

# SKILLS APPROACH IMPLEMENTATION: OPPORTUNITIES AND LIMITATIONS IN DEVELOPING COUNTRIES

S. Shabaeva<sup>1</sup>, J. Quddusov<sup>2</sup>

<sup>1</sup> *Petrozavodsk State University (RUSSIAN FEDERATION)*

<sup>2</sup> *Information and Research Center "Sotsservis" (TAJIKISTAN)*

## Abstract

In order to meet the expected rise in demand for better-skilled labour force, it is necessary to politically address the issue of skills formation throughout a person's entire life. At all levels of education and vocational training, it is crucial to maintain emphasis on formation of hard and soft skills that would remain valued in the labour market, both at present time and in the future.

Currently, the Ministry of Labour, Migration and Employment of the Republic of Tajikistan, with the support of ILO and a number of donor organizations (GIZ, ADB, IDB, ETF), is pursuing an active policy towards the development of IVET system and adult training. The emphasis is placed on the development of a competence-based approach to vocational education and training.

The purpose of the paper is to analyze the possibility of developing countries to implement and apply the skills approach in education, in labour market, and among employers, based on Tajikistan experience. Surveys data in Tajikistan 2015 -2016 together with series of seminars by ILO experts provided the main context for the analysis.

Opportunities and challenges were identified during the study of Tajikistan context, statistic data and employers results, as well as during discussions with employers and authorities. As a result, recommendations for Tajikistan were elaborated to facilitate the implementation of skill approach.

Tajikistan is a developing country with high rates of economic growth, but with a rather low labour productivity. Currently, the strengths of the socio-economic development, which include the ongoing structural changes in the economy, the growing share of young people, are not fully utilized for overcoming the threats. Among the most significant threats are: the large share of an "informal sector" in the economy, too low labour productivity in agriculture, and poor working conditions.

Solution of these problems requires, in the first place, complex approach and political will.

It was revealed that main actors to solve the problems are government and employers unions. The government may target its efforts on intensifying the activity of sectoral ministries on assisting employers in creating industry development strategies, which would define short-, mid-, and long-term trends, affecting development of future skills and occupations; and also on overcoming the lack of knowledge in the field of skills approach and its popularization among authorities, employers, and educational system.

Keywords: employers surveys, labour market, education, government.

## 1 INTRODUCTION

In order to meet the expected rise in demand for better-skilled labour force, it is necessary to politically address the issue of skills formation throughout a person's entire life. At all levels of education and vocational training, it is crucial to maintain emphasis on formation of hard and soft skills that would remain valued in the labour market, both at present time and in the future.

The article presents the experience of Tajikistan – a developing country with growing economy. The issue of skills needs has been poorly researched in Tajikistan. Although there are a number of studies assessing the situation on the labour market (ETF, 2010 [1]; UNDP, 2010 [2]), they do not address the issues of skills needs assessment. In this context it is important to mention the study published by the World Bank in 2014 titled "The Skills Road: Skills for Employability in Tajikistan" [3], which revealed that lack of skills is retarding the improvement of labour market indicators in Tajikistan.

Currently, the Ministry of Labour, Migration and Employment of the Republic of Tajikistan, with the support of International labor organization (ILO) and a number of donor organizations (GIZ - German

Federal Enterprise for International Cooperation, ADB - Asian Development Bank, IDB - American Development Bank, ETF - European Training Foundation), is pursuing an active policy towards the development of IVET system and adult training. The emphasis is placed on the development of a competence-based approach to vocational education and training.

The purpose of the paper is to analyze the possibility of developing countries to implement and apply the skills approach in education, in labour market, and among employers, based on Tajikistan experience. Surveys data in Tajikistan 2015 -2016 together with a series of seminars by ILO experts provided the main context for the analysis.

Tajikistan is a developing country with high rate of economic growth - growing at an average annual rate of nearly 8 percent during the period, preceding the economic crisis [4]. However, despite the economic growth, there is a weak link between economic growth and employment opportunities.

The Tajikistan economy is based on agriculture and services, which yield the largest share of GDP and have the largest number of employees. During the last years there have been structural changes in the economy: the share of services has been growing mainly due to agriculture. The share of added value of the services sector has more than doubled since 1995, from 22 percent in 1995 to 48 percent in 2012. The share of agriculture and industry in added value has in turn decreased from approximately 40 percent each in 1995 to 26 percent each in 2012 [5].

However, the labour productivity in agriculture remains very low. The most productive work is typical for industry.

Tajikistan – is one of the few countries with a stable population growth, which is a significant advantage in today's world. In the period of 2007-2014, the working-age population of Tajikistan has increased by 18.3 %, while the number of employees has grown by only 8.1 %, i.e. the employment growth rate has lagged behind the labour force growth rate by almost 2.3 times [3]. So, a growing working-age population is not provided with work in the formal sector. This promotes the growth of youth unemployment. Young people can not find jobs, and either fall into the category of «discouraged workers», or tend to leave the country.

International migration for Tajikistan is a coping mechanism for workers who are unable to find a (good) job domestically. One-third of all prime-aged men are migrants [6]. In contrast to international migration, domestic migration rates are very low, which suggests that labour allocation within the country is not optimal. Domestic migration, or internal migration, plays a key role in fostering local agglomeration economies.

A lack of skills prevents improvement of the labour market indicators in Tajikistan. The country's economy has a great demand for skilled workers, and simultaneously there is considerable labour migration to Russia caused by absence of satisfactory workplaces in Tajikistan.

## **2 METHODOLOGY**

In line with global trend towards to Skill strategy and using skill approach in all developed countries, Tajikistan has also accepted the necessity to study and develop skill approach.

First specific study that was focused on the skills need assessment in three major economic sectors (manufacturing, construction and energy, gas and water supply) was conducted in 2015-2016 in Tajikistan. The study has been methodologically and financially supported by International Labour Organization and implemented in partnership with Ministry of Labour, Migration and Employment of Population and its subordinate structure, Agency of labour and employment, with the organizational support of the Research and Information Center "Sotsservis".

The aim of this study was to determine the real needs of employers for labour force and skills, and to develop measures, enabling the adjustment of services, offered by vocational educational institutions, to needs of employers.

The survey of employers was conducted among 700 enterprises and organizations, and covered only legally registered organizations. The survey covered only enterprises, established before January 1, 2015, and employing at least 5 persons. 100% of large enterprises, 53% of medium-sized enterprises and 9% of small enterprises were surveyed, regardless of their ownership and management form. Enterprises were considered large, if they employed over 200 people, medium-sized – from 31 to 200 people, and small – under 30 people. In total, 73 large, 228 medium and 399 small enterprises were surveyed [7].

The survey made it possible to identify a lot of important and useful information for further planning of socio-economic development of Tajikistan and related decision-making.

For example, analysis of the national industry growth rates and volumes, taking into account the forecasted data of industrial ministries and employers survey results, has revealed the list of priority sectors, for which specialists must be trained at IVET level and at short-term adult training courses. The following specific information was also received during the surveys: recruitment dynamic and the main recruitment-related challenges for employers; employers satisfaction with their staff; lack list of employees' hard skills by industries; lack list of employees' soft skills by regions; measures required for eliminating the lack of skills; employers involvement in employee training; needs for employees, and other [7].

### 3 RESULTS

Understanding the importance and necessity of carrying out employers surveys for identifying demanded skills, nevertheless, it is necessary to consider objective limitations existing in Tajikistan. They were revealed through survey results analysis and personal discussions with experts and employers. It became obvious that they are mainly related to specific features of social and economic development of the country. The limitations for carrying out employers surveys of demanded skills in Tajikistan are listed below.

- 1 The skills approach is not used in Tajikistan at all.

It means that "skills" are not formalized in any way neither in the educational system, nor in the labour market. Officials, employers, representatives of the education system do not know this term, do not understand its purpose and ways of use.

- 2 Many employers are reluctant to participate in skills surveys and provide reliable information for a variety of subjective and objective reasons.
- 3 Employers Associations, which are interested in the surveys, nowadays have too few members to influence other employers.
- 4 In Tajikistan neither professional, nor educational standards are being developed.

As a consequence, employers lack up-to-date qualification requirements necessary for a worker to perform a certain kind of professional work. Within the educational system the same occupation is trained using different educational programs, and even short-term courses.

In developed countries and in Russia professional standards are the basis for developing educational standards and educational programs. Such approach essentially contributes to solving the issue of matching skills of graduates and requirements of employers.

- 5 Employers may translate "false signals" to the educational system, i.e. now they cannot be considered as «key informant of the skill needs of the economy».

The reasons:

- 1) One of the reasons for open vacancies is that applicants are not satisfied with salaries and working conditions. Because vacancies remain open, there can be false signals from employers to the educational system about the lack of workers. Thus, open vacancies may indicate not only deficit of staff, but possibly also bad working conditions for concrete occupation despite availability of qualified personnel.
- 2) In Tajikistan there is a considerable share of manual and low-skilled labour. Hence, there is a danger that employers will continue to "order" low-skilled workers. E.g., taking into account immediate financial benefit an employer might prefer to "order" 10 workers «with shovels» instead of heavy machinery (which needs to be purchased)
- 3) Even large employers in Tajikistan do not have technological-organizational-product development strategies, certainly not medium and small firms. Without the company's development strategy, the employer does not have a vision for the future of the company. So, today employer cannot know skills that will be needed tomorrow. These vision is necessary to create an order for the education system.
- 6) Ministries do not develop sectoral development strategies. It deprives employers of understanding the direction, in which the branch will develop, which innovations / technological

upgrades / new markets / etc. are planned. Accordingly, there is no information regarding demand in new employees, their occupations and skills level.

- 7) There is no uniform terminological base to match requirements of employers with possibilities of the educational system (occupations at the labour market do not match educational programs). Foreign practice of overcoming such contradiction is the use of uniform (end-to-end) classifier of occupations / educational programs.
- 8) At Tajikistan enterprises there is no detailed accounting of workers by sex, age, professional groups, and educational level. As a result, it is impossible to analyze the current state of manpower in Tajikistan, and to have an objective basis for forecasting.

In developed and developing countries there exists national statistical reporting, according to which all specified data is collected from enterprises, which forces them to maintain the corresponding accounts.

Despite existing limitations on carrying out employers surveys on skills, it seems that they can be overcome through certain efforts of employers associations. One of the main advantages of Tajikistan can assist in this – the great willingness of the most active part of employers to improve the situation and contribute to social-economic development. The high density of population and industry on rather small area would be useful, as it facilitates communication.

So, advantage of Tajikistan is its relatively small size, the cohesion of the population, the power of authority of certain individuals, the ability of people to follow the leader. Hence, less efforts will be required to implement any decision.

However, introduction of skills approach, development of professional and educational standards, training of demanded specialists may all end up useless without appropriate upgrade of enterprises and workplaces – graduates may have modern skills, but they won't be able to apply them.

Based on the experience of developed and developing countries, and its application in Russia, which together with Tajikistan has for a long time been part of USSR and CIS, it is possible to propose the following solutions.

According to the best experience in the modern economy government plays the leading role and has the main function in market economy in creating conditions for business operation and development. So, government is responsible for "protection" of business against market imperfections by means of compensating actions from authorities. In other words, the state can and should create conditions for overcoming possible limitations imposed by external or internal environment. It is important to note, that no other actor of economic activity is able to perform this function.

When solving the issues of skills development strategy it is necessary to join efforts of the government and employers on the basis of shared responsibility (Table 1).

**Table 1.** Examples of sharing responsibility of the government and employers.

Issues to be solved	Government	Employers
Education and development of employees	Creating conditions and providing basic education for future workers	Securing further training and individual development of workers
Relevance of educational programs to employers' requirements and conditions of modern development	Responsibility for ensuring the timely inclusion of demanded skills into curricula	Responsibility for maintaining up-to-date list of demanded skills
Skills development	Integration of skills development into broader development strategies (e.g. industry sector development, local economic development, youth employment)	Development of skills lists demanded in the future (skills forecasting)
Developing labour market information system	Dissemination of information through the labor market information system	Provision of reliable and timely information

The list of examples can be continued. However, it is clear that such approach leads to a double benefit – both for the state and employers. It creates the necessary motivation for bilateral collaboration.

To enhance the final effect of interaction between the government and employers it is advisable to ensure the participation of authorities in addressing issues of skills development.

So, according to this approach employers unions may involve executive authorities to solution of aforementioned problems and also others.

What kind of issues could be solved jointly:

- 1 Building awareness among employers and their associations regarding the importance of surveys. In this case the key role may belong to a leader, for example, a policy-maker, whose authority will convince employers to participate in surveys and to provide correct information.
- 2 Design of industry development strategies. Representative of executive authority may explain the general state policy and define the key directions of development, as well as explain how the state sees the role of employers in development of industry.
- 3 As the employer is the «key informant of the skill needs of the economy», so it will be in constant need for employees with updated skills depending on changes in production technologies.

So, it will be profitable for employers to foster the implementation of Lifelong Learning approach (LLL) through the involvement of government.

Lifelong Learning is the ongoing, voluntary, and self-motivated pursuit of knowledge for either personal or professional reasons that takes place throughout life and in a range of situations. Such learning may be achieved by formal methods – education, trainings, tutorship, training courses, qualification improvement – and informal, i.e. by gaining new experience from regular activities.

- 4 Improvement of labour market information systems (LMIS), which would foster better matching of skills supply and employer demand.

Poor labour market information flows hinder efficient allocation of resources in a country. Improving the flow of labour market information in Tajikistan will be particularly helpful for youth and first-time job-seekers. A number of modernizing countries have successfully implemented labour market information systems. LMIS providers may be agencies, employment observatories, etc., which provide information on job availability, wages, career prospects and hiring expectations.

It is important to use information resources, such as web-sites containing up-to-date information about the labour market and the educational system. A rich array of data allows to monitor and disseminate information about the labour market. The data managed by a special provider include: (1) administrative data from public employment offices on unemployment, vacancies, and active labour market programs; (2) data from the national statistics office including labour force survey and household survey information, usually disaggregated by region; (3) data from special-topic surveys (usually “sociological”); (4) info in an attractive form about demanded occupations and educational institutions.

- 5 Implementation of mechanisms for anticipating skills demands (current and future) and disseminating the information to inform policy making and the planning of training
- 6 In case employers associations develop professional standards, authorities would be interested to use them for design of educational standards.

Historically, professional standard is considered as a kind of technical specification for the education system to provide professional training, because there the labour market has the highest discomfort. Naturally, professional standard should form the basis for independent evaluation of qualification of workers and for acknowledgement of qualification level.

- 7 In order to raise the prestige of blue-collar workers and the quality of their training, employers may initiate activity similar to the international movement WorldSkills International (WSI) within the country. After the first steps from the employers side, the government may also support participation of blue-collar workers in WorldSkills International.

- 8 As employers are willing to participate in improvement of educational process and programs (in various existing forms: development and evaluation of educational programs, providing internships, education based on contracts with employers) the government's goal is to create conditions for that.
- 9 Employers can draw government's attention to the fact that soft skills will be the key on the labour market of the next decade. This may encourage authorities to develop preschool and primary school education. Soft skills training should start from general education. Schooling plays an important role in ensuring that students acquire the skills and abilities that are valued by employers and that are useful for self-employment.

Thus, the main actors to solve the problems are government and employers unions. The government may target its efforts on intensifying the activity of sectoral ministries on assisting employers in creating industry development strategies, which would define short-, mid-, and long-term trends, affecting development of future skills and occupations; and also on overcoming the lack of knowledge in the field of skill approach, and popularization of skill approach among authorities, employers, and educational system.

## 4 CONCLUSION

Tajikistan is a developing country with high rates of economic growth, but with a rather low labour productivity. Currently, the strengths of the socio-economic development – the ongoing structural changes in the economy, the growing share of young people, etc. – are not fully utilized for overcoming the threats. Among the most significant threats are the large share of the informal sector in the economy, too low labour productivity in agriculture, and poor working conditions.

Solution of these problems requires, in the first place, complex approach and political will.

Improvement of the situation in Tajikistan according to the analysis results and provided recommendations will greatly facilitate the introduction of skills based strategy as a modern concept, which improves many areas of social and economic life.

In current conditions of Tajikistan an important mechanism for solution of current challenges is to unite efforts of the government and employers associations. By focusing efforts on those threats, overcoming of which brings mutual benefit, results can be achieved in a much shorter time. An alternative way would be for each side to try solving the problems alone.

Thus, in spite of the problems existing in Tajikistan, the country has significant resources and opportunities to change the situation.

It is necessary to emphasise that all provided recommendations are aligned with the National Development Strategy of Tajikistan till 2030 [8], where education and employment are among the main goals of sustainable development.

Provided recommendations are also relevant for other developing countries.

## REFERENCES

- [1] Kuddusov J. Labour Market Review – Tajikistan. Luxembourg: Publications Office of the European Union, 2010.
- [2] Human Development Report 2016. Tajikistan. UNDP.  
[http://hdr.undp.org/sites/all/themes/hdr\\_theme/country-notes/es/TJK.pdf](http://hdr.undp.org/sites/all/themes/hdr_theme/country-notes/es/TJK.pdf)
- [3] The Skills Road: Skills for Employability in Tajikistan. The World Bank Report # 91009, v1, 2014.
- [4] EREPORT.RU. World economy. Economy of Tajikistan  
<http://www.ereport.ru/stat.php?razdel=country&count=tajikistan&table=ggecia>
- [5] Ajwad M., Hut S. The Skills Road. Skills for Employability in Tajikistan” World Bank, Washington, DC, 2014.
- [6] Migration and Remittances Recent Developments and Outlook Migration and Development Brief 26 April 2016. International Bank for Reconstruction and Development / The World Bank, 2016.

- [7] Quddusov J., Qurbonov N. Skills needs assessment – on the example of three economic sectors in the pilot regions of Tajikistan, Dushanbe, 2015.
- [8] National Development Strategy of Tajikistan till 2030, Dushanbe 2016.