

**Report of the School-
to-Work Transition
Survey in Kyrgyzstan**

Makiko Matsumoto

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International Labour Organization

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Since the breakdown of the Soviet Union, Kyrgyzstan has lived through a radical transitional process that has dramatically changed the employment patterns over the last decade. The country presently features a high unemployment, underemployment and expansion of informal economy. Young people are facing increasing difficulties when entering the labour force. They are more likely than adults to be out of work. Youth also often ends up working in the informal economy. It is true also for Kyrgyzstan where the population growth still induces increasing influx of new labour force entrants, where youth face in general greater barriers than adults in securing decent employment.

To design effective policies and programmes to promote decent work for youth, it is essential to understand the problems young women and men face in access to education and training and in entering the labour market for the first time. The School-to-Work- Transition surveys, designed by the ILO, is an information-gathering tool on the current labour market situation and young people's aspirations, skills acquired and required, locational advantages and disadvantages, etc., as well as the factors that influence their transitions. The ILO SWTS are helping to shed more light on the situation of young people and their working conditions.

This report presents the results of such a survey conducted in Kyrgyzstan. An important feature of the SWTS carried out in Kyrgyzstan is that it was done with the aims to increase the capacity of the ILO's constituents in data collection, and to strengthen the empirical basis for the design and implementation the National Employment Programme of the Kyrgyz Republic. The report highlights policy implications on aspects pertaining to youth employment.

The survey was funded by ILO Gender Promotion Department and ILO Sub-regional Office for Eastern Europe and Central Asia (ILO SRO Moscow), and conducted in 2003 by Kyrgyz constituents with the assistance of ILO SRO Moscow and the Employment Strategy Department in Geneva. Special thanks go to Lin Lean Lim for supporting the Survey, to Makiko Matsumoto for preparing the analysis, and to Sara Elder and Paul Van den Bergh for providing useful comments. Thanks are extended to Martina Lubyova for leading the team of SRO Moscow that helped with the practical implementation of the survey – Gulmira Asanbaeva, Bolotbek Orokov, Vladimir Pogorelsky, and Vladimir Kosmarskiy.

Werner Konrad Blenk
Director ILO SRO Moscow

1. INTRODUCTION

The Kyrgyz Republic is one of the poorest countries in the CIS; in 2001 between 45.0% and 56.4% of the population lived below the poverty line.¹ The initial impact of the transition since independence in 1991 experienced a turnaround in 1995, from a negative economic growth to a gradual recovery after 1996. Between 1991 and 1997, average annual growth rate of real GDP was -9.5%, while it recovered to 3.2% per annum between 1998 and 2002 (Loukoianova and Unigovskaya, 2004). Such recovery in the growth rate helped to mitigate poverty, mainly through reductions in rural poverty. The driving force behind economic growth since the latter half of the 1990s was the growth in agricultural sector, gold mining, power and trade sectors, while the rest of the economy continued to decline or stagnate.² The sustained growth in agricultural sector was based upon improved incentive structures, resulting from a largely equitable land reform and the lifting of price and procurement controls of agricultural commodities by the government.

The economy underwent considerable structural transformations, although in some sectors, pre-transition style enterprises continued to exist.³ In terms of sectoral distribution of employment, the continued decline and stagnation of the manufacturing sector was apparent. In the pre-reform period, just under 30% of the employed was in the industrial sector, while in 1999, just above 10% remained. And the initial drastic decline in the manufacturing sector activities had not yet recovered to the pre-reform period. A large majority of the labour force was relocated to the growing agricultural sector or to some segments of the service sector, such as trade and catering (Graph 1).

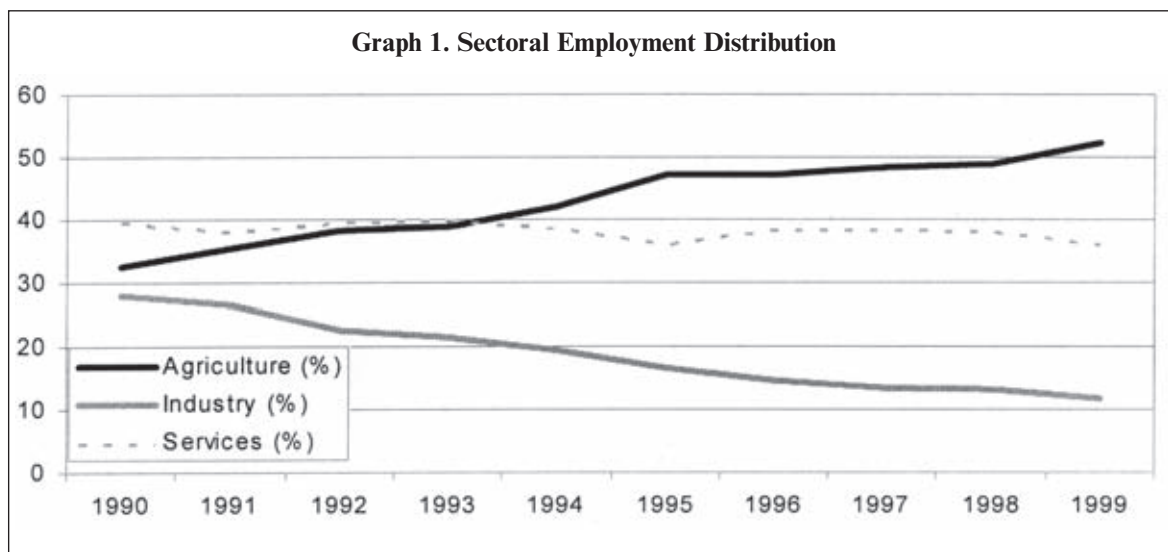
One of the biggest development challenges for Kyrgyzstan lies in finding ways to maintain its growth in agricultural productivity and output, while investing in other sectors, which show some potential for growth in output and employment. Such challenge is not trivial, given its landlocked locality and inherent dependence on a number of neighbouring countries for trade and the costs involved in maintaining input-output supply and marketing chains.⁴ And without an expanding market, whether domestic or international, it is difficult to foresee a further productive expansion of the sectors that had supported the overall economic growth rate since 1996.

¹ The measures of headcount ratio varied, depending on the adoption of expenditure-based or consumption-based poverty lines. See World Bank (2003:11).

² World Bank (2004:6)

³ For example, World Bank (2004:22)

⁴ See for instance Faye et al. (2004). Table 3 of the paper presents an estimated cost of trading for Kyrgyzstan, calculated as ratio of transport costs to value of exports. It stood at 0.13, higher than some other landlocked countries in the CIS, such as Kazakhstan, Azerbaijan and Moldova; but lower than Turkmenistan and Armenia. Table 4 of the same paper shows that Kyrgyzstan had the lowest value of export per capita in 2000 at 115 current US\$, in comparison with all other countries mentioned above.



Source: ILO, KILM (2003)

The national policy framework of Kyrgyzstan had been consolidated around World Bank supported poverty reduction and economic development strategies, both in the short run and the long run. More recent efforts to address the challenges in the labour market included the adoption of the National Employment Concept in March 2004 and its operationalization through development of the National Employment Programme. The National Employment Programme provided a greater focus on youth employment. During the development of the Concept and the Programme, it became clear that the labour market information in general, and on youth in particular, was insufficient. The School-to-Work Transition Survey was implemented during February - April 2004, with an aim to strengthen the empirical basis for designing, re-designing and implementing the National Employment Programme. The value added of the Survey was that it provided more detailed information on young people's aspirations, skills acquired and required, locational advantages and disadvantages, to name a few.

This report provides an extract of the findings of the Survey. Section 2 discusses the data and the methodology used in processing the data. It explains some important limitations in the sample distribution and the quality of the responses obtained. Section 3 presents some of the results obtained from the Survey. It tries to identify traits that make some young people more risk-prone to unemployment and why they tend to be so. Section 4 provides some concluding remarks and highlights some policy implications within the framework of the National Employment Programme on aspects pertaining to youth employment.

2. DATA AND METHODOLOGY

The overall objective of the Survey was to contribute to a further development and implementation of the National Employment Programme with respect to youth employment. This overall objective had two aspects: (1) to generate more detailed information on the labour market situation facing young people in Kyrgyzstan; and (2) to enhance the capacity of the Ministry of Labour and Social Protection and the social partners in carrying out data collection and processing. Mainly for the latter reason, the design of the survey was purposive and the questionnaires were distributed through the networks of the Ministry of Labour and the social partners. Such method of data collection had two-sided impact on the analysis of the survey results. On the one hand, there was some institutional screening of the respondents, which helped to familiarize the institutional partners with questions relevant to youth employment and to strengthen their networks. On the other hand, the method put some serious limitations on the reliability of the information obtained, as well as institutional bias on the sample distribution. A considerable amount of caution was exercised in the ensuing analysis of the survey outcome in order to compensate for the lack of representative sample.

The national definition of 'youths' in Kyrgyzstan is those between the age of 15 and 29, which is slightly wider than the international definition of 15 to 24. The national definition was used in screening the young respondents. Four separate questionnaires were distributed, designated to four pre-determined respondent types: in-school youths, unemployed job seekers, self-employed and own-account workers, and wage employees. One separate questionnaire was distributed to the employers. The questions were modified from the original prescribed modules to better fit the national context, with additional set of questions on labour force participation.⁵

The main candidate variables that were initially considered necessary for analysis are listed in the table below (Table 1). They relate to individual respondent characteristics in the labour market. However, as can be seen from the number of total counts for each variable, having a data set that ensured all responses to all relevant questions considerably reduced or skewed the sample. Furthermore, as will be explained below, since the determination of respondents' economic activity status was based on an ad-hoc method, a smaller sub-sample may not be able to tell us much within an acceptable level of confidence about why some youths may have faced higher chances of being in a particular economic activity status. For this reason, this report tries to raise some of the analytical points through selective descriptive tabulations and generalized odds ratios where instructive.⁶

Table 1. Main candidate variables for analysis

Code	Description	Count
<i>Young Respondents</i>		
FACE2	Sex	1869
FACE3	Age	1869
FACE4	Region	1869
EmpSt2	Economic activity status (derived)	1869
A5	Marital status	1716

⁵ ILO (2003)

⁶ In addition, the contingency coefficients of some very basic explanatory variables, such as age, gender, location and educational attainment, did not support the hypothesis of their independence. In some instances, odds ratios or simple ratio of proportions are used to illustrate the difference between various respondent characteristics. Odds ratios can be thought of as a first analytical step before qualitative regressions. The generic formula used to estimate a basic set of odds was $O_{ij} = (p_{ij} \cdot p_{LL}) / (p_{iL} \cdot p_{Lj})$, where p_{ij} 's are the sample probabilities in ij^{th} cell of an $I \times J$ table (see for instance, Reynolds, 1984; Agresti, 1996). Such ratios are usually used to convert a dichotomous or multinomial dependent variable, which would be the economic activity status of the respondents in the context of this report. However, since there are some uncertainties over the economic activity status, we simply use odds ratios to compare different respondent characteristics. In most cases, the odds ratios calculated from the sample distribution compare the odds between women and men of being in a particular employment situation given their particular characteristics, such as age group, educational attainment and background.

Code	Description	Count
A6	Children	1506
A6-1	Number of sons and daughters	438
A7-1	Mother's occupation	1717
A7-2	Father's occupation	1530
A11	Monthly household income	326
B2	Highest level of (expected) educational attainment	1714
B3	Main field of study/specialization	1593
B6	Whether or not school-based training received (N.A. for 'in-school' respondents)	846
B6f	Usefulness of training received in getting a job (N.A. for 'in-school' respondents)	552
B7(B5)	Whether or not work experience arranged as part of education/training	1279
B10(B8)	Perceptions of equal opportunities in general education	1731
B11(B9)	Perceptions of equal opportunities in vocational training	1711
B12	Currently in education or training (N.A for 'in-school' respondents)	968
C1	Worked for income (at least 1hr during reference week)	1535
C2	Worked for unpaid family work/farm (during reference week)	1247
C4	Willingness to take a job immediately or within 2 weeks if offered one (during reference week)	1262
C5	Looked for work or tried to organize business (during reference week)	1191
C6	Activities undertaken to find work or organize business	871
C7	Previous work experience (non-school based, for income)	1667
C7a	Age of first job	838
C7d	Number of previous jobs	592
C14/C10	Received advice or counselling on jobs or career opportunities	1638
C14a/C10a	Most helpful person in providing advice	1295
C15a/C11a	Most important characteristic in choosing a job	1690
C18/C14	Sector in which you want to work	1690
C19/C15	Monthly reservation wages (soms)	1307
D1a/F1a	Most important goal in life	1660
<i>Employers</i>		
FACE1	Region	452
A1	The year of establishment	366
A2	Type of business	446
A3	Sector of operation	425
A7	Profitability of the enterprise	449
B10-1	Most important attribute for hiring: skilled/administrative/professional	398
B10-2	Most important attribute for hiring: unskilled/manual/production	331

The economic activity status of the respondents was roughly divided into five groups: in-school, inactive, unemployed, self-employed, wage employee and unpaid family worker. These economic activity statuses, other than in-school youths⁷, were arrived at using five-level screening (see Figure A.1 in Appendix). It was assumed in the first instance that some degree of institutional screening took place, putting all initial faith in the pre-determined respondent types. For example, those respondents who visited the employment service offices where the questionnaires were distributed were most likely to have been unemployed job seekers. Secondly, to arrive at the economic activity status, the answers to the following questions were considered step by step: C1 (whether or not worked for income during the reference week), C5 (whether or not looked for work), C6 (activities undertaken to look for work or start business), C2 (whether or not did unpaid family work) and B12 (whether or not currently in education or training). The method adopted

⁷ In-school respondents were not screened in the same way as other respondent types since their questionnaire did not include the ultimate checking question B12 (whether or not currently in education or training). For this reason, the initial set of in-school respondents remained as in-school respondents. Given the institutional base for distributing the survey questionnaires (training or educational institutions), their economic activity status as in-school youths was considered fairly reliable. At the same time, it skewed the distribution of economic activity statuses towards in-school youths.

was highly ad-hoc in determining the exact economic activity status of the young respondents (see Box 1 for standard definitions), but it was considered more useful and dependable information than relying solely on the pre-determined respondent types.

Box 1. Definitions of Economic activity status

Currently active population or the labour force comprises all persons who fulfill the requirements for inclusion among the employed or unemployed as defined below:

1. Employment

According to the International Classification by Status in Employment (ICSE-93), they consist of the following groups:

- a. *Employees* are all those who are in *paid employment jobs*, where the persons would hold explicit or implicit employment contracts which give them a basic remuneration. The form of remuneration is typically wages and salaries, but may also include commission from sales, piece-rates, bonuses or in-kind payments.
- b. Employers hold self-employment jobs (where remuneration is directly dependent upon the profits derived from goods and services produced) and in this capacity, on a continuous basis have engaged one or more persons to work for them in their business as *employees*.
- c. *Own-account workers* hold *self-employment jobs* and have not engaged on a continuous basis any employees to work for them.
- d. *Members of producers cooperatives* hold a *self-employment job* in a cooperative producing goods and services, in which each member takes part on an equal footing with other members in determining the organization of production, sales and/or other work of the establishment, the investments and the distribution of the proceeds of establishment amongst their members.
- e. *Contributing family workers* hold *self-employment job* in a market-oriented establishment operated by a related person living in the same household, who cannot be regarded as a partner.

2. Unemployment

Unemployed comprise all persons *without work, currently available for work, and seeking work*. Where the conventional means of seeking work are limited and the labour market is largely unorganized, criterion of seeking work may be dropped to define an unemployed person.

3. Out of labour force

Those persons who are neither in employment nor unemployment may be considered currently inactive population, including persons in school.

For more detailed definitions, refer to: International Classification by Status in Employment (ICSE-1993), extract of which is available at <http://laborsta.ilo.org/applv8/data/icsee.html>; Resolution concerning statistics of the economically active population, employment, unemployment and underemployment, extract of which is available at <http://laborsta.ilo.org/applv8/data/SSM5/E/annex.html>.

The sample distribution of young respondents is given below (Table 2). Total of 1869 youths and 446 employers were covered by the survey. Of the 1869, a sub-sample of 1700 respondents were extracted, who answered the question on their highest level of educational attainment.⁸ For the young respondents, 1999 Population Census data is presented in Table 3 for comparative reference.

⁸ Refer to Table A.2 in Appendix for the distribution of deleted records by their economic activity status. Since those who answered 'others' and 'no education' was only 14, these records were also excluded from the sub-sample.

Table 2. Regional distribution of the sample by sex and age group

	Bishkek	Chui	Djalala-bad	Issyk-Kul	Naryn	Osh	Talas	Batken	Karakol	Total
<i>Sex</i>										
Male	127 <i>16.6</i>	108 <i>14.1</i>	122 <i>15.9</i>	89 <i>11.6</i>	50 <i>6.5</i>	152 <i>19.8</i>	77 <i>10.1</i>	41 <i>5.4</i>	–	766
Female	211 <i>22.6</i>	133 <i>14.2</i>	150 <i>16.1</i>	110 <i>11.8</i>	79 <i>8.5</i>	122 <i>13.1</i>	120 <i>12.8</i>	9 <i>1.0</i>	–	934
Total	338 <i>19.9</i>	241 <i>14.2</i>	272 <i>16.0</i>	199 <i>11.7</i>	129 <i>7.6</i>	274 <i>16.1</i>	197 <i>11.6</i>	50 <i>2.9</i>	–	1700
<i>Age group</i>										
15–19	142 <i>21.7</i>	94 <i>14.4</i>	111 <i>17.0</i>	46 <i>7.0</i>	23 <i>3.5</i>	116 <i>17.8</i>	74 <i>11.3</i>	47 <i>7.2</i>	–	653
20–24	117 <i>20.3</i>	86 <i>14.9</i>	80 <i>13.9</i>	83 <i>14.4</i>	54 <i>9.4</i>	86 <i>14.9</i>	67 <i>11.6</i>	3 <i>0.5</i>	–	576
25–29	79 <i>16.8</i>	61 <i>13.0</i>	81 <i>17.2</i>	70 <i>14.9</i>	52 <i>11.0</i>	72 <i>15.3</i>	56 <i>11.9</i>	–	–	471
Total	338 <i>19.9</i>	241 <i>14.2</i>	272 <i>16.0</i>	199 <i>11.7</i>	129 <i>7.6</i>	274 <i>16.1</i>	197 <i>11.6</i>	50 <i>2.9</i>	–	1700
<i>Employers</i>										
Total	82 <i>18.4</i>	69 <i>15.5</i>	60 <i>13.5</i>	– <i>–</i>	48 <i>10.8</i>	61 <i>13.7</i>	– <i>–</i>	45 <i>10.1</i>	81 <i>18.2</i>	446

Note: Figures in italics indicate percentage distribution.

Table 3. 1999 Population Census regional distribution by sex and age group

	Bishkek	Chui	Djalala-bad	Issyk-Kul	Naryn	Osh	Talas	Batken	Total
<i>Sex</i>									
Male	125452 <i>19.0</i>	98506 <i>14.9</i>	114593 <i>17.3</i>	51918 <i>7.8</i>	34185 <i>5.2</i>	159426 <i>24.1</i>	26440 <i>4.0</i>	51108 <i>7.7</i>	661628
Female	127229 <i>19.6</i>	92405 <i>14.2</i>	114275 <i>17.6</i>	49637 <i>7.6</i>	29691 <i>4.6</i>	160956 <i>24.8</i>	24992 <i>3.8</i>	50534 <i>19.6</i>	649719
Total	252681 <i>19.3</i>	190911 <i>14.6</i>	228868 <i>17.5</i>	101555 <i>7.7</i>	63876 <i>4.9</i>	320382 <i>24.4</i>	51432 <i>3.9</i>	101642 <i>7.8</i>	1311347
<i>Age group</i>									
15–19	80493 <i>16.3</i>	71106 <i>14.4</i>	89734 <i>18.2</i>	39132 <i>7.9</i>	25573 <i>5.2</i>	125571 <i>25.5</i>	20353 <i>4.1</i>	41018 <i>16.3</i>	492980
20–24	90869 <i>21.1</i>	61788 <i>14.4</i>	74134 <i>17.2</i>	32334 <i>7.5</i>	20203 <i>4.7</i>	102960 <i>23.9</i>	16328 <i>3.8</i>	31942 <i>7.4</i>	430558
25–29	81319 <i>21.0</i>	58017 <i>15.0</i>	65000 <i>16.8</i>	30089 <i>7.8</i>	18100 <i>4.7</i>	91851 <i>23.7</i>	14751 <i>3.8</i>	28682 <i>7.4</i>	387809
Total	252681 <i>19.3</i>	190911 <i>14.6</i>	228868 <i>17.5</i>	101555 <i>7.7</i>	63876 <i>4.9</i>	320382 <i>24.4</i>	51432 <i>3.9</i>	101642 <i>7.8</i>	1311347

Source: National Statistical Committee (2001). Figures in italics indicate percentage distribution.

The sample distribution seemed to be roughly equivalent to the 1999 Population Census distribution in aggregate. There seemed to be a slight over-representation in Issyk-Kul and Talas and under-representation in Osh and Batken. In terms of gender and age groups, it was also roughly comparable even though a concentration of the sample in smaller oblasts such as Issyk-Kul, Naryn and Talas was more conspicuous.

Such comparison is presented merely as a point of reference, since the capacity-building objective of the survey provided institutional bias to the characteristics of the respondents beyond gender and regional location.⁹ Unfortunately, from the survey sample, it was not possible to draw a distinction between rural and urban locations within each oblast, but it is reasonable to assume some urban-bias in the data collected. With these important limitations in mind, some issues that emerged from the analysis are highlighted below with caution.

⁹ Based on the sampling method of the Population Census 1999, the headcount layers of sample distribution by gender and oblasts were specified to the Kyrgyz national counterparts. However, each layer of sample was collected on an institutional basis as against random extraction of a sample from a specific frame (such as a list of households with target youths or list of youths attached to particular institutions). The initial headcount sample layers are presented in Appendix (Table A.2).

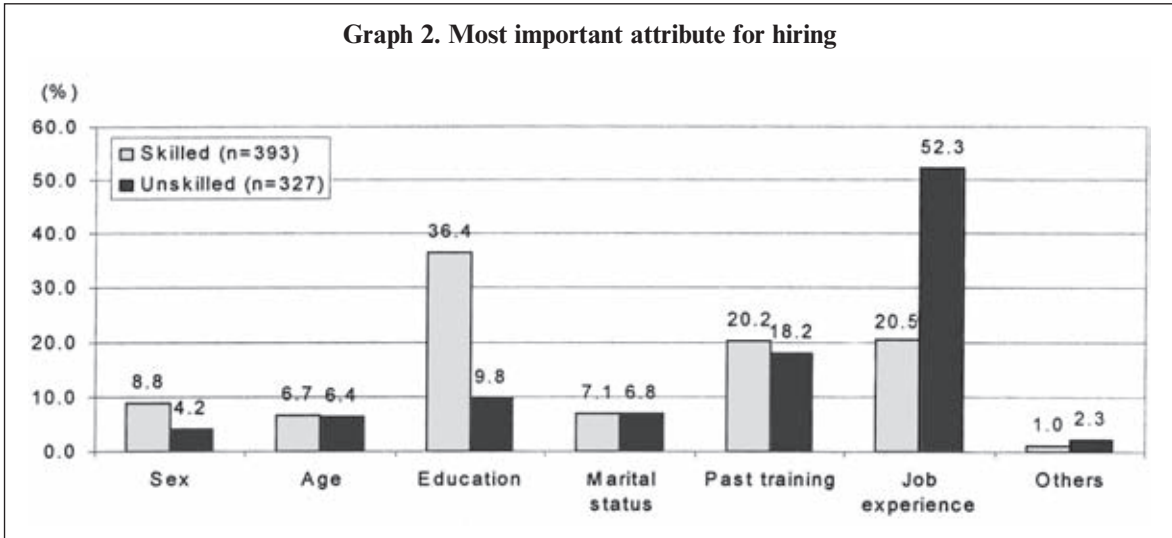
3. ANALYSIS OF THE SURVEY RESULTS

The objectives of this section are to: (1) identify economic activity status of youths according to their basic characteristics; and (2) to the extent possible, investigate some of the reasons why they may be more likely to be in one particular economic activity status as against another. We initially considered grouping youths in terms of 'vulnerable' as against 'non-vulnerable', along the line of risk of poverty analysis ('poor' against 'non-poor'). However, defining vulnerable groups with certainty even in a very simplistic manner required better knowledge of their own income levels, household income levels, or expenditure pattern of that income. Such information was collected in a limited way, but the non-response rate was too high to consider using it seriously. Furthermore, exploring the 'vulnerable' groups of youths solely by their economic activity status posed problems in that the only group of youths who could be considered 'vulnerable' with certainty was the unemployed youths. For other economic activity statuses, it was simply not possible to know if they belonged to the category of working poor or better-off youths in inactivity or employment.¹⁰ For this reason, the current report focuses on who were likely to be in what economic activity status, without passing any explicit judgement on their 'vulnerability'.

In terms of relevant characteristics of youths, much of the focus of the analysis was given to the educational and training endowments of the respondents, as well as past work experience. The main reason for this focus was that the surveyed employers viewed education, training and past work experience to be some of the most important worker characteristics in their hiring decisions (Graph 2). The respondent characteristics were disaggregated according to gender and age groups. The report attempts to examine if there were indeed gender or age differences across these characteristics, which had some association with the likelihood of being in a particular economic activity status. For example, were women with secondary education more likely to be employed than men with secondary education?; or was the oldest group of women with less than secondary education more likely to be unemployed than the oldest group of men with less than secondary education? The method of analysis through descriptive tabulations, and where possible, collapsing the tables to examine the odds ratios.¹¹ To conclude the analysis, some possible policy variables were examined, including channels through which labour market information and advice about the labour market were transmitted.

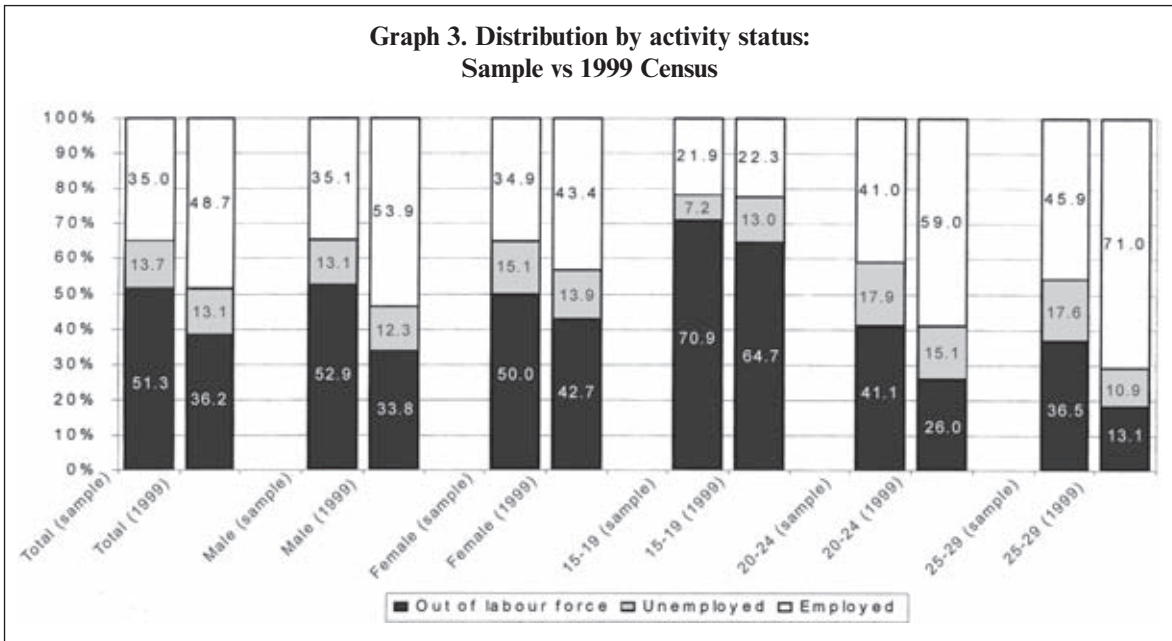
¹⁰ For instance, based on the World Bank's Kyrgyz Poverty Monitoring Survey (KPMS) data of 1997 and 1998, World Bank (2003) Table 4.3 estimated that in 1998 poverty rates by economic activity status stood at: 67.4% of unemployed, around 68% of inactive population, about 59% of employed, and 78.4% of agricultural employment.

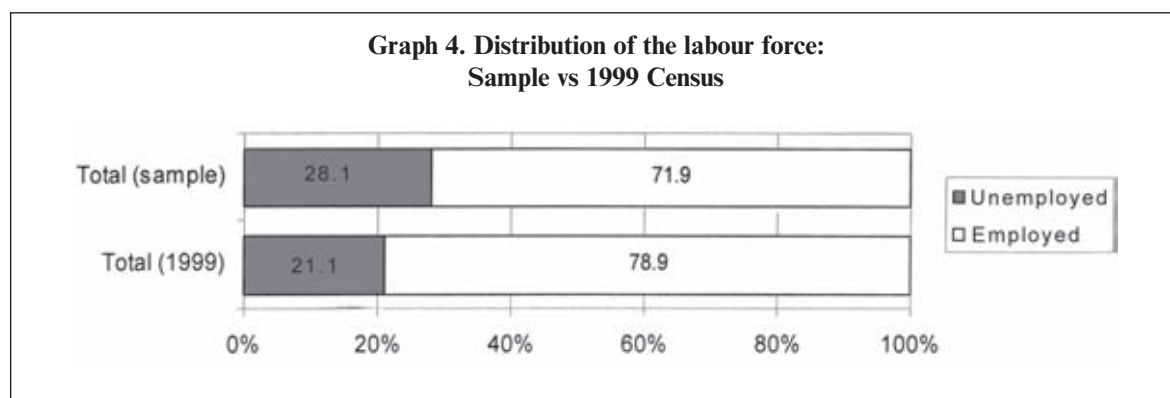
¹¹ A more thorough analytical approach would be to run multinomial logistic regressions amongst the dependent variables of 'out of labour force', 'unemployed' and 'employed', adopting 'out of labour force' as the base outcome in the dependent risk ratios. However, given that the process used in determining the economic activity status was imperfect, it was considered cosmetic in going through such analytical troubles.



3.1. Economic Activity Status of the Young Respondents

This section aims to identify economic activity status of youths according to their basic individual characteristics, such as gender, location and age groups. The economic activity status of the sample respondents were distributed as follows: 51.3% were out of the labour force either because they were in school or inactive, 13.7% were unemployed and 35.0% were in paid or unpaid employment (Graph 3). Of those in employment, 34.6% were self-employed, 36.3% in wage employment and 29.1% undertook unpaid family work. The distribution of the sample was skewed towards 'out of labour force' category, since the original in-school respondents were classified as 'in school' as explained in Section 2. Examining only the active portion of the sample and census population, the aggregate distribution between the unemployed and employed workers roughly corresponded to the national average. In the sample, unemployed constituted about 28% of the active respondents, and the corresponding national average in 1999 was 21% (Graph 4).





In the sample, the gender differences in activity status seemed to be slight (Table 5). If there were to be any discernible differences, the concentration of women respondents in the pool of unemployed and inactive tended to be higher than was the case for men. For those employed, women were found marginally more in wage employment than men. The proportion of women in school tended to be slightly lower than men's.

Table 5. Economic activity status by age and sex (sample)

	Out of labour force:			In labour force, of which :						Total count
	Sub-total	In-school	Inactive	Sub-total	Unemp-loyed	Employed				
						Sub-total	Emp-loyees	Self-emp-loyed	Unpaid work	
<i>Sex (%)</i>										
Male	52.9	31.1	21.8	47.1	12.0	35.1	11.6	12.3	11.2	766
Female	50.0	26.0	24.0	50.0	15.1	34.9	13.6	12.0	9.3	934
<i>Age group (%)</i>										
15–19	70.0	58.7	12.3	29.1	7.2	21.9	4.6	10.6	6.7	653
20–24	41.1	12.0	29.2	58.9	17.9	41.0	16.5	12.2	12.3	576
25–29	36.5	6.2	30.4	63.5	17.6	45.9	19.3	14.2	12.3	471
<i>Total</i>										
Count	872	481	391	828	233	595	216	206	173	1700
(%)	51.3	28.3	23.0	48.7	13.7	35.0	12.7	12.1	10.2	

By age group, an expected clear difference between the younger and the older cohorts of youths could be observed. For the youngest respondents between the age of 15 and 19, more than two third of them were out of the labour force, mainly because they were in education or training institutions. Conversely, a little less than a two third of the older age groups tended to be part of the labour force.

Economic activity status by region showed that in Issyk-Kul, Naryn and Bishkek, more respondents tended to be participate in the labour market; and in Bishkek, more of the labour force participants tended to be unemployed (Table 6). In Issyk-Kul and Naryn, those who were out of the labour force were more likely to be inactive. This may be because the questionnaires destined for 'in-school' respondents were not widely distributed in these oblasts. For those who were employed, self-employment was more conspicuous in Bishkek and Issyk-Kul, and in Naryn, unpaid family work. In Djalalabad, Osh and Talas, a higher concentration of wage employees could be observed in comparison to other oblasts.

Table 6. Economic activity status by regions

	Out of labour force:			In labour force, of which :						Total count
	Sub-total	In-school	Inactive	Sub-total	Unemp-loyed	Employed, of which:				
						Sub-total	Emp-loyees	Self-emp-loyed	Unpaid work	
<i>Region (%)</i>										
Bishkek	47.6	34.6	13.0	52.4	16.9	35.5	10.1	19.2	6.2	338
Chui	51.5	26.6	24.9	48.5	14.5	34.0	10.0	11.6	12.4	241
Djalalabad	51.8	33.5	18.4	48.2	13.6	34.6	14.7	8.8	11.0	272
Issyk-Kul	45.7	7.0	38.7	54.3	15.1	39.2	14.1	16.1	9.0	199
Naryn	38.0	3.1	34.9	62.0	15.5	46.5	14.7	9.3	22.5	129
Osh	55.8	31.4	24.5	44.2	12.4	31.8	14.6	7.3	9.9	274
Talas	52.3	27.9	24.4	47.7	10.2	37.6	15.7	12.7	9.1	197
Batken	100.0	100.0	–	–	–	–	–	–	–	50
Total count	872	481	391	828	233	595	216	206	173	1700
(%)	51.3	28.3	23.0	48.7	13.7	35.0	12.7	12.1	10.2	

To see the pattern of distribution of more clearly, the above tables were collapsed and odds ratios in favour of women in particular economic activity status according to age and regions were calculated (Table 7).¹² The value of odds ratio equal to 1 means equal odds faced by men and women of finding themselves in a particular economic activity status, given their age or location. A value greater than 1 means that women face higher odds than men of being in that particular economic activity status and vice versa for a value less than 1.¹³

Table 7. Odds ratios in favour of women for each economic activity status by age and region

	Out of labour force:			In labour force, of which :					
	Sub-total	In-school	Inactive	Sub-total	Unemp-loyed	Employed, of which:			
						Sub-total	Emp-loyees	Self-emp-loyed	Unpaid work
<i>Age (female-male odds)</i>									
15–19	0.927	0.884	1.129	1.179	1.041	1.224	1.380	1.036	1.411
20–24	1.030	1.069	1.014	0.979	1.057	0.945	1.072	0.978	0.742
25–29	1.057	1.317	1.005	0.967	1.161	0.892	0.939	0.950	0.752
<i>Region (female-male odds)</i>									
Bishkek	0.961	1.206	0.659	1.041	1.176	0.988	0.783	1.447	0.699
Chui	0.792	0.585	1.046	1.220	1.536	1.096	1.006	0.993	1.330
Djalalabad	1.040	1.178	0.870	0.958	1.021	0.933	1.102	0.605	1.114
Issyk-Kul¹⁴	0.868	0.161	1.739	1.139	1.128	1.143	1.216	1.350	0.804
Osh	1.135	1.362	0.855	0.858	0.837	0.867	1.226	0.541	0.805
Talas	1.024	1.031	1.014	0.975	0.730	1.071	1.377	0.963	0.819
<i>Total</i>									
Odds	0.975	0.920	1.043	1.027	1.101	0.997	1.070	0.990	0.915

¹² Naryn and Batken were excluded from the calculation since a number of cell counts were below 5.

¹³ One of the limitations in using and interpreting odds ratios is that the lower bounds between the value of 0 and 1 is narrow, while the upper bound goes up to positive infinity. For this reasons, the existing normal practice is to transform the odds into natural logs, which allows for boundaries to go from negative to positive infinity. However, since interpreting the log of odds is not very intuitive, the calculations were limited to a production of basic sets of odds ratios. Interpretations of odds ratios will be provided with acknowledgement of such limitations.

¹⁴ In Issyk-Kul, the count for in-school respondent was 5 for women and in-school and out of labour force odds ratios are shown in italics. They are not discussed below.

In summarizing the table above, a few points stood out. First, at the aggregate level, the odds ratio did not diverge largely from 1 (last row). This implied that the gender differences in labour market outcomes were not very obvious. In total, young women were less likely to be in school and to be employed than men. Women were more likely to be found inactive, unemployed or in wage employment. In all cases, however, the differences were not of clear-cut importance. Second, disaggregating the table into age groups and regions produced more apparent diversion in the odds of each economic activity status between men and women. The youngest group of women between 15 and 19 faced lower chances of being in school than men of the same age group. Correspondingly, the youngest group of women faced higher chances of being in the labour force and in employment, particularly in unpaid family work and wage employment. Third, such pattern gradually changed as age groups increased. Older women were more likely to be in school than older men, especially for the age group of 25–29. Conversely, they were less likely to be in employment than men. Fourth, for all age groups, women faced higher chances of being unemployed than men, and this likelihood increased with age.

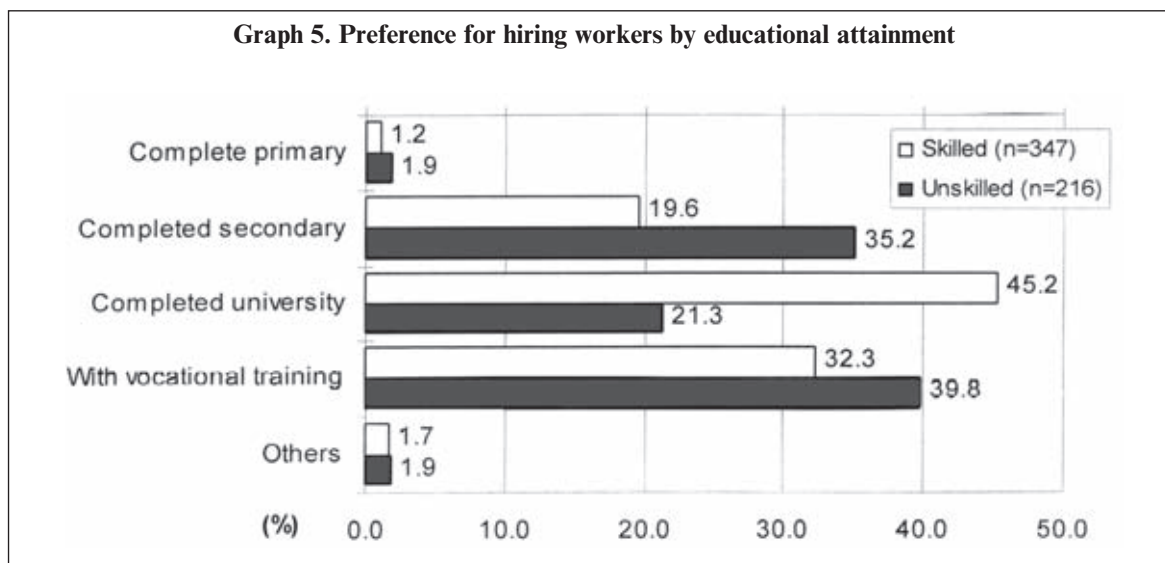
By regions, gender differences in economic activity status came out quite strongly in Chui and to a more limited extent in Bishkek and Issyk-Kul. First, except in Chui, young women were more likely to be in school, particularly in Osh. The low odds ratio of women being in school in Chui stood out in comparison to other regions. Second, except in Osh, young women were more likely to participate in the labour force, particularly in Osh and Issyk-Kul. Thirdly, except in Osh and Talas, active women in the labour force faced higher odds of being unemployed than men, and this was particularly more pronounced in Chui. In Chui, if they were employed, women faced higher odds of being in unpaid family work than men. Fourthly, in Bishkek, those women who were employed were more likely to be in self-employment than men.

All in all, gender differences in the labour market outcome at the aggregate level did not seem to be strong, although young women were more vulnerable than men in that they faced higher odds of being unemployed. Breaking down the sample by age group and regions revealed stronger differences between men and women. A somewhat worrying picture that emerged was that the youngest group of women between 15 and 19 was less likely to be in school, more likely to be inactive, in some form of employment and to be unemployed than men of the same age group. This may not be a cause for concern at all if they were gaining a wide range of work experiences. However, given that the employers seemed to put some importance in the educational and training background, particularly for skilled work (Graph 2), it may constrain young women's future employment opportunities. The educational background is examined in detail in the next subsection. Another distinct feature that emerged was that the older group of women between 25 and 29 were more likely to be unemployed than men of the same age group. Interestingly, they were also more likely to be in education or training. Finally, a clear regional differences were discernible, particularly at the level of disaggregated economic activity status. Noticeably, young women in Chui oblast seemed to be more disadvantaged than men in terms of being unemployed, unpaid family work, and faced limited access to education.

3.2 Educational and Training Background

From the employers' perspective, for both skilled and unskilled jobs, they showed strong preferences for hiring workers with more than secondary education (Graph 5). For skilled jobs, there was a clear preference for applicants with higher education (45.2%) or with vocational training (32.3%). For unskilled jobs, completion of secondary education (35.2%) or with vocational training (39.8%) seemed to be preferred. With this in mind, the educational and training background of the young respondents with respect to their activity status is examined below.

Graph 5. Preference for hiring workers by educational attainment



Unfortunately, the question asked did not allow for separation of those respondents who had completed or were in the process of completing vocational training courses. The sample respondents were grouped into those having achieved less than secondary, secondary and higher than secondary education. The column 'in-school' represents 'expected educational attainment' as against current educational attainment, and it is discussed separately.

In the survey sample, the majority of the respondents had attained or expected to attain secondary or higher education (Table 8). However, in contrast to a very low preference by the employers for hiring workers with less than secondary education, there was still a noticeable number of respondents who had not (18.0%) or who did not expect to complete (7.3%) secondary education or more. In terms of being active or inactive in the labour market, there was a U-shaped pattern between the level of educational attainment, both for men and women. Those with secondary education tended to be more inactive (around 37% for both men and women), and those with more than secondary education tended to be active (76.0% for men and 71.5% for women). Women with higher than secondary education seemed to face lower chances of being unemployed (18.0%) than women with less educational attainment (22.1%). Young men showed a higher tendency to stop at secondary education, both in terms of the expected (48.7%) and actual attainment level (46.8%).

Table 8. Economic activity status by sex and educational attainment

	Out of labour force:		In labour force, of which :					(a) + (b)	
	In-school (expected)	Inactive (a)	Sub-total (b)	Unemp-loyed	Employed, of which:				Total out of school
					Sub-total	Emp-loyees	Self-employed	Unpaid work	
<i>Educational attainment (%)</i>									
Secondary –	7.3	30.5	69.5	20.0	49.5	11.4	22.7	15.5	220 (18.0%)
Secondary	46.4	37.4	62.6	18.6	44.0	13.0	16.5	14.5	532 (43.6%)
Secondary +	46.4	26.8	73.2	19.3	54.0	26.1	14.6	13.3	467 (38.3%)
Total count (%)	481 100.0	391 32.1	828 67.9	233 19.1	595 48.8	216 17.7	206 16.9	173 14.2	1219 100.0
<i>Sex and educational attainment (%)</i>									
Male Secondary –	6.3	31.6	68.4	17.3	51.0	9.2	25.5	16.3	98 (18.6%)

	Out of labour force:		In labour force, of which :						(a) + (b)
	In-school (expected)	Inactive (a)	Sub- total (b)	Unemp- loyed	Employed, of which:				Total out of school
					Sub- total	Emp- loyees	Self- employed	Unpaid work	
Secondary	48.7	37.2	62.8	14.6	48.2	10.5	17.8	19.8	247 (46.8%)
Secondary +	45.0	24.0	76.0	21.3	54.6	29.5	13.7	11.5	183 (34.6%)
Total count (%)	238 100.0	167 31.6	361 68.4	92 17.4	269 50.9	89 16.9	94 17.8	86 16.3	528 100.0
Female									
Secondary –	8.2	29.5	70.5	22.1	48.4	13.1	20.5	14.8	122 (17.7%)
Secondary	44.0	37.5	62.5	22.1	40.4	15.1	15.4	9.8	285 (41.2%)
Secondary +	47.7	28.5	71.5	18.0	53.5	23.9	15.1	14.4	284 (41.1%)
Total count (%)	243 100.0	224 32.4	467 67.6	141 20.4	326 47.2	127 18.4	112 16.2	87 12.6	691 100.0

Note: The column in-school and 'total out of school' show vertical percentage distribution. All other percentages are horizontal percentages.

In terms of age group, there seemed to be a fairly clear relationship between the level of educational attainment and age (Table 9). Without surprise, the youngest cohort had the lowest current educational attainment of less than secondary education (44.4%). However, their level of expected educational attainment was very similar to older age groups, where more than 90 per cent of the respondents expected to attain secondary education or more. The U-shaped relationship that was observed in Table 8 between the level of educational attainment and activity in the labour market also held for the two younger groups. The pattern was slightly distorted for youths between 25 and 29, where respondents with more than secondary education were concentrated marginally more in the group of 'inactive'. Those with secondary education tended to be inactive at around 37 per cent, regardless of age groups. Amongst the youngest cohort, a rather high proportion of those who were out of school, whether inactive or active, had less than secondary education (44.4%). The share of youths between 15 and 19 years of age with less than secondary education in self-employment was high (32.5%).

Amongst the older age groups, a number of features stood out. First, more than 80% of them had attained at least secondary education. Second, for 20-24 year olds, youths with the highest educational attainment were more likely to be in unemployment (21.7%). Third, for the oldest youth cohort, low educational attainment clearly had a negative labour market outcome; they were more likely to be unemployed (34.1%) and if employed, engaged in unpaid family work (26.8%). Both for the youngest and the oldest groups of respondents, low educational attainment seemed to be associated with negative labour market outcomes: in the form of unemployment, self-employment or unpaid family work. It may very well be currently out-of-school youths with less than secondary education who would face a higher risk of unemployment or limited employment opportunities in the future. In combination with the earlier observation that young women between 15 and 19 were more likely to be out of school compared to men between 15 and 19 (odds ratio of 0.88 in Table 7), the youngest group of women may require particular policy attention, either to encourage them back into schooling or alternative measures to enable their access to jobs and better jobs.

Table 9. Economic activity status by educational attainment and age

	Out of labour force:		In labour force, of which :						(a) + (b)
	In-school (expected)	Inactive (a)	Sub-total (b)	Unemp-loyed	Employed, of which:				Total out of school
					Sub-total	Emp-loyees	Self-employed	Unpaid work	
15–19 (%)									
Secondary –	8.1	32.5	67.5	15.0	52.5	9.2	32.5	10.8	120 (44.4%)
Secondary	46.7	35.2	64.8	20.4	44.4	8.3	18.5	17.6	108 (40.0%)
Secondary +	45.2	7.1	92.9	16.7	76.2	23.8	23.8	28.6	42 (15.6%)
Total count (%)	383 100.0	80 29.6	190 70.4	47 17.4	143 53.0	30 11.1	69 25.6	44 16.3	270 100.0
20–24 (%)									
Secondary –	4.3	35.6	64.4	20.3	44.1	16.9	10.2	16.9	59 (11.6%)
Secondary	39.1	41.5	58.5	19.1	39.4	10.2	16.1	13.1	236 (46.5%)
Secondary +	56.5	23.1	76.9	21.7	55.2	28.8	12.3	14.2	212 (41.8%)
Total count (%)	69 100.0	168 33.1	339 66.9	103 20.3	236 46.5	95 18.7	70 13.8	71 14.0	507 100.0
25–29 (%)									
Secondary –	3.4	17.1	82.9	34.1	48.8	9.8	12.2	26.8	41 (17.7%)
Secondary	58.6	33.5	66.5	17.0	49.5	19.1	16.0	14.4	188 (41.2%)
Secondary +	37.9	34.3	65.7	17.4	48.4	23.9	15.0	9.4	213 (41.1%)
Total count (%)	29 100.0	143 32.4	299 67.6	83 18.8	216 48.9	91 20.6	67 15.2	58 13.1	442 100.0

To further explore the above observations, Tables 8 and 9 were combined, and the odds ratios in favour of women were calculated for each economic activity status (Table 10). Ratios based on extremely low counts may be outliers and are presented in italics.¹⁵ In majority of the cases, the ratios did not diverge strongly from 1, implying that the relationship between the level of educational attainment, age and economic activity status was similar between men and women.

Table 10. Odds ratios in favour of women by age and educational attainment (out of school respondents)

	Inactive	Labour force, of which:					
		Sub-total	Unemployed	Employed, of which:			
				Sub-total	Employees	Self-employed	Unpaid work
<i>Less than secondary (female-male odds)</i>							
15–19	0.940	1.029	1.019	1.032	<i>1.212</i>	0.897	<i>1.282</i>
20–24	0.937	1.035	1.147	<i>0.983</i>	<i>1.377</i>	<i>0.656</i>	<i>0.787</i>
25–29	<i>1.171</i>	0.965	1.318	<i>0.718</i>	<i>0.513</i>	<i>0.820</i>	<i>0.745</i>
Total	0.965	1.009	1.102	0.972	1.149	0.898	0.951

¹⁵ They are those with observed cell frequency of less than 5 for either men or women. They are not discussed in the analysis.

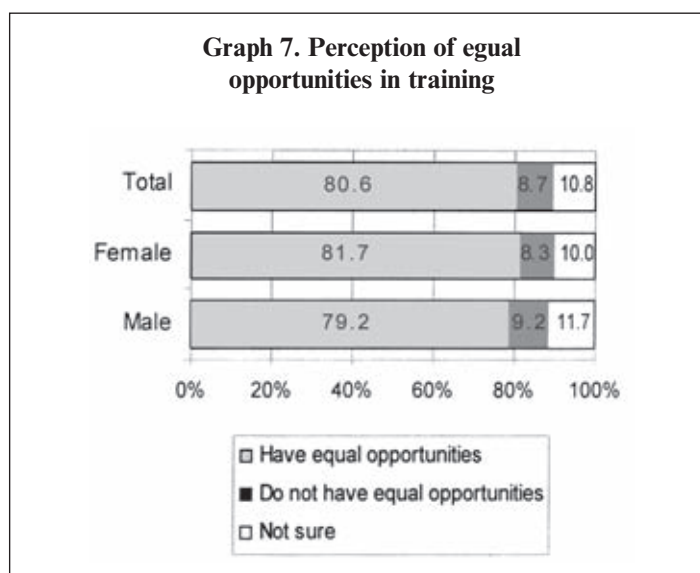
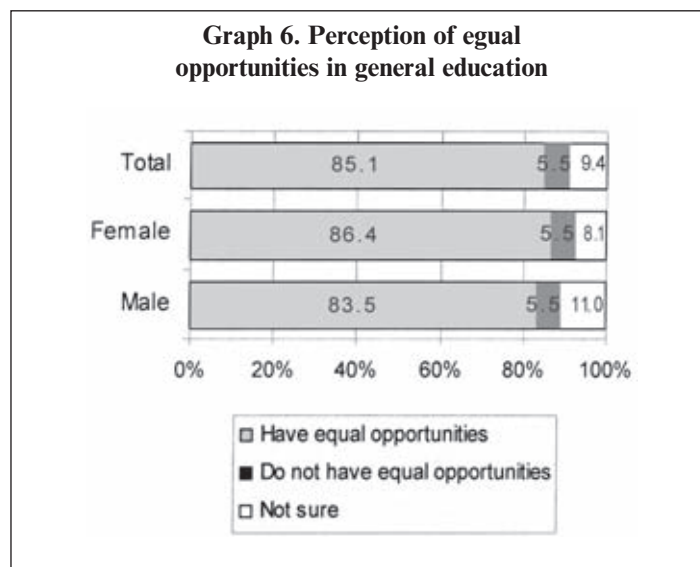
	Inactive	Labour force, of which:					
		Sub-total	Unemployed	Employed, of which:			
				Sub-total	Employees	Self-employed	Unpaid work
<i>Secondary (female-male odds)</i>							
15–19	1.072	0.961	0.805	1.033	1.377	0.797	1.118
20–24	0.948	1.037	1.198	0.959	1.239	1.027	0.659
25–29	1.046	0.977	1.454	0.813	1.077	0.904	0.359
Total	1.036	1.030	1.226	0.947	1.200	0.963	0.700
<i>More than secondary (female-male odds)</i>							
15–19	1.235	0.982	0.882	1.004	0.865	0.988	1.132
20–24	1.241	0.928	0.929	0.927	0.943	1.011	0.822
25–29	0.989	1.006	0.952	1.025	0.897	1.045	1.320
Total	1.118	1.024	0.978	1.040	0.961	1.091	1.141

The first striking point that emerged was that young women with secondary education or less faced a higher likelihood of being unemployed than men with the same educational attainment. This likelihood increased with age, such that the oldest female cohort with secondary education or less was more likely to be unemployed. Correspondingly, the likelihood of being in employment decreased with age for women with secondary education or less. Secondly, the pattern changed for women who had attained higher than secondary education. They faced lower risk of being unemployed than men with more than secondary education. For women between 20 and 24, however, having higher than secondary education also implied higher likelihood of being inactive, compared to men. For the oldest women cohort, they were more likely to be employment, albeit either in unpaid family work or self-employment. In sum, for young women, attaining a higher level of education beyond secondary level seemed to pay off in terms of lower risk of unemployment. It was not clear from the data whether more education paid off for women in terms of access to gainful employment, since they tended to be inactive or in self-employment or unpaid family work.

The majority of young respondents had or strived to have educational levels that were preferred by the employers. Those with secondary education or less may be the most vulnerable in terms of higher risk of unemployment, and the situation seemed to be more accentuated for women, especially in older age groups. At the same time, it was only the youngest cohort of out-of-school youths where women tended to have less than secondary education. The lowest level of educational attainment for the youngest youth cohort is not surprising; but much will depend on the reasons why they were out of school and whether or not they have chance to attain higher educational level at a later date. For older age groups, men with secondary education or less faced lower risk of unemployment than women with similar educational attainment.

To conclude this section, the point of view of youths with respect to gender differences in educational and training opportunities is presented below. Such differences were not strongly perceived in Kyrgyzstan (Graphs 6 and 7). A slightly higher proportion of women than men found education and training opportunities to be equal. Gender equality in access to training was perceived to be less equal than was the case for education, although a large majority of the respondents found them equal (81.7% for women and 72.9% for men). Hence, the reasons why there was a discernible gender difference in economic activity status according to level of educational attainment may lie in other socio-economic factors at work and not necessarily because educational institutions were not accessible to young women. What matters more within the policy context is ensuring the equal opportunities in accessing secondary or higher education and training institutions for those who had already left them for private or socio-economic reasons. Higher educational attainment seemed to lower the risk of unemployment, particularly for young women.¹⁶

¹⁶ Unfortunately, such accessibility aspects of education and training were not directly covered by the survey questionnaires.

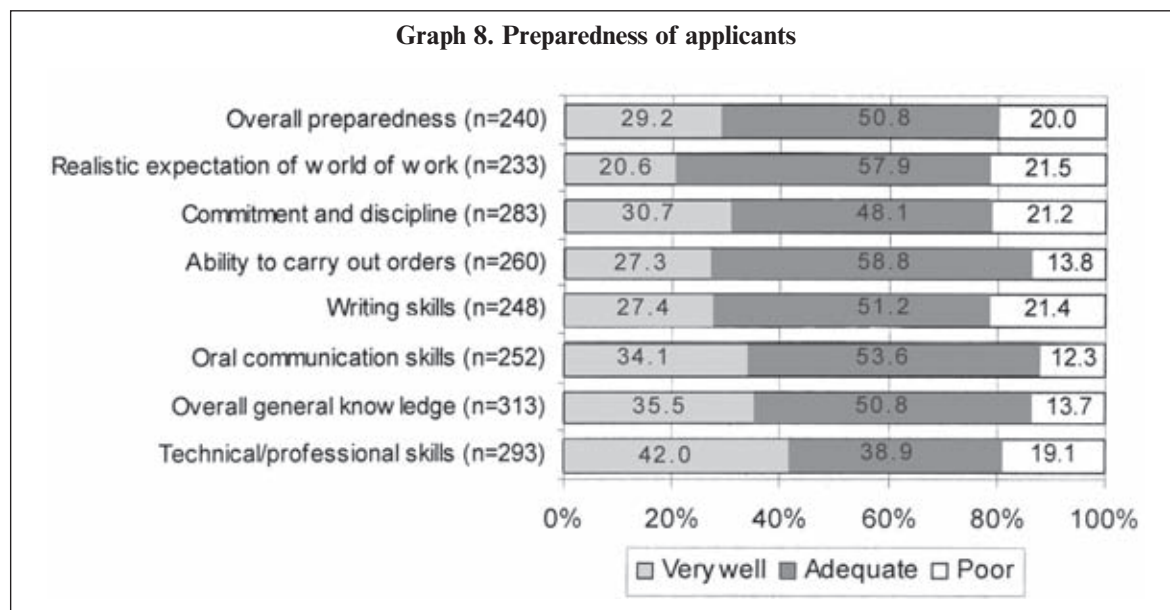


3.3 Expectations and Mismatch?

The level of educational attainment seemed to have mattered for the labour market outcomes of young people, particularly in their likelihood of being unemployed. The other two aspects where the employers laid importance in hiring were their past training and work experience. Looking at the employers' view on the preparedness of young applicants for work, the rating seemed to be rather good (Graph 8). A large majority of employers found applicant to have been adequately or very well prepared overall (80.0%). Especially encouraging was that in terms of technical and professional skills, 42.0% of the employers found applicants very well prepared, and 38.9% found applicants adequately prepared. In addition, the employers rated to be very well prepared in 'overall general knowledge' (35.5%) and 'oral communication skills' (34.1%). The aspects where the employers found applicants to be relatively poorly prepared were: 'realistic expectation of the world of work' (21.5%) and 'writing skills' (21.4%). Some of the aspects related to the content of educational and training background are explored below, in order to draw some inferences about the respondents' expectations and past work experience.¹⁷

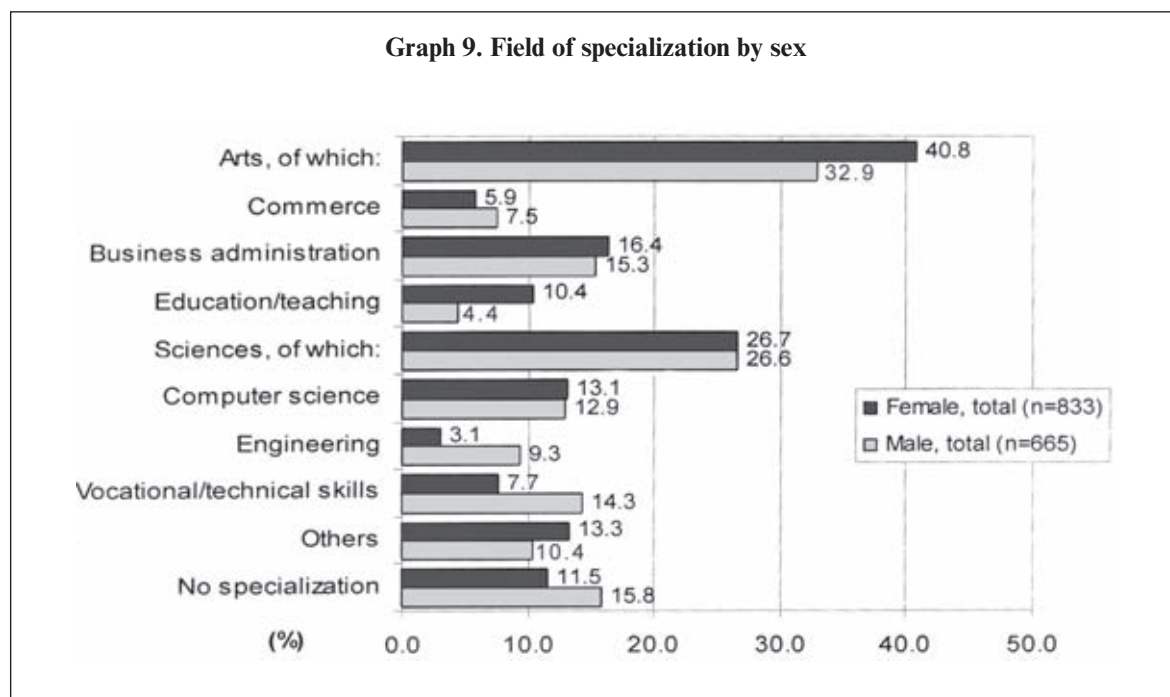
¹⁷ Response rate is no longer controlled for from this point onwards. Total counts would vary from table to table, depending on the number of responses obtained for each question asked.

Graph 8. Preparedness of applicants

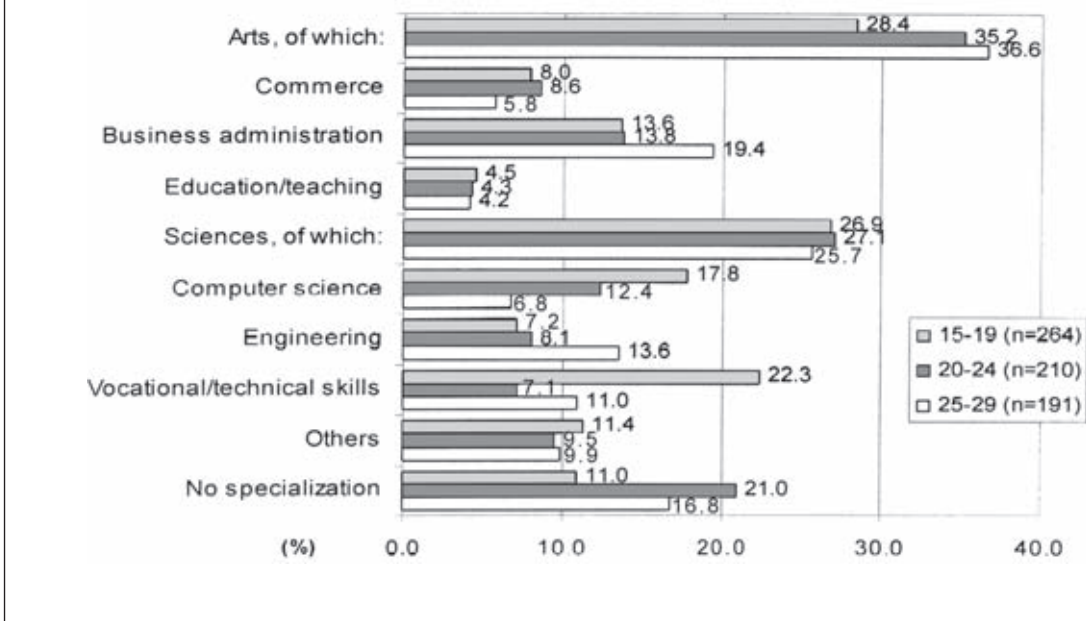


First, the young respondents' content of education and training is explored, to identify areas where there may have been a mismatch in their skills acquired and skills required in the sectors in which they wished to work. They are subsequently related to their current economic activity status. The respondents' fields of specialization were roughly grouped into 'arts', 'sciences', 'vocational/technical skills' and 'no specialization' (Graphs 9). A sizeable share of respondents answered 'others' (15.8% for men and 11.5% for women), but there was no additional information on what this 'other' area of study/specialization consisted of. Interestingly, the shares of men and women specializing in sciences were very similar. A higher proportion of women specialized in arts (40.8%), particularly in business administration (16.4%) and in education and teaching (10.4%); and a higher proportion of men either specialized in vocational and technical training (14.3%) or had no particular specialization (15.8%).

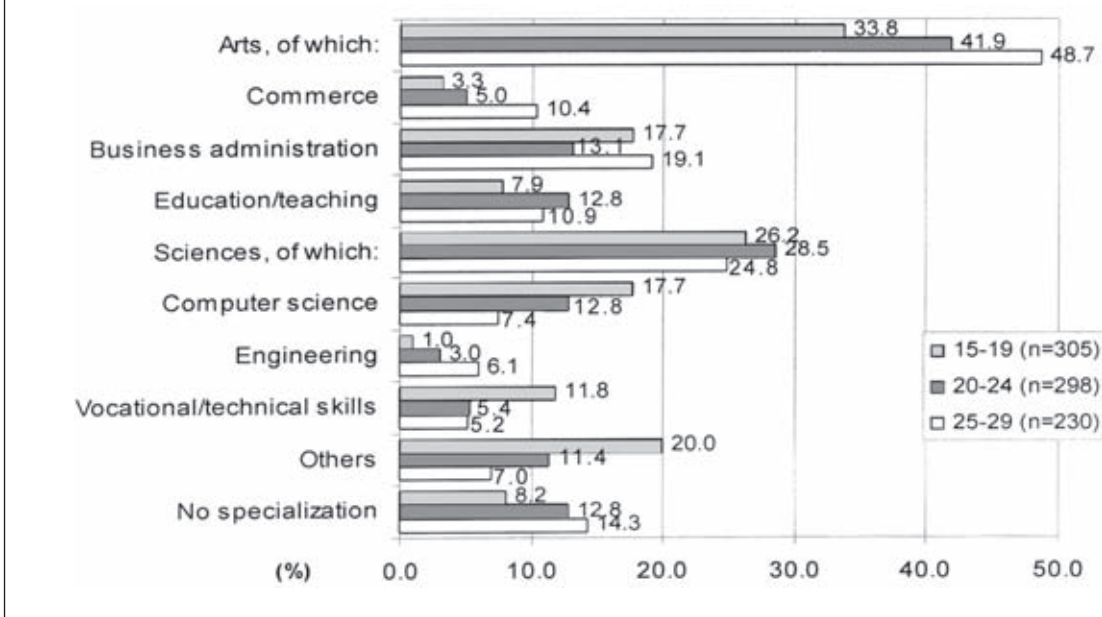
Graph 9. Field of specialization by sex



Graph 10. Field of specialization by age, Male



Graph 11. Field of specialization by age, Female



Comparisons between different age groups and gender showed that for both men and women, the youngest cohort specialized more in computer sciences (17.8% for men and 17.7% for women). The oldest cohort specialized more in arts (36.6% for men and 48.7% for women), particularly in business administration (19.4% for men and 19.1% for women). This pattern was more accentuated for women. The youngest group of men was concentrated in vocational and technical skills (22.3%) compared to other age groups. For women as well, the youngest group was more concentrated in gaining vocational and technical skills (11.4%) in comparison to other age groups. A pattern that was more conspicuous for women was the concentration of the youngest cohort in 'other' specialization (20.0%). For those who did not specialize in anything, it was the middle age group that had the biggest share for men (21.0%) and for women, the oldest age group (14.3%), closely followed by the middle age group (12.8%).

Since the employers put some weight on the educational and training background when hiring workers for both skilled and unskilled jobs, the above pattern of educational and training backgrounds for different groups of youths most probably had some impact on their economic activity status. A number of points emerged from examining the distribution of economic activity status according to educational background. First, amongst the out of school respondents, whether they had specialized in arts, sciences or vocational and technical skills had no obvious effect on their labour force participation rate at just above 70 per cent. Youths who responded 'others' and 'no specialization' were more likely to be inactive at 40.2% and 37.6% respectively. Second, respondents who specialized in computer science or had no specialization were more likely to be unemployed, at 23.9% and 20.6% respectively. Respondents who specialized either in commerce or education had a low share of unemployment at around 15 per cent. Third, in employment, youths who specialized in arts or had no specialization were more likely to be self-employed (21.6% for 'arts' and 19.0% for 'no specialization'), while those who specialized in science were in wage employment (21.9%). Within 'arts', there were some notable disparities across specific area of specialization, however. For example, specialization in commerce seemed to produce more self-employed youths (34.6%) while specialization in business administration seemed to generate more youths in wage employment (26.7%). Fourth, in-school respondents' fields of specialization were equally distributed between arts and sciences at around 30 per cent, while 18.0% were gaining vocational and technical skills. Within science, respondents were strongly concentrated in computer science (19.6%). Only 2.7% of youths who were in school had no field of specialization.

Table 11. Field of specialization and activity status (%)

	Out of labour force:		In labour force, of which :						(a) + (b) Total out of school
	In-school	Inactive (a)	Sub-total (b)	Unemp-loyed	Employed, of which:				
					Sub-total	Emp-loyees	Self-employed	Unpaid work	
Arts, of which:	30.6	28.2	71.8	18.8	52.9	19.8	21.6	11.5	425 (40.1%)
Commerce	4.8	26.9	73.1	15.4	57.7	9.0	34.6	14.1	78 (7.4%)
Business administration	14.4	26.1	73.9	17.0	56.8	26.7	21.6	8.5	176 (16.6%)
Education/ Teaching	6.4	34.1	65.9	14.8	51.1	17.0	18.2	15.9	88 (8.3%)
Science, of which:	29.7	29.0	71.0	18.6	52.4	21.9	12.6	17.8	269 (25.4%)
Computer science	19.6	15.6	84.4	23.9	60.6	22.9	15.6	22.0	109 (10.3%)
Engineering	5.3	35.4	64.6	18.5	46.2	20.0	7.7	18.5	65 (6.1%)
Vocational/ technical skills	18.0	30.0	70.0	16.3	53.8	18.8	16.3	18.8	80 (7.5%)
Others	18.9	40.2	59.8	15.5	44.3	18.6	7.2	18.6	97 (9.2%)
No speciali-zation	2.7	37.6	62.4	20.6	41.8	9.5	19.0	13.2	189 (17.8%)
Total count	438	332	728	197	531	194	182	155	1060
(%)	100.0	31.3	68.7	18.6	50.1	18.3	17.2	14.6	100.0

Note: The columns in-school and 'total out of school' shows vertical percentage distribution. All other percentages are horizontal percentages.

Fields of studies that appeared to reduce the risk of unemployment were vocational and technical skills, commerce and education. Apart from computer science, respondents without any specialization faced a high risk of unemployment; and if they were employed, they were concentrated in self-employment. Hence, to the extent that the youngest cohort concentrated more in gaining vocational and technical skills (Graphs

9 and 10), they seemed to have had a fairly acute idea of making themselves employable. At the same time, the youngest cohort also concentrated more on computer sciences, a background which did not seem to decrease their risk of unemployment in any noticeable manner.

The skills and expectation mismatch aspect of youth unemployment is often stressed in the literature and policy documents. Such mismatch may arise from at least two sources. One is that youths acquire knowledge and skills that were not relevant for the sector in which they wished to work. The other source of mismatch is when youths acquire knowledge and skills that are indeed relevant for the type of work they wished to undertake but where such jobs are not available in the labour market. To crudely explore the skills mismatch aspect of youth and the labour market, the sectors in which the respondents wished to work and their educational backgrounds were cross-tabulated (Table 12). This type of cross-tabulation can provide some ideas about the first type of mismatch - the extent to which youths were realistically preparing themselves for the type of work which they wished to undertake – but it cannot provide a concrete evidence on whether or not the sectors in which youths wished to work were realistic.

Table 12. Field of specialization by 'sector in which you wish to work' (%)

ISIC (Rev.3)	A-B	C	E-O			Others	Total count	
	Agric & mining	Manu- facturing	Sub- total	Finance	Trade/ retails			Public admin.
Arts, of which:	4.5	8.0	84.1	31.7	14.6	24.1	3.5	515
Commerce	4.4	12.1	82.4	13.2	46.2	7.7	1.1	91
Business administration	2.8	8.3	86.7	56.0	6.0	15.6	2.3	218
Education/teaching	8.2	2.7	81.8	13.6	9.1	38.2	7.3	110
Science, of which:	4.4	11.8	80.2	19.8	4.1	24.0	3.6	363
Computer science	5.6	12.4	79.2	27.5	3.4	22.5	2.8	178
Engineering	3.6	19.3	72.3	8.4	3.6	15.7	4.8	83
Vocational/technical skills	9.9	7.2	76.3	8.6	9.2	15.1	6.6	152
Others	4.9	4.9	82.1	15.2	7.6	9.8	8.2	184
No specialization	22.7	9.8	67.5	10.3	22.2	14.9	–	194
Total count	107	124	1107	296	161	281	56	1394
(%)	7.7	8.9	79.4	21.2	11.5	20.2	4.0	100.0

First of all, young people in Kyrgyzstan had a fairly clear idea about where more jobs were not likely to be generated. Altogether less than 20 per cent of the respondents wished to work either in agriculture and mining or manufacturing. The trend in national distribution of employment across sectors made it clear that the manufacturing sector had not yet recovered from its initial collapse and the agricultural sector could not productively absorb significant amount of extra workers (Graph 1). Hence, the current job generating sector in Kyrgyzstan seemed to be in non-primary and non-manufacturing sectors, which is loosely referred to as 'service' sector here. Regardless of their educational and training backgrounds, a large majority of the respondents wished to work in the service sector. A slight exception was youths without any specialization, who had a relatively large share of respondents (22.7%) wishing to work in the agricultural or mining sector. Secondly, at a first glance, the respondents' educational background and sectors in which they wished to work approximately matched. For instance, a majority of respondents who studied business administration wished to work in finance. Similarly, those who studied commerce wished to work in trade and retails, while youths specialized in education wished to work in the public sector.

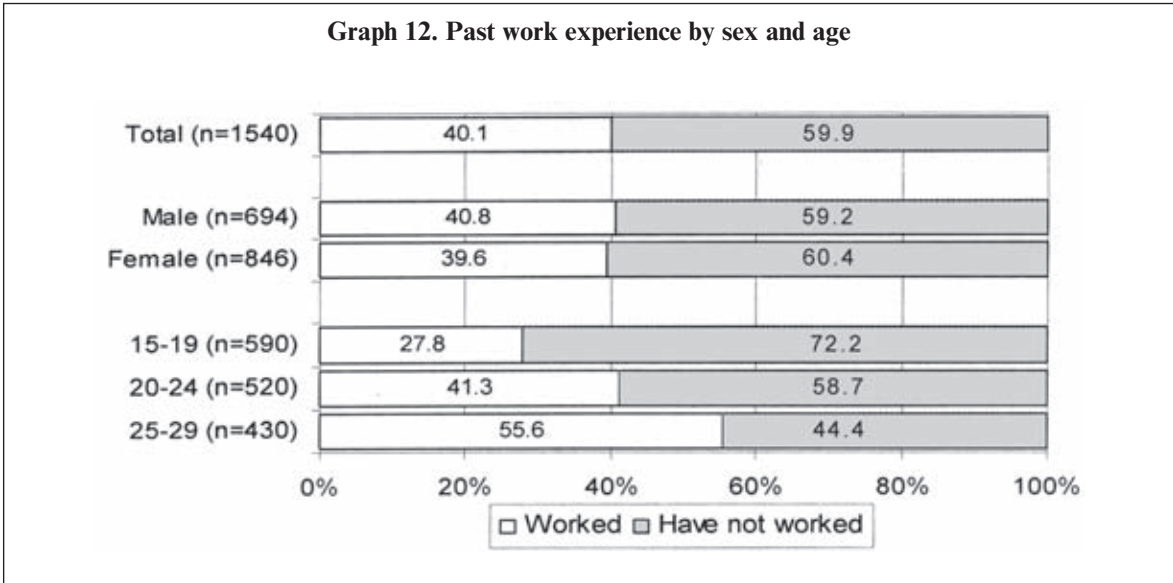
To summarize, the descriptive analysis up till now provided a premise for suspecting that in combination with the level of educational attainment, some specialization in education and training mattered for increasing young people's chances of being employed. In terms of expectations of the labour market, many respondents did seem to have a fairly realistic view of in which sectors jobs were likely to be available and in preparing for the skills required. This was partially supported by the employers' view that a majority of young applicants were adequately prepared for work. Those without any specialization tended to be either unemployed and if employed, in self-employment or unpaid work. Some degree of specialization in education or training mattered for young people's employability.

Yet, within the service sector, the respondents' expectations of job availability may not have been so realistic in terms of actual job generating potentials of sectors in which they wished to work. For instance, given the current budget constraint and fiscal expenditure pattern of the government, public administration probably would not be able to significantly increase employment opportunities. Between 1997 and 2001, budget as share of GDP and education and health care respectively fell from 4.2% to 3.5% and 3.3% to 1.8% (World Bank, 2004:10). Another area of potential future mismatch was an increasing specialization in computer sciences amongst the youngest cohort, which had not yet apparently made qualified young people more employable. It may be that such information technology related jobs were not yet relevant without a strong telecommunication infrastructure and industrial basis that required such services. To understand the second type of mismatch (wishing to work and preparing to work for sectors where more jobs are not being generated) would require further analysis. Much would depend upon the outcomes of the current economic and investment policies being implemented within the poverty reduction strategy and comprehensive development frameworks.

3.4 Past Work Experience

The past work experience was the most important aspect for hiring young workers for unskilled jobs (Graph 2). It was also a fairly important hiring criteria for skilled work as well. This subsection investigates the past work experience of the respondents. Information on the quality and nature of work they previously undertook was not sufficiently available. What is presented here consist of whether or not the respondents had previously undertaken work for pay and the age of their first job.

The distribution of the past work experience between men and women seemed to be similar in aggregate (Graph 12). Roughly 40 per cent of both men and women had done some non-school based work before. In terms of age group, as expected, work experience increased with age.



For a limited number of sub-sample, information on the age of first job was available (Table 13). Of those who responded, a large majority was exposed to their first work experience fairly early on in life. For both men and women, roughly 60 per cent of the respondent worked before the age of 20. Men seemed to start work earlier before the age of 15, and for women, more so between 15 and 19. By age groups, a larger share (24.0%) and number (171r0.24 = 41) of respondents started working before 15 years of age. This observation may be due to skewed respondent distribution or the low quality of responses. For example, those older youths may have done some work before 15, but did not report it because too much time had elapsed in between. Alternatively, it may be indicating some deterioration in the economic and labour market outcomes in Kyrgyzstan, where in the recent decade, child labour had become more rampant.¹⁸

¹⁸ Once again, this should not be taken to be any strong evidence, given the low quality of responses.

Table 13. Age of first job by sex and age (%)

	Less than 15	15–19	20–24	25+	Total count
<i>Sex</i>					
Male	11.9	48.8	36.3	2.9	344
Female	6.5	54.8	35.7	3.0	431
<i>Age group</i>					
15-19	24.0	76.0	–	–	171
20-24	4.5	50.2	45.4	–	291
25-29	4.8	40.9	47.0	7.3	313
Total count	69	404	279	23	775
(%)	8.9	52.1	36.0	3.0	100.0

Table 14. Economic activity status by past work experience and sex (% & odds)

	Out of labour force:		In labour force, of which :						(a) + (b)
	In-school	Inactive (a)	Sub-total (b)	Unemp-loyed	Employed, of which:				Total out of school
					Sub-total	Emp-loyees	Self-employed	Unpaid work	
Worked	25.4	26.2	73.8	21.3	52.5	24.5	15.3	12.7	503 (46.3%)
Have not worked	74.6	37.8	62.2	19.0	43.2	12.0	13.4	17.8	584 (53.7%)
Total count	453	353	734	218	516	193	155	168	1087
(%)	100.0	32.5	67.5	20.1	47.5	17.8	14.3	15.5	100.0
Odds ratios (W/NW)		<i>0.808</i>	<i>1.092</i>	<i>1.061</i>	<i>1.106</i>	<i>1.377</i>	<i>1.074</i>	<i>0.823</i>	
<i>Male</i>									
Worked	28.3	26.8	73.2	15.9	57.3	24.5	16.4	16.4	220 (46.7%)
Have not worked	71.7	36.3	63.7	20.3	43.4	9.6	14.3	19.5	251 (53.3%)
Total count	223	150	321	86	235	78	72	85	471
(%)	100.0	31.8	68.2	18.3	49.9	16.6	15.3	18.0	100.0
Odds ratios (W/NW)		<i>0.842</i>	<i>1.074</i>	<i>0.871</i>	<i>1.148</i>	<i>1.482</i>	<i>1.070</i>	<i>0.907</i>	
<i>Female</i>									
Worked	22.6	25.8	74.2	25.4	48.8	24.4	14.5	9.9	283 (45.9%)
Have not worked	77.4	39.0	61.0	18.0	42.9	13.8	12.6	16.5	333 (54.1%)
Total count	230	203	413	132	281	115	83	83	616
(%)	100.0	33.0	67.0	21.4	45.6	18.7	13.5	13.5	100.0
Odds ratios (W/NW)		<i>0.783</i>	<i>1.107</i>	<i>1.187</i>	<i>1.069</i>	<i>1.306</i>	<i>1.075</i>	<i>0.734</i>	

Note: In the rows for 'odds ratios', W stands for 'worked' and NW for 'not worked'.

Relating the past work experience to the economic activity status, a number of interesting features became apparent (Table 14). First of all, as expected, over 70 per cent of the in-school respondents, whether male or female, had not worked before. Young men who were in-school seemed to have showed a faintly higher tendency to have worked whether while being in school or previously (28.3% for men against 22.6% for women).¹⁹ Secondly, for the out of school respondents, work experience seemed to increase the likelihood

¹⁹ At the same time, since in-school respondents were not screened in the same way as other respondents, it was not 100% certain that they were indeed in school at the time of the survey.

of being in the labour force and entailed a lower likelihood of being inactive. Thirdly, for the respondents who were part of the labour force, having some work experience seemed to have marginally increased their chances of being unemployed against those without past work experience. However, for the employed respondents, past work experience seemed to have raised their chances of being in wage employment, and to a lesser extent in self-employment. Hence, overall, past work experience may have had a positive impact on making young people to be more active in the labour force, as well as increasing their chances of finding wage employment.

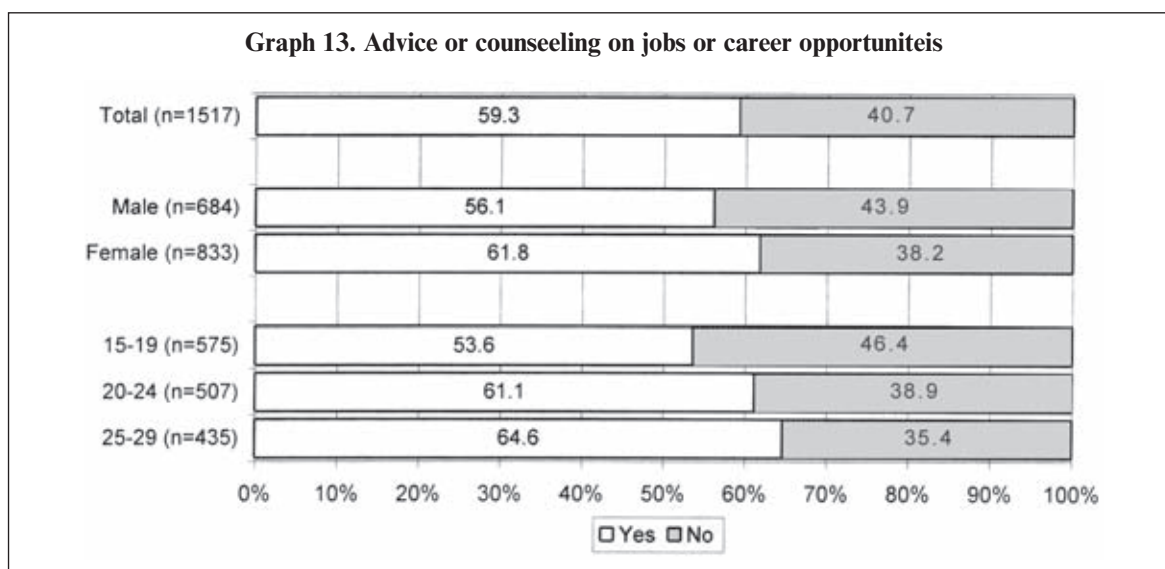
Comparing between men and women, past work experience did not seem to have the same impact on the economic activity status. In the sub-sample, both out of school men and women seemed to have had a similar share in past work experience: a little over 45 per cent of both male and female respondents answered that they had worked previously (figures in brackets in the last column of Table 14). Past work experience lowered their likelihood of being inactive in a similar manner, more pronouncedly so for women. However, with respect to the risk of unemployment, a contrasting picture emerged. Young men with work experience faced lower chances being unemployed than young men without work experience; whereas for young women, those with work experience faced a higher chances of being unemployed than those without work experience. Past work experience seemed to have paid off for young men in reducing their risk of unemployment, but not for young women. With respect to employment, past experience increased the likelihood of being employed for both men and women, and more markedly so for young men. For both men and women, work experience seemed to have paid off in terms of increasing the respondents' access to wage and self-employment and lowered the chances of being in unpaid family work.

With respect to the contrasting impact of past work experience on unemployment between men and women, there may have been a couple of aspects involved. One was that young women with work experience were more active in the labour market than those without. This was supported by the fact that young women with work experience were less likely to be inactive than those without work experience (odds ratio of 0.783). There may be numerous reasons behind such active labour market participation, such as a strong need to earn income or lack of education and training opportunities. The other possible aspect was that women's past work experience were not considered as importantly as men's. This was to some extent confirmed by the fact that odds in favour of work experience for employed was higher for men than for women (1.148 against 1.069). This type of gender differences in labour market outcomes may merit further exploration, but it would require a more detailed information on the nature of the past work experiences.

3.5 Some Policy Aspects

Based on the literature on youth employment policy, provision of assistance in job search or career opportunities may be considered as a cost effective alternative to other types of labour market policies that involve training and job creations.²⁰ Such assistance may include provision of advice on career development, available job opportunities, skills and qualifications required for them, as well as more practical aspects such as how to apply and write a CV. In the sample, approximately 60 per cent of the respondents received some form of advice or counseling on jobs and career opportunities (Graph 13). Such advice was given proportionately more for women than men (61.8% for women and 56.1% for men) and to older age groups than the youngest one (64.6% for the 25–29 and 53.6% for 15–19).

²⁰ For arguments on what policies may work for youths, see for example, O'Higgins (2001 :112) amongst others.



Investigating the possible relationship between the provision of such advice and economic activity status of the respondents showed that approximately 60 per cent of the respondents received advice and that those who received it were more likely to be active in the labour market (Table 15). Such pattern was more accentuated for men than for women. For women, the odds ratios in favour of receiving advice did not diverge noticeably from 1 for all activity status, implying that women's activity status may have been independent from whether they received advice or not. For young men, advice visibly lowered their chances of being inactive and increased their likelihood of being in employment, albeit in self-employment or unpaid family work. Somewhat ironically, for both men and women, receiving advice seemed to have increased their likelihood of being unemployed, especially for men (odds ratio of 1.148). The causal relationship in this case probably ran the other way around: unemployed respondents tended to receive advice on jobs and career opportunities.

Table 15. Activity status by advice or counseling on jobs or career opportunities

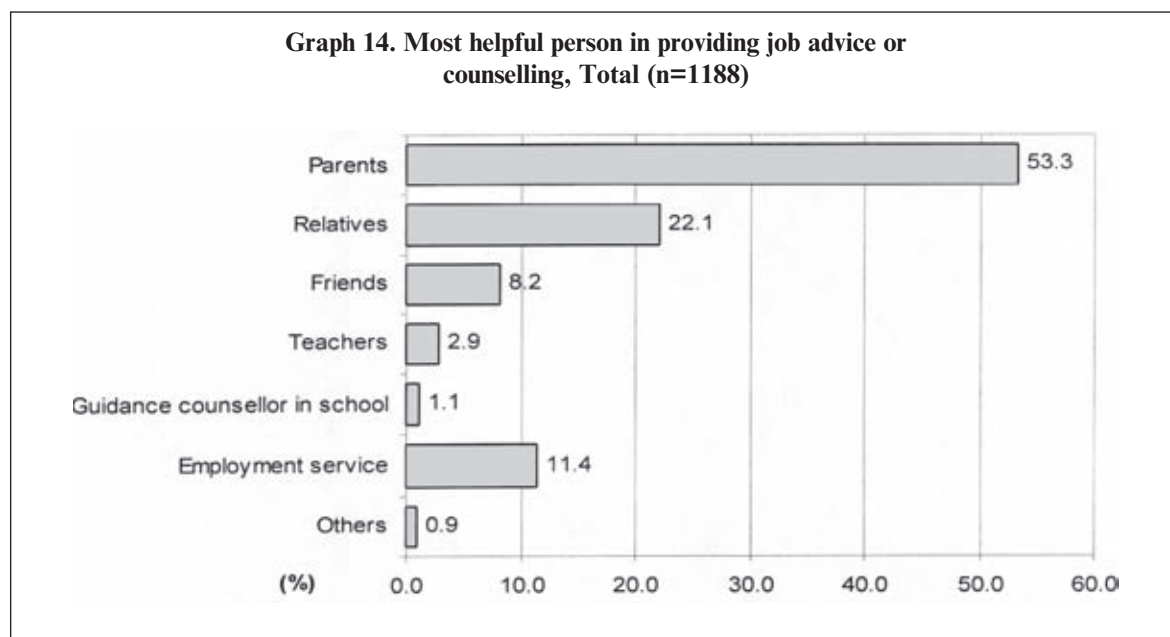
	Out of labour force:		In labour force, of which :						(a) + (b) Total out of school
	In-school	Inactive (a)	Sub-total (b)	Unemployed	Employed, of which:				
					Sub-total	Employees	Self-employed	Unpaid work	
Advice	56.5	28.1	71.9	22.7	49.2	13.4	19.9	15.9	646 (60.4%)
No advice	43.5	37.9	62.1	17.6	44.5	16.7	16.0	11.8	425 (39.6%)
Total count	444	343	730	222	508	158	197	153	1073
(%)	100.0	32.0	68.0	20.7	47.3	14.7	18.4	14.3	100.0
Odds ratios (A/NA)		0.879	1.057	1.096	1.040	0.912	1.084	1.115	
Male									
Advice	53.6	24.6	75.4	21.2	54.2	14.0	21.2	18.9	264 (57.4%)
No advice	46.4	41.3	58.7	14.8	43.9	17.9	12.8	13.3	196 (42.6%)
Total count	224	146	314	85	229	72	81	76	460
(%)	100.0	31.7	68.3	18.5	49.8	15.7	17.6	16.5	100.0
Odds ratios (A/NA)		0.776	1.104	1.148	1.088	0.895	1.205	1.146	

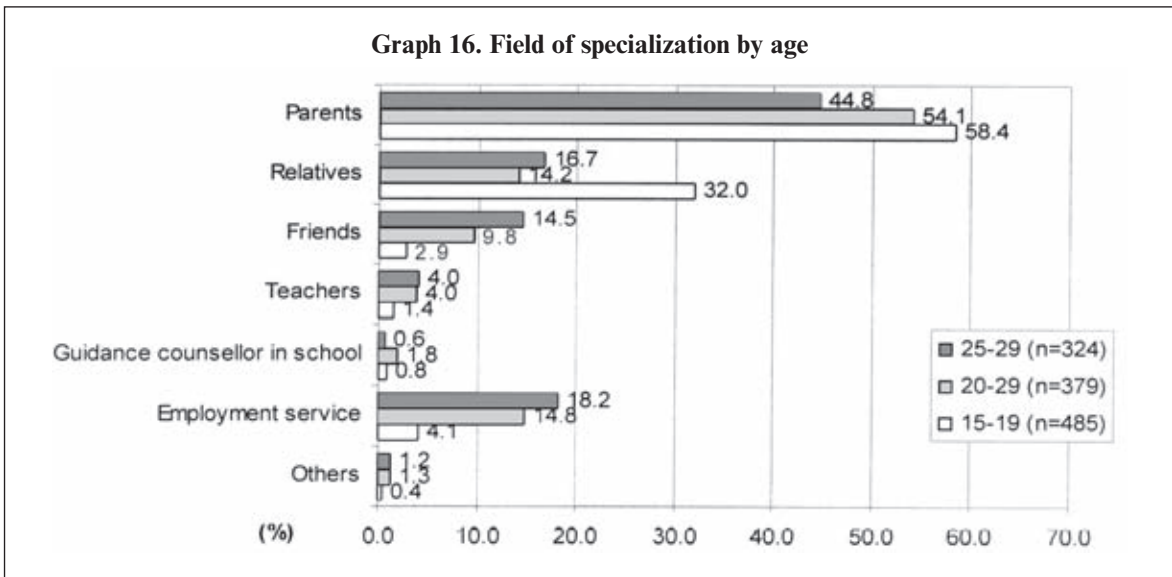
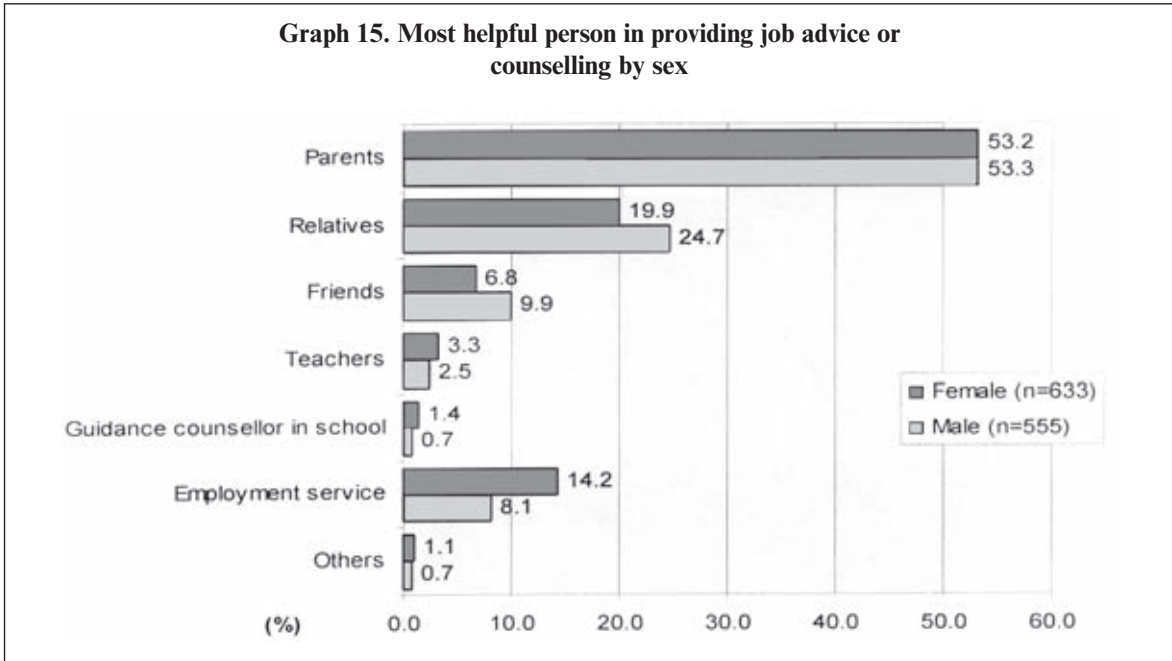
	Out of labour force:		In labour force, of which :						(a) + (b) Total out of school
	In-school	Inactive (a)	Sub-total (b)	Unemp-loyed	Employed, of which:				
					Sub-total	Emp-loyees	Self-employed	Unpaid work	
<i>Female</i>									
Advice	59.5	30.5	69.5	23.7	45.8	13.0	19.0	13.8	384 (62.6%)
No advice	40.5	34.9	65.1	20.1	45.0	15.7	18.8	10.5	229 (37.4%)
Total count (%)	220 100.0	197 32.1	416 67.9	137 22.3	279 45.5	86 14.0	116 18.9	77 12.6	613 100.0
Odds ratios (A/NA)		0.948	1.025	1.060	1.007	0.928	1.005	1.099	

Note: In the row for odds ratios, A stands for 'Received advice' and NA stands for 'Not received advice'.

The persons the respondents found most helpful in providing job and career advice were the parents (53.3%) and relatives (22.1%) (Graph 14). This pattern was similar for both men and women, although men tended to receive more advice from relatives (24.7%) (Graph 15). More women and older groups of youths used the employment services (14.2% for women and 18.2% for 25–29 year olds) to find out more about job opportunities and receive career advice. Lack of visible impact of advice on women's employment status may be partially related to quality of advice vis-a-vis the types of jobs available to youths, especially to young women. It may also imply that advice provided by the employment services were not as effective as advice and labour market information obtained through kinship networks.

Graph 14. Most helpful person in providing job advice or counselling, Total (n=1188)

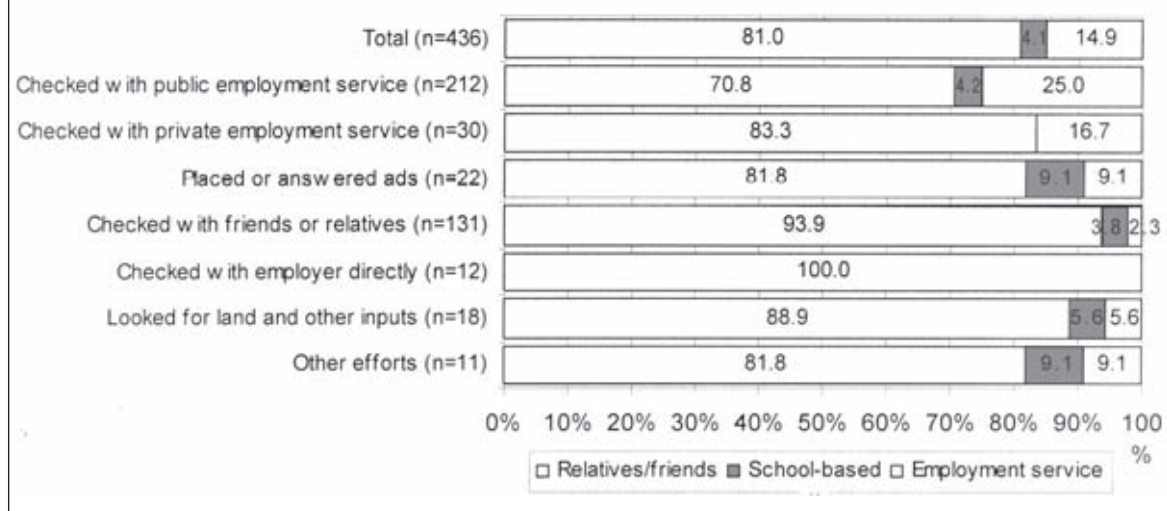




The data was limited in exploring the effectiveness of employment services in facilitating job search and career development of youths. To have some preliminary ideas about the employment services, the person deemed most helpful in providing advice or counseling on jobs and career opportunities was cross tabulated with activities undertaken to look for work (Graph 17).²¹ Of those who checked with public employment service during their job search, only a quarter of them found employment service to be the most helpful institution in providing advice and information. Of those who checked with friends or relatives, 93.9% of them found such source of advice and information to be useful. Hence, the main channel of job search and information flow about the labour market seemed to stay within the circle of relatives and friends.

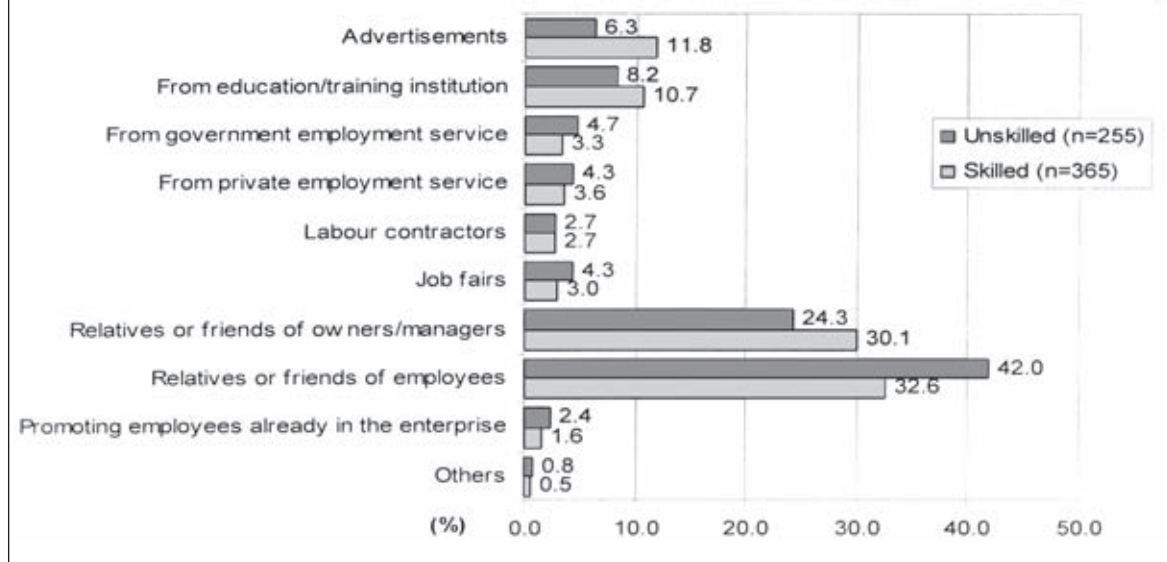
²¹ The data presented is very preliminary and should not be taken as a conclusive evidence since the consistency of some of the responses was questionable. For the percentage distribution: 'Relatives/friends' is the sum of 'Parents', 'Relatives' and 'Friends'; and 'School-based' is the sum of 'Teachers' and 'Guidance counselor in school'. For the horizontal distribution, category 'Others' is excluded since the count was too low.

Graph 17. Most helpful person in providing job advice or counselling by activities undertaken to look for work



Examining the method of filling vacancies by the employers reinforced the above understanding that it was the family and extended networks of friends and families that acted as main labour market mediators (Graph 19). For both skilled and unskilled jobs, more than 60 per cent of the employers used the networks of their relative and friends or their employees' relatives and friends. Less than 4 per cent of the employers used public employment services for hiring workers for both skilled and unskilled work. Roughly 10 per cent of the employers used education and training institutions.

Graph 18. Method of filling vacancies



The above preliminary evidence suggests a considerable room for improving the provision of job and career advice by those who have a wider scope and knowledge of the economic and labour market opportunities in Kyrgyzstan. Both the method of filling vacancies and getting information about availability of the vacancies seemed to be strongly tied to the extended household and friendship networks of the employers and current employees. In order to develop an inclusive labour market system, there is a need to further develop an institutionalized labour market information and advisory services that would be accessible to those more 'vulnerable' youths and their households who may be out of the kinship and friendship networks of the employers. Where such advisory and information system could be more widely accessible was one of the components of the National Employment Programme. For instance, an expansion of school-based counseling could be one important area for further expansion and strengthening. Given relatively low incentives to use the public employment services in Kyrgyzstan²², a proposal for development of socially acceptable private employment services could also be made more concrete.

²² During the fact-finding and follow-up missions of the ILO,

4. CONCLUDING REMARKS

In this extract analysis of the survey, regional approach was not adopted even though some regional differences in labour market outcome for youths were detectable from the sample.²³ Instead, the focus of the analysis was on the basic respondent characteristics by gender and age and on characteristics that the employers found important when selecting a new recruit: education, skills and past work experience.

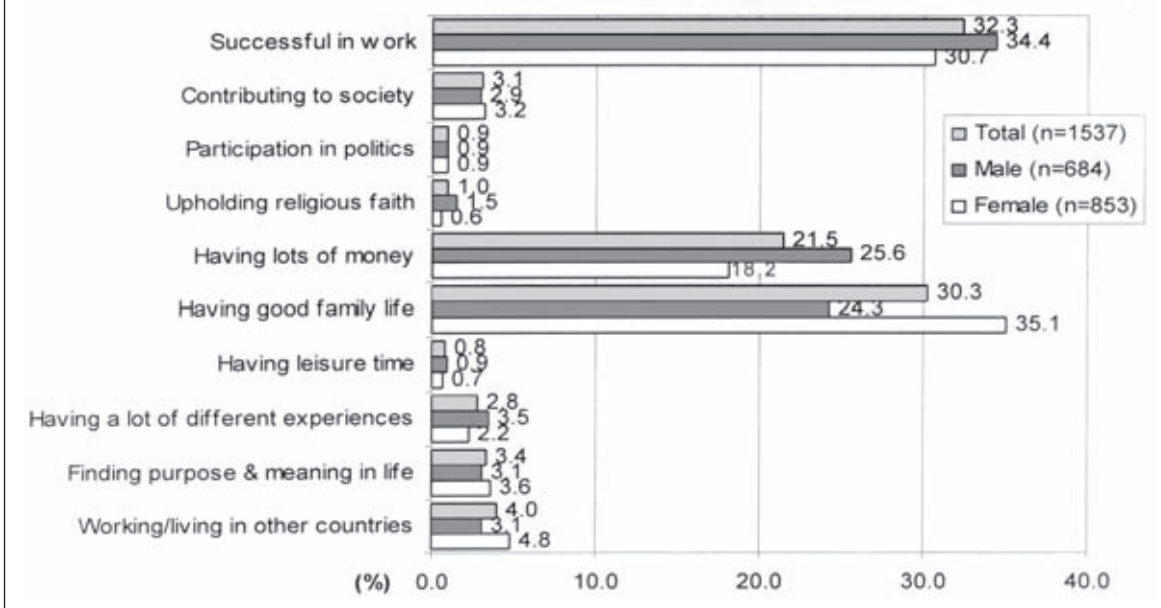
Some key aspects of the labour market situation facing young people in Kyrgyzstan were identified. First, the level and content of educational attainment mattered for employment. This seemed to be particularly more relevant for young women in terms of their access to employment. Second, gender differences in the labour market were apparently not significant, although there were some detectable differences across age groups and in terms of their past work experience. For young women, past work experience did not reduce their risk of being unemployed, while for men, it lowered their risk. Similarly, young women's economic activity status seemed to be independent of whether or not they had received advice and information on career opportunities, while it had some positive impact on the likelihood of young men being active in the labour market and employed. Third, young people seemed to have a partially realistic view of the current economic and labour market situations in Kyrgyzstan and were preparing for it. Fourth, many young people started working before reaching the age of 20. This report did not explore further if it enhanced their employability in the long run and if it had any impact on their educational attainment, but this would be an interesting and important area for future research.

The current labour market mediation in Kyrgyzstan still seemed to be dominated by relatively closed kinship and friendship networks. To ensure equal opportunities and access to employment for those who would be out of these networks, additional alternative labour market institutions and mediation facilities would be needed. Some areas for improvement within the framework of the National Employment Programme could be: (1) finding ways to improve access to secondary or higher education, especially for those who have already left such institutions; (2) similarly, finding ways to improve access to vocational and technical training institutions; (3) improving quality and relevance of education and training, to the extent possible, in coordination with investment and industrial development policies; (4) improving in-school or institution-based career advice and job information, such that qualification obtained could support the aspirations of youths; and (5) finding ways to provide labour market information and access to employment opportunities beyond the kinship and extended friendship networks.

To conclude this report, the most important goals in life that young people have and aspire to attain are presented below. In aggregate, the respondents aspired to be 'successful in work' (32.3%), to 'have a good family life' (30.3%) and to 'have lots of money' (21.5%).

²³ The main reason for dropping regional approach was mainly due to skewed sample distribution across the regions. Such analytical approach would also merit further exploration. For example, some studies undertaken on economic development of Kyrgyzstan divide the oblasts into, for example: Bishkek and other urban areas of Chui oblast, southern oblasts of Osh and Djalalabad, and mountain areas of Issyk-Kul, Naryn and Talas. See Anderson and Pomfret (2004), for example.

Graph 19. Most important goal in life

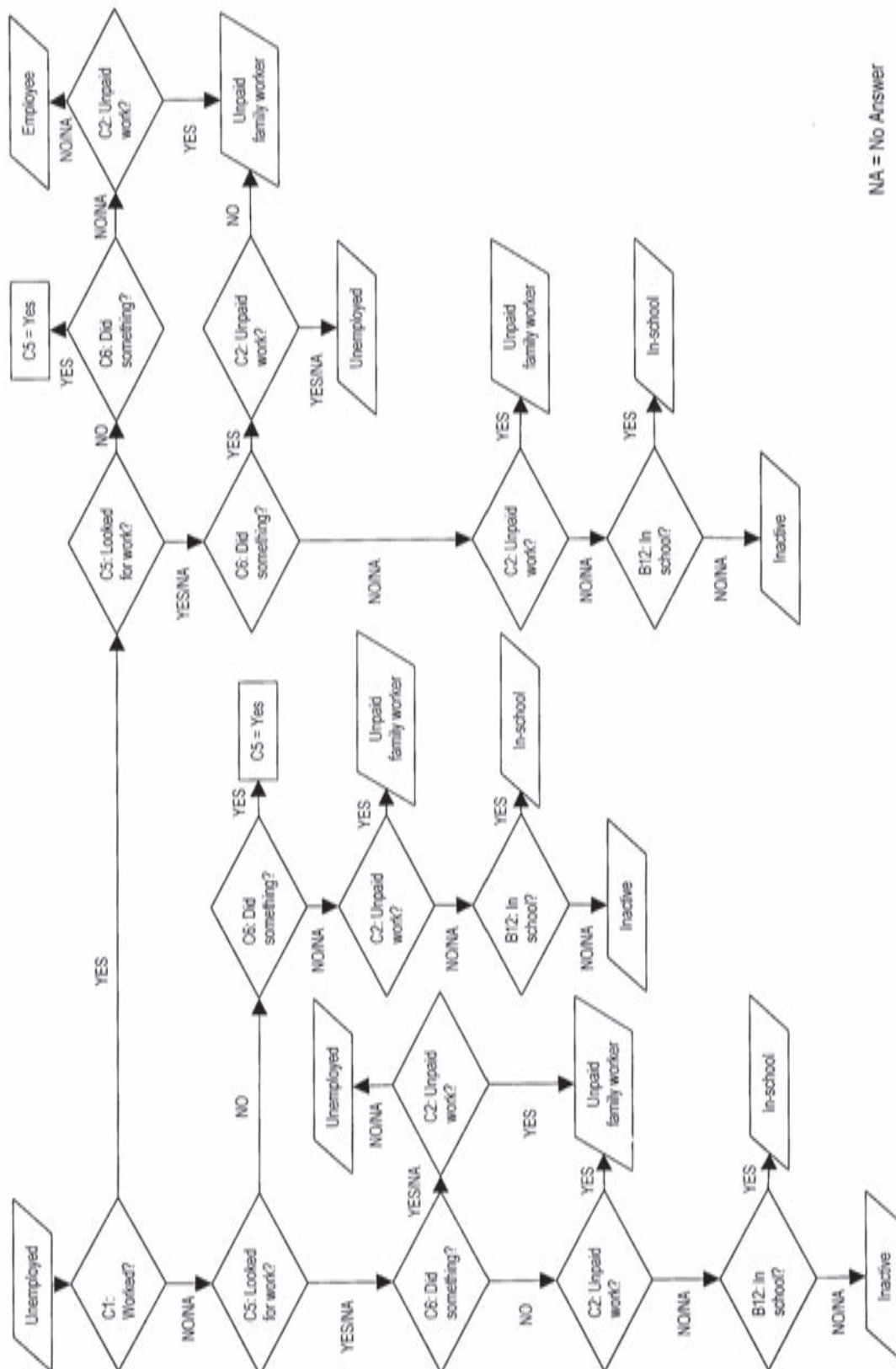


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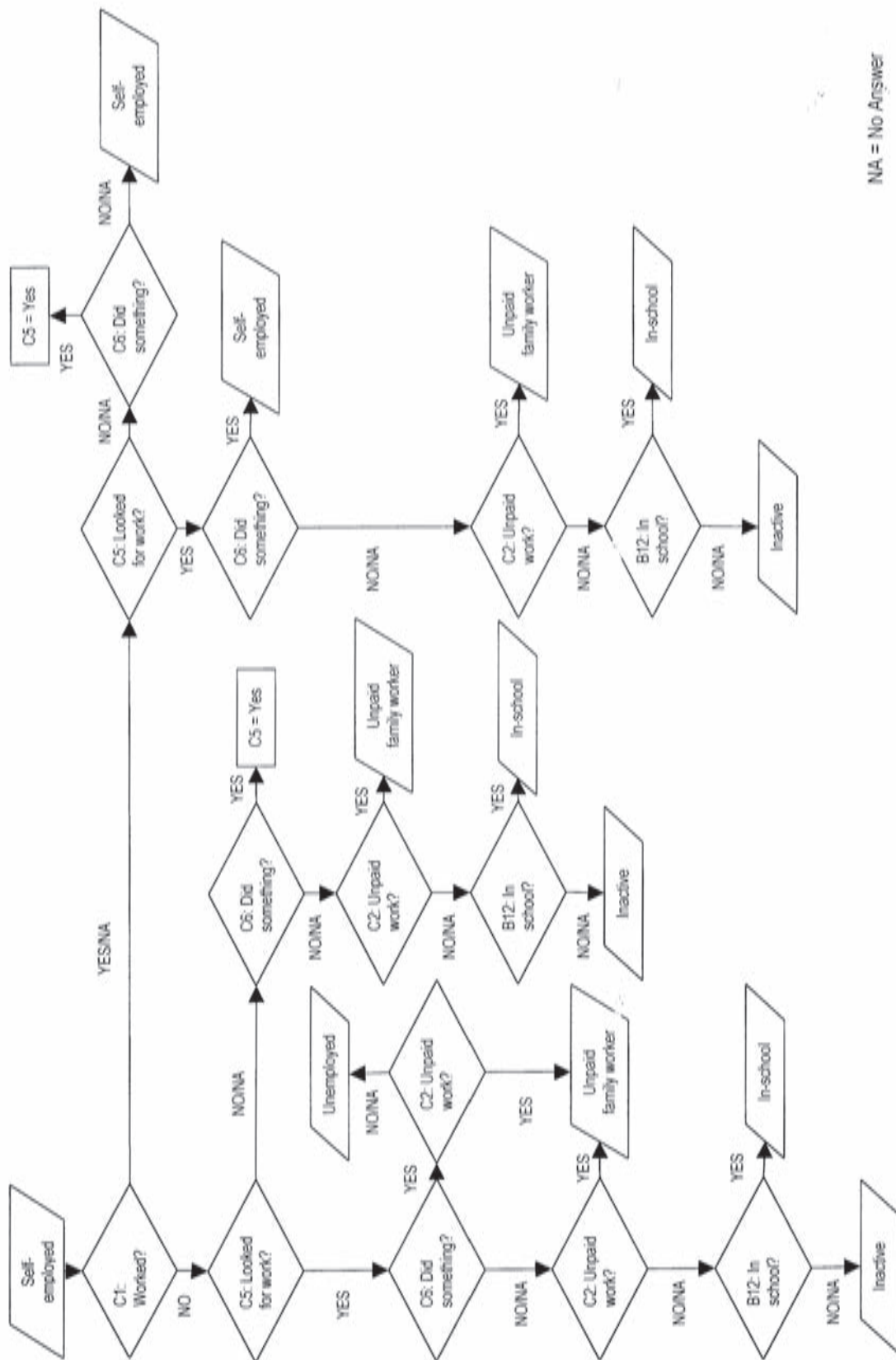
APPENDIX

Figure A.1 Flow charts of determining employment status of 'job seekers', 'self-employed' and 'wage employees'.



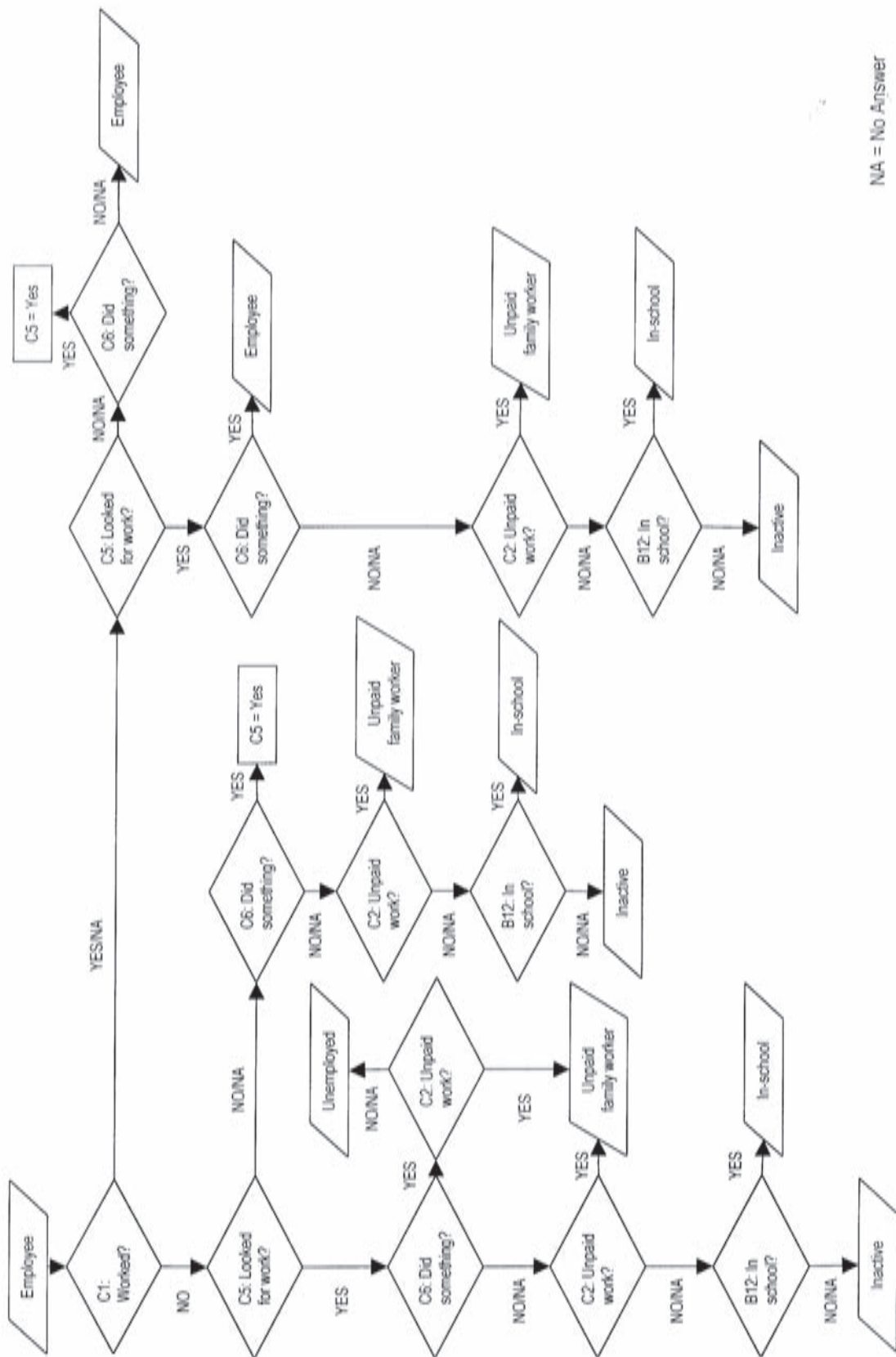
NA = No Answer

Figure A.1 (contd) Self-employed



NA = No Answer

Figure A.1 (contd) Wage employees



NA = No Answer

Table A.1 Deleted records by economic activity status

	In-school	Inactive	Unemployed	Self-employed	Employees	Unpaid family worker	Total
Others	4	2	7	–	–	1	14
	<i>28.6</i>	<i>14.3</i>				<i>7.1</i>	
No answer	49	38	16	21	17	14	155
	<i>31.6</i>	<i>24.5</i>	<i>10.3</i>	<i>13.5</i>	<i>11.0</i>	<i>9.0</i>	
Total	53	40	23	21	17	15	169
	<i>31.4</i>	<i>23.7</i>	<i>13.6</i>	<i>12.4</i>	<i>10.1</i>	<i>8.9</i>	

Note: The criterion for deleting was lack of answer in 'educational attainment'. For in-school respondents, it was lack of answer in 'expected educational attainment'.

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