45 – Q&A, open discussion, moderated by Sobir Kurbanov

- Guiding questions for the Q&A session:
 - o What are the main challenges to jobs creation and jobs rich economic growth in the Kyrgyz Republic and Central Asia overall?

- What are the main skills gaps that can support future economic transformation in Central Asia?
- What are the best ways to increase labor force participation especially among youth?
- What changes and reforms are needed to improve the quality and outcomes of education system both higher and professional to address the issues of labor supply in Central Asia and the Kyrgyz Republic in particular?
- What are the best practices and examples from the University of Central Asia in addressing the challenges of skills gaps and mismatches through producing high quality graduates of its graduate and workforce training programs? How is UCA workforce training program collaborating with prospective employers to improve matching? What are the most demanded skills among young people of Central Asia?

11:45-12:00 Concluding remarks

Background notes:

About the challenges of jobs rich transformation and skills gaps in the Kyrgyz Republic:

Between 2000 and 2022, the country maintained an average annual per capita GDP growth rate of 4 percent. However, this growth has not been accompanied by sufficient job creation as the employment elasticity to growth remain at a low level or around 0.2 as opposed to an average of 0.85 in OECD countries. Furthermore, in the Kyrgyz Republic, job creation does not keep pace with population growth, the labor market suffers from pervasive informality, as well as temporary, occasional, and seasonal work, pushing workers into emigration. Each year an estimated 50,000 individuals enter the labor market. By 2030, an estimated 4.6 million adults will be of working age. However, while the workforce is growing by an estimated 2 percent per annum, job creation averaged 0.9 percent over the last decade. While official unemployment remains at 4 percent, labor force participation around 59 percent. The situation is particularly challenging for youth which represents a 35 percent of total population, with 17 percent not in education, employment or training.

The Kyrgyz Republic's transformation toward more stable, inclusive, and sustainable growth requires jobs-rich, private sector-driven growth. The economy relies heavily on the traditional industries which creates few jobs and has limited spillovers to the rest of the economy. The lack of opportunities to develop a productive private sector that can generate job opportunities at home forces a large share of the working age population to migrate abroad for work. The future of Kyrgyzstan jobs rich growth transformation would come from service-oriented sectors, the innovative and digital economy (including platform employment, digital services, and ICT), tourism, and textile clusters. These sectors already generate the majority of jobs, and

their contribution to GDP and employment is likely to continue to grow. However, most of the jobs created in these sectors so far are informal.

Widespread skills gaps and mismatches hamper private sector development to grasp the opportunity of accelerated growth of innovative, IT, digital and the green economy. Employment is concentrated in low-productivity primary agriculture work, and a large part of the youth and the rural labor force are unemployed. Closing these gaps will require a commitment to reforming public education so it can deliver the skills needed in the labor market and can anticipate and adjust to changes in these needs.

To address the problem of skills mismatches, the Government Education Development Strategy 2020 prioritizes policy measures of improving the labor market relevance of TVET system, also by modernizing equipment, introducing short-term courses requested by employers and strengthening work-based learning initiatives, also through so called skills development fund for unemployed and people with disabilities.

Leading universities, such as the University of Central Asia play significant role to produce highly qualified graduates to address the skills gaps and support jobs rich economic transformation. In addition, skills matching can be significantly improved through the workforce training and continuing professional education that is matched to the demand from the prospective employers. The UCA has a unique experience in this regard through its school of professional continuous education.

About the University of Central Asia:

University of Central Asia (UCA) is Aga Khan (AKDN) funded university aimed to promote the social and economic development of Central Asia, particularly its mountain communities, by offering an internationally recognized standard of higher education and enabling the peoples of the region to preserve their rich cultural heritage as assets for the future. It was founded by an international charter between the governments of Tajikistan, Kyrgyzstan and Kazakhstan in partnership with the Aga Khan Development Network (AKDN) in 2000. The University has three schools: School of Arts and Sciences (SAS), Graduate School of Development (GSD) and School of Professional and Continuing Education (SPCE).

UCA has a five-year undergraduate program, including a one-year preparatory program including cross-disciplinary, liberal arts and prerequisite courses, followed by a choice of six specializations or majors. The program also includes a mandatory Co-operative Education program, where students receive paid internships. Students attend the campus based on what major they choose and will graduate with a Bachelor of Arts or Bachelor of Science degree.

The School of Professional and Continuing Education was launched in 2006. On 15 February 2020, the SPCE held its first graduation ceremony for 160 students at its learning center in

Bokhtar, Tajikistan. SPCE has 17 learning centers with 172,000 alumni across Afghanistan, Kazakhstan, Kyrgyzstan and Tajikistan. SPCE offers vocational and professional development programs to various age groups.