



Peer Review of Youth Employment Policies in the Kyrgyz Republic

Synthesis Report

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Introduction

The world is currently facing the challenge of giving more and better jobs to young people. Addressing this issue is particularly pressing at a moment of high average of youth unemployment and inactivity across the countries. In order to support global collective actions promoting youth employment, the Resolution “Crisis in youth employment: Call for action” was adopted by the ILO tripartite constituents at the International Labour Conference in 2012 followed by the Oslo Declaration “Restoring confidence in jobs and growth” at the 9th European Regional Meeting in 2013. In addition, in 2015, the challenge of youth employment was included as one of the central goals in the UN’s new development vision as outlined in the recently adopted 2030 Agenda for Sustainable Development.

In this regard, the Resolution concerning the second recurrent discussion on employment suggested “to develop proposals for a voluntary peer review of employment policy with the objective of promoting knowledge-sharing and mutual learning on good practices among members of the organization”. Peer reviews are expected to contribute to better and more effective policies and measures supporting young people. Through stimulating discussion, assessment and benchmarking between countries, a voluntary peer review serves as a general means for the participating countries to improve policy-making, through the adoption of good practices and compliance with recognised standards and criteria.

In the CIS, the peer reviews are conducted within the framework of the project “Partnerships for Youth Employment in the Commonwealth of Independent States (CIS)” which was launched as a response to the global youth employment crisis. The project is implemented by the ILO Moscow Office with financial support of the Russian oil company LUKOIL.

A voluntary peer review network focusing on youth employment policies was launched in 2014 with nine countries participating in the network. In order to offer practical guidance to countries that wish to conduct a voluntary peer review in the area of youth employment, a Toolkit on conducting voluntary peer reviews was developed by the ILO.

For the first round of peer reviews, the Kyrgyz Republic volunteered to be reviewed by the Republic of Armenia in July 2014. The Peer Review was initiated with the drafting of a national report by representatives from the Ministry of Labour, Migration and Youth, followed by an on-site visit to the Kyrgyz Republic by a delegation from the Ministry of Labour and Social Affairs of Armenia. After analysis of the national report and discussions with national stakeholders, the Armenian delegation drafted a review report. The finding from both reports were presented and discussed at a regional meeting in St. Petersburg, Russian Federation, in October 2014 where all nine countries of the peer review network were present.

This report belongs to a series of synthesis reports produced on the basis of findings of the peer review rounds between the countries of Eastern Europe and Central Asia. It summarizes the main findings and recommendations of the first round of peer reviews around job-rich economic growth, labour market information system, role of Public Employment Service and other aspects, and is based



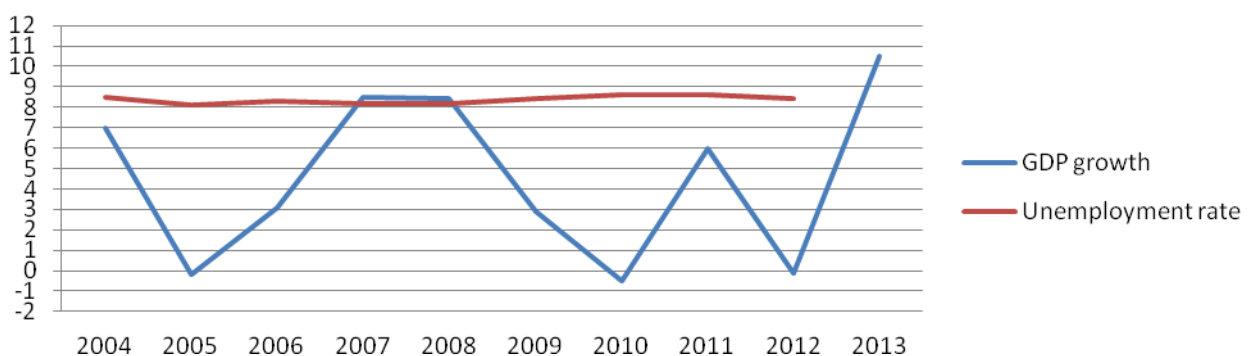
on all mentioned reports, the conclusions of the regional network meeting and external sources of data.

1. Main economic, demographic and labour market developments

Since the Kyrgyz Republic became independent in 1991, its economy has been characterized by high volatility, its periods of economic growth alternating with periods of negative growth. Political unrest and the severe effects of global economic recessions have prevented the country from achieving stable economic and social development. In recent years, the Kyrgyz economy has essentially regained pre-independence levels, and the Government has undertaken several reforms to improve the investment climate and public governance, including the National Sustainable Development Strategy 2013-2017.

The economic turmoil seems to have had relatively little effect on employment levels, at least from a purely quantitative perspective. Unemployment rates remained relatively stable during the peak of the global economic crisis, as well as during the period of political unrest in 2011. This can be partly explained by the fact that employment opportunities were maintained at the expense of productivity. Setting productivity levels in 1990 as a baseline (100 per cent), labour productivity had fallen to 74.8 per cent in 2010.¹ Another explanation for the stable unemployment rates is that labour migration has reduced pressure on the national labour market in times of economic downturns, by providing a temporary employment solution, particularly for young men who cannot find employment in Kyrgyzstan. For young women, the corresponding option is, in many cases, complete withdrawal from the labour market, again keeping unemployment rates down.

Figure 1. GDP growth and unemployment 2004-2013



Source: The World Bank² (2014)

Demographically, the percentage of young people within Kyrgyzstan's population is high, and growing. From 1991 to mid-2014, the number of young people (aged 15-24) increased from 803,300

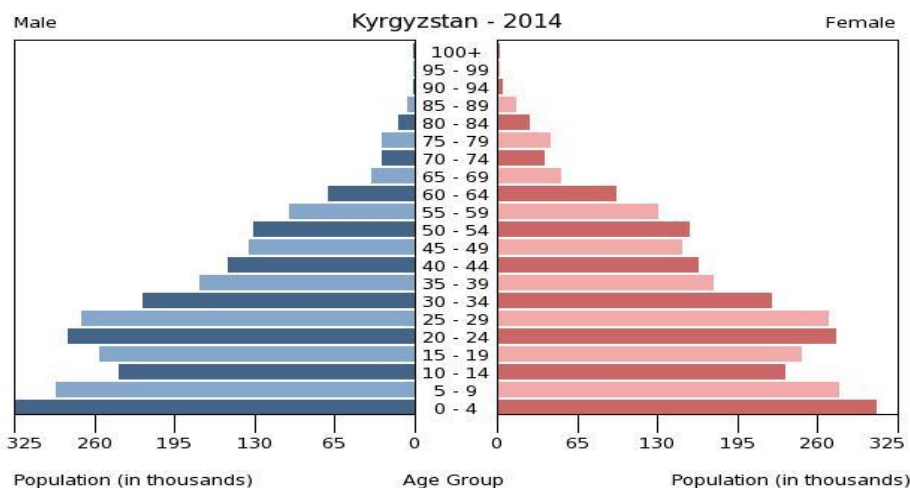
¹ GIZ (2013)

² Unemployment rates according to ILO estimates

to 1,055,800.³ As the 0-14 age group peaked in the late 1990s, a slight reverse in the trend is expected in coming years. That will take some pressure off of the labour market; however, the need to create a large number of jobs in order to incorporate the large youth cohorts will remain.

Currently, job creation is indeed one of the key priorities of the Kyrgyz Government. During the last three years, an increasing number of jobs have been created annually (see table 1), and a target is set to create more than 350,000 jobs by 2017.⁴ However, according to earlier calculations made by the ILO on the elasticity of employment growth with respect to output growth, economic growth in Kyrgyzstan is not high enough to create the amount of jobs required to absorb all labour market entrants in the years ahead. The estimations show that a GDP growth rate of 6 per cent annually would be required to reach the employment growth rate of around 2.4 per cent per year deemed necessary to match the growth of the labour force. In order to absorb the backlog of unemployed and under-employed persons, economic growth would have to be at least 7 per cent annually.⁵ This matches the target level set by the National Sustainable Development Strategy for 2013-2017, which was far surpassed in 2013 when the GDP growth rate reached an impressive 10.5 per cent. During the preceding five years, however, growth rates were far below that rate, as demonstrated by figure 1.

Figure 2. Population pyramid



Source: Central Intelligence Agency (2014)

The sector distribution of employment has changed over the last decade, not following the expected pattern for developing economies. The share of agriculture in total employment increased

³ Based on data from the National Statistics Committee and the CIA World Fact Book

⁴ National Council for Sustainable Development of the Kyrgyz Republic (2013)

⁵ ILO (2008)



dramatically as a result of the land reforms undertaken after independence, jumping from 35.5 per cent in 1991 to 49.8 per cent in 2004. Over the last decade, the figures have declined again, stabilizing at around 32 per cent, but agriculture is still the individual sector where the largest number of jobs in the economy are created. Over the last three years, the number of employment opportunities created in agriculture and service sector has constantly increased. Meanwhile, industry has witnessed opposite patterns. While its share in total employment fell from 26.5 per cent in 1991 to 10.5 per cent in 2001, it has stabilized again at levels around 20 per cent in recent years. However, the number of new jobs created in industry has fallen from already initially low levels during the last few years. These developments indicate that economic growth has not brought about the change in sector distribution of employment that would be conducive to rapid poverty reduction.

Table 1. Job creation in total and per sector

	2011	2012	2013
Total	106 634	112 483	110 951
Agriculture, hunting, forestry	30 033	32 609	33 818
Industry	6 680	5 798	4 736
Construction	7 989	7 451	8 218
Trade and automobile repair	24 207	33 511	30 411
Hotels and restaurants	3 364	2 313	3 153
Transport and communication	10 672	8 594	9 679
Finance	886	753	776
Leasing and services	2 372	2 748	1 454
Governance	953	472	373
Education	3 386	1 866	2 449
Health care and social services	1 831	861	1 761
Utilities	5 947	5 536	5 949
Undistributed activities	8 314	9 971	8 174

Source: Ministry of Labour, Migration and Youth (2014)

2. The youth labour market situation

As in most countries of the world, young people are over-represented in exposure to unfavourable employment situations in Kyrgyzstan. The demographic patterns contribute to the acuteness of the problems, as low demand for labour has meant that the growth of the labour force has consistently exceeded growth in employment. Around 100,000 young people enter into working age each year, but only around 40 per cent of them are incorporated into the labour market. With the over-supply in the labour force, employers tend to select experienced workers over young persons with little, if any, work experience, leading to a vicious circle where youth have trouble finding a first job. This is clear also when looking at national statistics, which reveals that youth are overrepresented in both

unemployment and inactivity. Youth unemployment in 2013 was estimated at 14.5 per cent. This means that more than half of all unemployed persons in Kyrgyzstan are young people. Due to difficulties in finding decent employment, many young people stop searching for jobs and withdraw from the labour market completely, giving rise to anti-social behaviour, including involvement in extremist and criminal organizations.

Table 2. Key labour market indicators

	Total population	Youth⁶	Urban youth population	Rural youth population	Young men	Young women
Economic activity rate	64,2	51,1	44,7	54,5	64,0	37,9
Employment rate	58,8	43,7	35,7	47,9	55,4	31,6
Unemployment rate	8,4	14,5	20,2	12,1	13,3	16,7
Share of population that is economically inactive	35,1	48,9	55,3	45,5	36	62,1

Source: Ministry of Labour, Migration and Youth (2014)

Obstacles to employment are particularly high for low-skilled youth and young women. Almost 68 per cent of unemployed youth have no vocational training. Within this group, more than 5 per cent lack any education at all and are illiterate.⁷ Access to education is still limited in many parts of the country, particularly in rural and low-income households.

Labour force participation among young Kyrgyz women is significantly lower than that of men. From a global perspective, this in itself is not unusual. A more worrying observation, however, is the fact that the gap between male and female labour force participation rates is growing rapidly. In 1990, the share of young men that were economically inactive was 47.3 per cent.⁸ By 2012, this share had fallen to 36 per cent, meaning that activity rates for young men are on a par with those of the total population. For young women, however, the inverse is true. In 1990, the inactivity rate of young women was 41.6 per cent.⁹ In 2012, it had increased to a devastatingly high 62.1 per cent. However, while activity rates among young men are stable, this group instead faces other challenges. Particularly, young men are heavily over-represented in informal employment and among labour

⁶ National statistics in Kyrgyzstan define youth as the 14-28 age group.

⁷ Ministry of Labour, Migration and Youth (2014)

⁸ GIZ (2013)

⁹ Ibid



migrants. The share of young people in the informal sector is 78.2 per cent, of which 81 per cent are men. In rural areas, the share of young people in informality is even higher – 85.5 per cent, out of which 86.8 per cent are men.¹⁰

3. Youth employment policies and programmes and related challenges

The Kyrgyz Government recognizes the acuteness of youth employment challenges in the country and is working actively to address them through legislation, policies and programmes. The main legal frameworks governing youth employment in the country include laws on employment promotion and on public youth policy. At policy level, there is a State strategy for development of the country's youth policy until 2015, as well as a national employment-promotion strategy. Policymaking falls under the responsibility of the Ministry of Labour, Migration and Youth, and is practically implemented mainly through the Public Employment Services. Within the Ministry, there is a specific division, the Youth Labour Exchange (YLE), which deals with youth employment affairs at the central and regional levels.

At present, eight specific initiatives to promote youth employment have been undertaken and identified as good practices:

1. A *demand map* for forecasting labour market demand. The map is used to adjust training plans in vocational and tertiary training systems, as well as training programmes for the unemployed, in order to better match the skills of graduates and job seekers with the needs of the labour market. The initiative, which has resulted in the employment of 70 per cent of graduates upon completion of their training, is implemented on a tripartite basis.

2. Three active labour market programmes that target youth:

A. Vocational training and re-training in occupations in demand by the labour market. Annually, 7,000-8,000 persons take part in the training programme, of which more than 50 per cent are young people. Thus far, 70 per cent of participants received employment after participation in the programme. The programme promoting vocational training and re-training in occupations in demand by the labour market is effective and could serve as a model programme for other countries in the subregion, particularly in terms of how to promote blue collar jobs. At the same time, there is scope for improvement. The programme is not fully effective in rural areas due to the lack of proper equipment, staff with proper training, and resources in provincial VET colleges. As a result, many of the professions taught in rural areas are not those in demand by the labour market.

A.

¹⁰ Ministry of Labour, Migration and Youth (2014)



B. Paid public works. More than 20,000 persons per year, approximately 70 per cent of which are young people, are referred to paid public works, mainly dealing with the infrastructure of social facilities. The public works programme indeed places many young people in temporary jobs, but it is not considered effective at creating *sustainable* employment opportunities.

C. Microcredits to support SMEs. Microcredit agencies operate at the regional level, assisting in the establishment of more than 2,000 new businesses annually. About 40 per cent of those utilizing the credits are young people to start a business in rural and urban areas. The microcredit programme is effective in promoting youth employment. It is noteworthy that it, in addition to creating new enterprises, it contributes to development of the banking and credit institutions in the country. Nevertheless, this initiative has challenging aspects as young people need to return credits. In addition, there is a risk of informal businesses.

3. *Information tours by employment services.* So as to improve coverage of employment services in areas where registration with employment services is low, case workers go on tours to provide information about existing services to the population. For the same purpose, but more clearly targeting young people, there are also *regional youth centres*, providing young people with legal, psychological and job search support.
4. Regular *job fairs for the immediate employment* of unemployed youth are arranged by YLE. In 2013, 21 fairs were organized and attended by 4,880 persons, including 1,869 women and 296 teenagers. Of this number, 3,284 persons, of which 1,070 were women, received jobs.
5. A *mobile employment service* is working to provide employment services to people living in residential neighbourhoods of Bishkek and rural areas, where there is a high incidence of unregistered unemployed. The mobile employment service provides information and consultancy services, including information on vacancies, training courses, labour laws, and the labour market situation.
6. Through YLE, *student teams* made up of students of tertiary and vocational training institutions have been established. These teams carry out work in their free time (generally during summer vacations), giving them an opportunity to acquire useful occupational and teamwork skills. In terms of relative numbers, the Youth Labour Exchange is effective in finding employment for young people, as around half of all registered youth have found jobs.
7. Since Kyrgyzstan has a surplus labour force, there is a specific *employment centre geared towards providing Kyrgyz citizens with jobs abroad*. This is a successful way



of formalizing labour migration, reducing risks associated with migration, and informing employees about the labour laws of the destination country. Mostly young people use such services. The Kyrgyz Republic has been very successful in improving the situation for outward labour migrants. Bilateral agreements have been signed with the main destination countries, and a special employment centre for potential migrants has been established. The centre maintains a database of potential labour migrants, provides information and counselling on employment opportunities abroad, and assists in the issuance of work permits. All of this contributes to the legalization of labour migration, thereby reducing informal employment.

8. In order to confirm vocational skills acquired abroad, a *skills recognition centre* that targets, in particular, labour migrants, has been established. In this centre, employees go through practical tests and, upon passing exams, receive certificates that validate their skills.

While all of the above-mentioned initiatives are considered effective in improving the employment situation of those young people who participate, it is clear that the share of unemployed in general, and unemployed youth in particular, who register with Public Employment Services is very low, limiting the access of young unemployed to the above services (see Table 3).

Table 3. Share of youth in the total number of unemployed covered by employment promotion services

	Total working age population	Youth	Share of youth in relation to total working age population
Total number of unemployed	210 400	109 600	52,1%
Registered	94 213	42 473	45,1%
Registered with unemployed status	58 397	25 139	43,0%
Placed in programmes, total	39 674	17 211	43,4%
- Public works	21 078	7 504	35,6%
- Vocational training	7 335	4 711	64,2%
- Microcredit	2 019	785	38,9%

Source: Ministry of Labour, Migration and Youth (2014)

Identified challenges

Although the overall youth unemployment rate in Kyrgyzstan is not much higher than the global average, sections I-III have shown that there are several underlying challenges that need to be



tackled in order to achieve decent employment, both in terms of quality and quantity, for young people in Kyrgyzstan.

Creation of decent and productive employment:

Considering the high share of young people in the Kyrgyz economy, a significant number of jobs will have to be created in the years ahead to absorb new entrants into the labour market. This, in turn, requires high and stable economic growth, driven by sectors of the economy that are characterized by decent wages, low informality and high productivity. In other words, increased job creation in non-agricultural sectors, primarily industry (manufacturing), needs to be achieved in parallel with productivity improvements and the formalization of employment within the agricultural sector.

Reduction of gender gaps in economic activity:

Economic inactivity naturally exists in all countries to different extents. The level is pertinent on the one hand to legislative regulations, including retirement age and compulsory education years, in which case it can be caused by factors that are generally considered positive, e.g., a high degree of young people engaged in tertiary education. On the other hand, it can be a sign of gender asymmetries, causing women to be less attached to both the educational system and subsequently to the labour market. In Kyrgyzstan, the level of economic inactivity among young women is both alarmingly high and on the rise, and the participation of this group in the labour market has fallen dramatically since the Soviet era. In order to reverse the increasing gender gap, not only is job growth in general needed, but special policy efforts will also be required to facilitate access to decent work for young women. These could include ensuring availability of affordable and universal childcare, effective parental leave systems with secured possibilities of returning to employment after maternal leave, and setting up income tax systems in such a manner that both members of a couple benefit economically from working. Active labour market policies are also important instruments: skills training programmes can serve to increase the employability of women; job search assistance programmes can help young women make realistic and beneficial career choices; wage subsidies can create employment targeted to young women and provide them with important work experience; and entrepreneurship promotion can make use of young women's skills and create additional employment opportunities.

Formalization of the informal economy

Though informal employment is notoriously difficult to measure, there is little doubt that it is a key challenge in the Kyrgyz labour market, hitting young people particularly hard. In 2013, more than 94 per cent of all jobs that were created in Kyrgyzstan were found in the informal sector. Due to the fact that young people lack documented vocational qualifications and work experience, they often have no other option than to accept jobs in the informal economy. Thus, youth are heavily overrepresented in the informal economy, constituting 78.2 per cent of all those employed non-formally. As a consequence, young people are deprived of access to social security nets, exposing



them to precariousness at an early stage. They also suffer from skills deterioration and lack possibilities to have skills recognized, meaning that they may end up in a vicious circle of prolonged informality. All of this contributes to discouragement, entailing high societal costs in the long run.

In addition to the adverse effects that informality has on the individual employee, it brings about consequences for the State in the form of considerable loss of potential tax revenue. This, in turn, impedes the development of social security systems, education and health care.

To speed up the formalization of the informal economy, an integrated approach is needed so as to tackle the issue from all relevant angles. In terms of employment, improved job creation in formal and productive sectors is crucial. Targeted measures, for example public works and skills recognition programmes, can be taken to address informality in rural areas or informality among certain occupational or age groups. To promote the formal registration of businesses, a number of disincentives to registration should be reduced, including licensing procedures, tax rules and regulations, and lack of access to finance. Social partners play a key role in, for example, finding ways to extend the coverage of the law to workers and employers in the informal economy.¹¹

Utilization of Public Employment Services

The Peer Review exercise revealed that programmes implemented by employment services and targeted at youth are generally effective in creating employment opportunities in Kyrgyzstan. Nonetheless, the fact remains that a very low share of all unemployed persons turn to employment services for assistance during periods of unemployment. Moreover, young unemployed persons are even less prone to do so.

Employment services still have low appeal to large parts of the population, as many of the jobs offered through such services are unattractive, and response to labour market demands is slow. Lack of adequate funding affects both quality and quantity of services provided. Moreover, many unemployed persons, especially youth, do not meet the criteria for unemployment benefits. This is yet another reason for the failure to register with employment services, where such benefits are otherwise handled and disbursed. As a result, more than half of all unemployed young people search for jobs by themselves, meaning that employment services in the country are not functioning as facilitators between employers and potential employees to the extent that they could and should be.

Considering the effectiveness of active labour market programmes in Kyrgyzstan, the overall recommendation of the reviewers is to re-direct funds from the less effective passive measures to more active measures. Eight measures considered to have great potential in Kyrgyzstan are suggested:

¹¹ ILO (2014)



1. Wage subsidies for employers that hire young people who are disadvantaged in the labour market, particularly people with disabilities.
2. On-the-job training for youth with no previous work experience to ensure that young people get a foothold in the labour market.
3. Support to persons who enter into employment in a region (with employment surplus) other than their place of residence, so as to improve internal mobility.
4. Lump-sum reimbursements to employers offering employment to a person who is disadvantaged in the labour market, as well as lump-sum reimbursements to employers who make the workplace suitable for persons with disabilities.
5. Economic support for small entrepreneurial activities for persons who are disadvantaged in the labour market.
6. Support to NGOs that employ people who are disadvantaged in the labour market.
7. Reimbursement for job search expenditures incurred by persons who are disadvantaged in the labour market with a view to encouraging such persons to be more active.
8. Introduction of career orientation throughout the entire education system, starting from first grade to tertiary education.

For active measures to work as effectively as possible, it is necessary to improve coordination between the different institutions involved. Particularly, monitoring and evaluation systems need to be strengthened.

4. Main findings from the peer review round

The peer review event accommodated the presentation of the national and review reports to a larger number of countries, beyond Kyrgyzstan and Armenia.¹² Discussions based on the presentations focused on three main topics.

Data analysis

The Kyrgyz delegation was complimented for doing a solid job on collecting data on the current youth employment situation and sharing information open-mindedly. At the same time, several participants requested more information about trends in the labour market in order to consider the dynamics of the data and determine in which direction the country is heading. This, not least, concerns the demographic situation, which was mentioned as the most crucial factor affecting youth employment and subsequent policymaking in Kyrgyzstan.

¹² All countries participating in the regional youth employment network, i.e., in addition to Kyrgyzstan and Armenia: Azerbaijan, Georgia, Kazakhstan, Russian Federation, Tajikistan, Turkmenistan and Uzbekistan. Furthermore, three delegations from BRICS countries were present; Brazil, China and South Africa.



It was also recommended to further segment the data. This particularly concerns issues of gender, which, as some of the delegations pointed out, was not sufficiently considered in the national report. It is clear that young women face specific challenges in the Kyrgyz labour market, and the causes and effects of this should be more explicitly elaborated in order to be able to address challenges in a proper way. While some of the indicators are presented by more narrow age groups than the 14-28 group, a more thorough analysis of statistics for specific age groups within the youth cohort could reveal differences in needs and challenges. Lastly, further elaboration of sector-specific data and strategies was encouraged. Several participants stressed the need for Kyrgyzstan to prioritize the development of industry as a means of promoting employment and fighting poverty. However, in order to provide more specific input on how best to achieve this, more data on issues such as investment, job creation over time and economic projections would be needed.

In conclusion, the common view was that the Kyrgyz national report provided a lot of interesting and useful data, but that this data would need to be further analysed and structured in order to have a profound discussion on broader economic and employment policies that would promote youth employment in the country.

Efficiency of current programmes and measures

When entering into discussion of the concrete programmes and policies that are implemented to address youth employment in Kyrgyzstan, discussions stemmed from the recommendations made by the reviewing country. The view that passive measures should be dismantled in favour of more extensive active labour market measures was not shared by all countries. Participants agreed that while it is problematic that young people often lack access to passive measures such as unemployment benefits, this argument is not strong enough to support that such measures should be withdrawn. Rather, they are a prerequisite to ensure the protection of unemployed persons. However, there is reason to review the balance between active and passive measures to optimize their impact on the Kyrgyz labour market. In this context, it would also be useful to look further into activation strategies, to ensure that benefit recipients search for jobs and seek to increase their employability. This can be an effective way to reduce the negative effects of benefit dependency and to shorten unemployment spells.

The main policies and programmes that are currently implemented in Kyrgyzstan (listed in section III) were generally considered relevant and effective. As in most countries, they could be further expanded, but considering the economic situation of the country, it was recognized that the budget sets natural limits to such an expansion. One important point of feedback was that measures seem to be undertaken without full coordination. There are many different, relatively small, programmes and other initiatives that are being implemented. Even though they are quite efficient on their own, a more integrated approach would be preferable. For example, rather than creating new centres or



bodies to deal with a certain matter, centres could be merged to be more multifunctional. This would mean less work and more clarity for the unemployed individual in need of assistance. Moreover, measures could be even more specifically targeted to certain groups to further improve results.

In terms of the good practices presented by Kyrgyzstan, group discussions served to verify which are most relevant, efficient and transferable to other countries. The discussions revealed that all the practices were of interest to the other network countries. Some of the measures are utilized in many countries already, whereas others were seen as completely new and inspirational, confirming that there is a need to further highlight successful policies and programmes that are being implemented in countries of the subregion. All groups were of fairly similar opinions, agreeing that the skills recognition centre is the most interesting and transferable good practice out of the eight suggestions. The reason for this is that it is an innovative way of promoting both employment and the rights of disadvantaged workers, particularly migrants. Moreover, it could be transferred to countries where labour migration is not necessarily an issue, as the centre could recognize skills achieved not only abroad, but also earlier in life or on the job.

Finally, it was mentioned that the eight suggestions for additional programmes made by the reviewing country are all relevant. At the same time, it should again be taken into consideration that the Kyrgyz budgetary capacity for labour market measures is limited. As such, it might be more useful to ensure that existing programmes are of high quality rather than to add additional ones. Before embarking on new measures, the improvement of core issues such as quality vocational education and the proper functioning of Public Employment Services should be prioritized.

The peer review tool - methodological considerations

As this was the first round of peer reviews within the regional youth employment network, a substantial amount of time was dedicated to discussions on the strengths and weaknesses of the peer review tool *per se*, and suggestions for its improvement. By and large, all countries saw great potential in the tool. Kyrgyzstan and Armenia stressed that the process had been highly instructive and characterized by teamwork and mutual learning. Nonetheless, several suggestions for improvement were raised:

1. To facilitate review and discussions, there is a need for further capacity building in the analysis of youth employment data.
2. A set of indicators to consider in the national and review reports should be agreed upon, so that reviews are made in a transparent and comparable manner.
3. Though the whole idea is that the peer review should be conducted by the network countries themselves, active support from an international independent expert would improve end results of the reviews. The main work will be done by the country delegations, but an independent expert could guide data collection, analysis and discussions.



4. Two days for the on-site visit is not sufficient to obtain the full picture of the youth employment policies in the reviewed country. At the same time, ministry officials have limited time. Thus, it was suggested to increase the on-site visit to three days.
5. Participation of youth and social partners in the peer review process should be encouraged and facilitated.

5. Recommendations for follow-up

Based on the review report and discussions during the peer review event, the following key policy recommendations to the Kyrgyz Republic can be extracted (activation strategies).

1. To address both demographic and structural obstacles to youth employment, an integrated concept capturing dynamics of population, labour market targets in general and employment targets in particular, as well as education targets would be required. This should be based on further data collection and analysis, reviewing not only the current situation, but also dynamics of data over time.
2. Job-rich economic growth should be at the centre of policymaking. It is crucial that the jobs created be in the formal sector and of a productive nature. In particular, focus should be put on the transition from the agricultural sector to industry (manufacturing) in order to promote sustainable growth and contribute to poverty reduction.
3. Integration of young women in the labour market needs to be encouraged to increase the development potential of Kyrgyzstan. To achieve this, policy measures should include the increased participation of women in vocational education availability, promotion of affordable and universal childcare, effective parental leave systems, and establishment of income tax systems that allow both members of a couple to benefit economically from working. Active labour market programmes, including those currently under implementation and future ones, should include specific targets for young women.¹³
4. The assistance provided by Public Employment Services, including ongoing active labour market programmes, are considered relevant and efficient. However, all types of services could be intensified to reach more people and with even higher quality, including in rural area and informal economy. PES advocacy is also playing an important role.
5. The labour market information system should be further developed, including through the modernization of IT equipment and more proactive labour market surveys. Taking into

¹³ See ILO (2013) for a compilation of good practices in this field.



account the scarcity of financial and human resources, active labour market programmes could be more focused on disadvantaged groups, which benefit most from such programmes. In general, increased targeting of measures to respond to local needs and the needs of specific groups would improve effectiveness.

6. The balance between passive and active labour market measures in Kyrgyzstan should be reviewed and optimized. As part of this, activation strategies should be further looked into and implemented.
7. Coordination between different actors should be improved, including the labour market and educational authorities, employers' organizations, private sector, trade unions etc.. The Ministry of Labour, Migration and Youth should take the lead on this. Measures could include merging some of the different centres that have been established. Social partners should play an important role in promoting youth employment through participation in employment policy making and implementation of labour market programmes.
8. Further capacity development of Public Employment Services would be required to improve the reputation of such services among young people. Such capacity development should include trainings in the formulation, monitoring and evaluation of policies and programmes.

These recommendations will be taken into consideration when planning future ILO interventions in Kyrgyzstan. As a first step to support the country in its efforts to realize the recommendations, the ILO will arrange a training for key stakeholders in the country on the analysis of data relevant for youth employment. The national report drafted by the Ministry of Labour, Migration and Youth as part of the peer review will provide a basis for discussions during the training.

As a follow-up to the methodological discussions held during the peer review, before the next round of peer reviews, the ILO will update the terms of reference for carrying out such reviews, taking into account the recommendations for improvement. Thus, starting from the next round of reviews the on-site visit will be prolonged, possibilities for the involvement of social partners and youth will be improved.



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