

TORINO PROCESS 2018– 2020 AZERBAIJAN

NATIONAL REPORT

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Azerbaijan - national Torino Process report (NRF)

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ACRONYMS

AZN	Azerbaijani manats (local currency)
CMA	Cabinet of Ministers of Azerbaijan
CVET	Continuing Vocational Education and Training
DVT	Dual Vocational Training
ETF	European Training Foundation
EU	European Union
EUD	European Union Delegation to Georgia
GDP	Gross Domestic Product
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
HDI	Human Development Index, developed by UNDP
ICT	Information and communication technologies
IDP	Internally Displaced Persons
ILO	International Labour Organization
IVET	Initial Vocational Education and Training
MoE	Ministry of Education
MoF	Ministry of Finance
MoLSPP	Ministry of Labour and Social Protection of Population
NGO	Non-Governmental Organization
NQF	National Qualification Framework
POCG	Professional Orientation and Career Guidance
PPP	Public Private Partnership
SME	Small and medium-sized enterprises
TRP	Torino Process
UNDP	United Nations Development Program
USAID	United States Agency for International Development
USD	United States Dollar
VET	Vocational education and training
WBL	Work-based learning

A. COUNTRY AND VET OVERVIEW

A.1 Country background

A.1.1 Introduction

Azerbaijan's national development strategy aims to reduce the country's dependence on oil, gas revenues, and strengthen its resilience to external shocks through investments in diversified human capital, physical infrastructure and stronger institutions. On the recently released Human Capital Index, Azerbaijan ranks 69th out of 157 countries.

Since the presidential election in April 2018, the Government of Azerbaijan has undergone significant changes. These include the nomination of a new prime minister and the appointment of several key ministers in charge of education, the Supreme Attestation Commission, tax reforms, agriculture, rural development, the environment, energy, etc. The new government has been tasked with continuing improvements in key sectors to recover economic growth. According to World Bank report, the notable increase in the 2019 budget allocations for education (up by 13 %) and health care (by 44.5 %) are essential in terms of improving human capital development¹.

Azerbaijan achieved the top ten reforming states and was named as a country that implemented a higher number of successful economic reforms, which resulted in significant improvement of the country's position in the Doing Business report. According to the "Doing Business 2019 report: Training and Reforms" prepared by the World Bank and the International Finance Corporation, the successfully implemented reforms allowed the country to achieve the 25th place among 190 countries.²

The population of the country increased by 83,372 people or by 0.8 % and reached about 10 million as of April 6, 2019. 52.8 % of the population is urban, 47.2 % is rural residents, 49.9 % is male, and 50.1 % is female. The number of people employed as of December 1, 2018, amounted to 1,553.6 thousand people, including 888.1 thousand in the public sector and 665.5 thousand in the non-public sector³.

GDP growth in 2018 was 1.4% amounted to 79.8 bln AZN. The volume of GDP per capita was 8,126.2 AZNs (4,780.1 USD). The inflation rate is 2.3% low. Foreign trade turnover in 2018 was 31,755.9 mln. USD, export 20290.9 mln USD and import – 11,465.0 mln. USD. A positive budget balance was created in the amount of 8,825.9 mln. USD.

According to the report of the State Statistics Committee in the structure of Azerbaijan's GDP, 44.2 % (almost 35.3 billion AZNs) was input from the industry. The other sectors contributed as follows: 7.96 % (6.35 billion AZNs) in construction, 5.2 % (4.2 billion AZNs) in rural, forestry and fisheries, 9.6 % of GDP (7.67 billion AZNs) produced in the services sector accounted for trade and repair of vehicles, 6.3 % (5.03 billion AZNs) for transport and warehousing, 2.2 % (1.79 billion AZNs) on tourist

¹ <https://www.worldbank.org/en/country/azerbaijan/overview>

² <https://azranking.az/en/article/dunya-bankinin-numayendesi-terefinden-doing-business-2019-training-for-reform-azerbaijan-movzusunda-teqdimati-kecirilib>

³ information provided by Ministry of Labour and Social Protection of Population

accommodation and catering, 1.6 % (1.24 billion AZNs) on information and communication services, 15 % (12 billion AZNs) on other services⁴.

A.2 Overview of vocational education and training

A.2.1 Overview of VET: set-up and regulatory framework

In Azerbaijan, formal vocational education is provided by public and private vocational education institutions, informal vocational education by state-owned enterprises and private companies. The State Employment Service conducts vocational trainings for unemployed and jobseekers in the training centres of the Ministry of Labour and Social Protection,

A VET institution obtains a license for its operations issued pursuant to the Law of the Republic of Azerbaijan "On licenses and permits". According to VET Law, being a priority area in the Republic of Azerbaijan as a pillar of continuous education system (life-long learning), vocational education aims at developing interests of individuals, society and the state, ensuring mastering of knowledge, skills and competencies by learners and serves to foster continuous development of their qualifications and necessary competencies.

Formal vocational education is described as a form of education, which is completed and ends with the issuance of the state education certificate. Informal vocational education is a form of obtaining knowledge and skills through self-education, training, etc. The key definitions of vocational education are indicated in Law on Education and Law on Vocational Education.

Types of formal VET providers are as follows:

1. Vocational centre
2. Vocational school
3. Vocational lyceum

SOCAR, Azerishiq, Azersu, Bakumetro, Sumgayit Chemical Park and other state-owned enterprises provide informal vocation education mainly for their employees. The graduates upon completion of a course receive a certificate by the provider company. State Employment Service established regional vocational training centres in Baku city in 2007, in Goychay region in 2008 and in Nakhchivan city in 2009 and provide training up to 6-months for jobseekers who are registered in Employment services.

Graduates of the formal vocational education institutions are provided with the following types of diplomas, with indication of the degree of qualification that corresponding to each level of vocational education:

1. Diploma
2. Diploma with distinction (with excellence)
3. Certificate upon completion of short-term courses (less than 6 months)

⁴ information provided by the State Statistics Committee of Azerbaijan Republic

Vocational education levels:

1. Initial vocational education/EQF level 2,3 /ISCED 2 - Diploma, Certificate
2. Technical Vocational education/EQF level 3, 4/ ISCED 2,3 - Diploma, Certificate
3. Higher technical vocational education /EQF level 5/ ISCED 2, 3, 4 – Diploma of sub-bachelor degree, Certificate

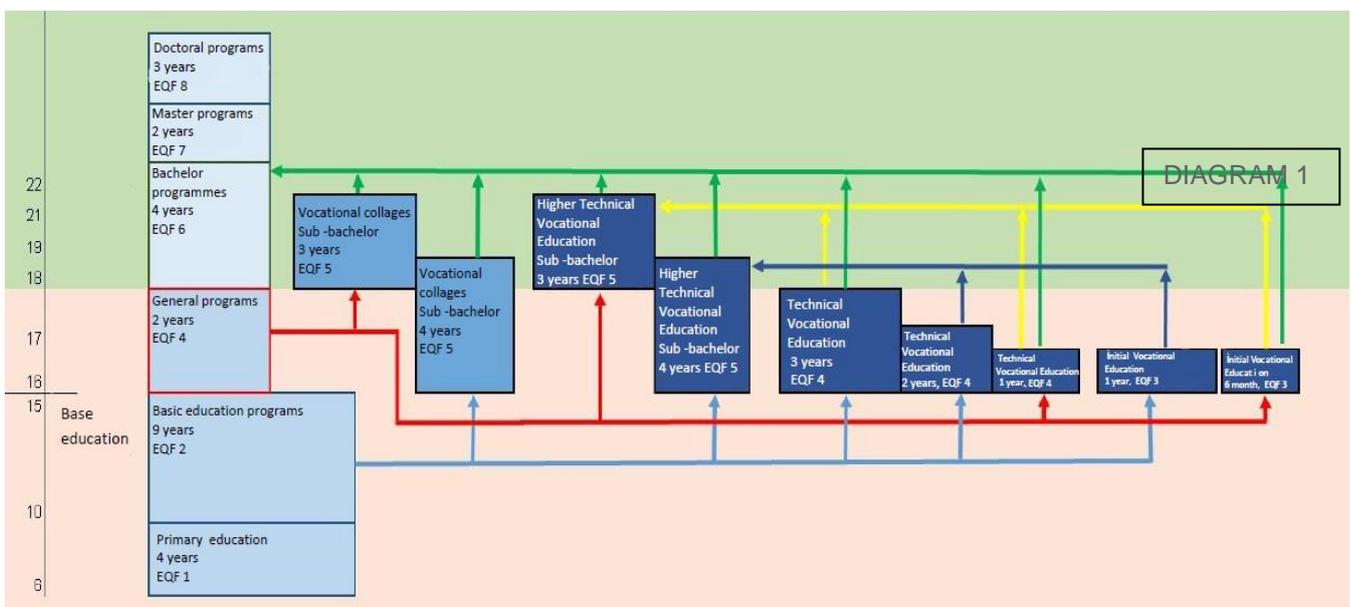
Centralised admission process to vocational training institutions for obtaining qualification is carried out by the Ministry of Education (hereupon MoE) according to “Rules for admission to vocational training institutions” with the Decree # 102 of Cabinet of Ministers of the Republic of Azerbaijan dated March 15, 2019.

Admission process of foreigners and stateless persons to vocational training institutions under management of the Ministry of Education for obtaining qualification, is implementing according to “Rules of Education of Citizens of the Republic of Azerbaijan in Foreign Countries, Foreigners and Stateless Persons in the Republic of Azerbaijan” with the Decree # 125 of Cabinet of Ministers of the Republic of Azerbaijan dated May 1, 2015.

Admission process of people with disabilities for obtaining qualification is implemented in accordance with “Rules for admission of persons with disabilities to vocational training institutions” with the Decree # 72 of Cabinet of Ministers of the Republic of Azerbaijan dated April 29, 2002.

Duration of the education process at vocational educational institutions is indicated in the Law on vocational education and described in diagram 1. The duration of study in Vocational education is also indicated in “Transition Provision from one level of vocational education to the next level” approved by decree of Cabinet of Ministers of Azerbaijan Republic dated April 16, 2019.

National Qualifications Framework for lifelong learning in the Republic of Azerbaijan (hereupon



AzNQF) has been developed in conjunction with criteria of the Framework for Qualifications of the European Higher Education Area and the European Qualifications Framework for lifelong learning

(EQF) and adopted with the Decree of Cabinet of Ministers dated July 18, 2018. AzNQF levels 2 to 5 is taught in VET institutions.

The State Agency for Vocational Education under the MoE of the Republic of Azerbaijan (SAVE) implements and coordinates state policy in the area of vocational education in the Republic of Azerbaijan and organizes the operation of vocational education institutions under the MoE of the Republic of Azerbaijan.

The State Agency on Vocational Education under the Ministry of Education was established by the Presidential Decree in April 2016. The agency has taken VET responsibilities as well as the development and implementation of the VET system in Azerbaijan. The agency prepares and implements programmes within the framework of the joint public-private partnership established with employers to improve the efficiency of VET system. The agency is also responsible for ensuring the development and implementation of competence-based curricula (programmes), organizing and coordinating activities of the first subordinate vocational education institutions to ensure the training of qualified personnel and increasing their competitiveness, organising the development of skills and career-oriented vocational training and training available to continuously adapt the primary vocational education to the needs of the labour market, taking measurements to develop the material and technical base of primary vocational education institutions, providing the development and implementation of programs within the framework of state-business cooperation with employers in order to increase the efficiency of vocational training in primary vocational education institutions, developing and ensuring the application of methods for recognition of competencies acquired through informal and informal methods, organizing coordination of international programs and projects in the field of primary vocational education.

State Employment Service organizes vocational training courses for jobseekers and unemployed people, as well as people who lost their ability to work on the previous job. Short-term vocational training courses are designed to meet the needs of jobseekers and unemployed people in the labour market and help them to acquire new qualifications for current profession or acquire skills on new profession.

Baku State Vocational Training Centre on Industry and Innovation that was established by the decision of the Cabinet of Ministers of the Azerbaijan Republic dated on October 11, 2016 in accordance with the financial support of the Korea Economic Development and Cooperation Fund started its activities on September 2019. This centre is a vocational education institution based on international educational standards providing highly qualified and competitive specialists meeting requirements of the labour market and building an effective vocational education model. Qualified trainers involved for the new centre have been trained in Korea for three months. The new Vocational Training Centre is equipped with the most up-to-date material and technical base and provides trainings for more than 1,000 students in eight occupations - ICT, automotive, mechanics, industrial installations, electronics, electrical engineering, automation and construction. In order to achieve the stated objectives, the centre purposefully cooperates with industry entities. The concept of flexible training programs and e-vocational training comprising 60-70% of practice have been developed with the participation of Korean experts. All the necessary conditions are provided for students to study in eight specialties for 1 and 3 years. Short-term professional development courses are also expected to be organized in terms of increasing employment.

There is also functioning a private vocation education-training centre Profi-Resurs that was established in 2014. The main objective of the centre is to prepare qualified personnel for the job

seekers who are looking for a decent place in the labour market and have no professional skills and need good training and practitioners⁵. “Profi-Resurs” Vocational Training Centre offering one year, two years and short-term vocational courses in different specialties.

Baku Tourism Vocational School operates under the Tourism and Management University is also formal vocational education provider. Azerbaijan Airlines (AZAL) CJSC, Azerbaijan Caspian Shipping Company CJSC, “Azerisq” JSC, “Baku Metro” CJSC large state companies have established training and education centres which are mainly functioning as employees training centre.

Training and Certification Department of State Oil Company of Azerbaijan Republic (SOCAR) has been functioning with the purpose of training highly qualified specialists for oil and other spheres of industries. The department has been carrying out training for new worker personnel at vocational training institutions on individual professions, retraining of SOCAR’s technical workers to the required level, providing instruction to those admitted to enterprises and organizations of the company on labour protection and safety rules, attestation of welders working at enterprises, organizations, and certification thereof to international standards⁶.

The main legislation on Vocational education:

1. Education Law of the Republic of Azerbaijan
2. Vocational Education Law of the Republic of Azerbaijan
3. Labour Code of the Republic of Azerbaijan Republic
4. National Strategy for the development of education in the Republic of Azerbaijan
5. Strategic Roadmap for VET in Azerbaijan Republic
6. The Employment Strategy of the Republic of Azerbaijan for 2019-2030
7. Procedure for obtaining of relevant qualification to persons trained in content, organization and any aspect of continuing education

A.2.2 Institutional and governance arrangements

Vocational Education Law indicates three types of (state, municipal and private) vocational education institutions function in the Republic of Azerbaijan.

Vocational Institutions are governed by their statute developed based on Exemplary Statute of Vocational Education Established by State and Municipalities adopted with the Decree of Cabinet of Ministers dated February 26, 2019. Based on reform in the system vocational education institutions formed as Public Legal Entity (PLE).

Public VET institutions under the subordination of the executive body is established with the approval of the Cabinet of Ministers of the Republic of Azerbaijan. Municipal vocational education institutions are established by the municipality. Vocational education schools under state owned legal entities is established by the MoE with the approval of Cabinet of Ministers. Private vocational education

⁵ http://pr.edu.az/en/page/about_us

⁶ <http://www.socar.az/socar/en/company/organization/education-training-and-certification-department>

institution, operating in accordance with VET Law, shall have equal rights with other types of vocational education institutions, and issue the state document on vocational education in accordance with VET Law.

The annual admission plan to state vocational education institutions is formalized by local businesses, regional stakeholders, Ministry of Labour and Social Protection of Population, Agriculture, Sports and Youth Affairs, Economy, Finance and the State Tourism Agency and the plan is approved by the Cabinet of Ministers before each academic year starts.

Managers to vocational education institutions is appointed by founder organizations. SAVE conducts the monitoring of vocational education institutions under the management of MoE in accordance with "Regulations on monitoring of vocational education institutions" F-1/1 Order of MoE dated 02 March 2018. During the monitoring process Agency's representatives assesses infrastructure, logistics, teaching quality, attendance and other issues.

A.2.3 Basic statistics on VET

Number of VET institutions: 76

1. Vocational education centres: 24
2. Vocational lyceums: 16
3. Vocational schools: 23
4. Vocational training centre: 1
5. Vocational schools located in prisons: 9
6. Private vocational school: 2
7. Continuing vocational training centre: 1

Statistics about admission to VET schools based on gender:

Currently the total number of students enrolled in 2018-2019 academic year in VET is 13,547 (9,804 male and 3,743 female).

Total number of people attended vocational training courses organized by State Employment Service in 2018: 2,559

Number of teachers and instructors in VET sector

1. Teacher of general education subjects: 1167
2. Teacher of occupational subjects: 634
3. Vocation training masters: 1266

Funding

At present, the VET system in Azerbaijan is mainly funded by the state budget (96 %). Vocational education institutions generate extra-budgetary revenues through paid education services (paid groups).

Public expenditure on vocational education: 29.2 million AZN. Per capita 1242 AZN.

As a share of Gross Domestic Product: 0.04%

A.2.4 Vision for VET and major reform undertakings

National Strategy for the Development of Education in the Republic of Azerbaijan is adopted with the Presidential Decree dated October 24, 2013 and Action plan for implementation of the strategy adopted January 19, 2015. The document and action plan include all pillars of education and emphasizes reform priorities in Vocational Education.

Main goals related to VET indicated in the strategy:

- Develop competency based modular structured curricula
- Develop Teacher training system
- Develop Lifelong learning system

The *Strategic Roadmap for developing Vocational Education in Azerbaijan* is adopted with the Presidential Decree dated December 6, 2016. The document includes a VET sector strategy and action plan for 2016-2020, long-term vision for 2025 and target vision for the period beyond 2025 and sets the following strategic goals to be attained by 2020:

Main targets by 2020:

- Validation of prior learning.
- Adult education framework
- Result oriented VET financing
- Updated classification of occupations
- Labour market monitoring system
- Vet monitoring system

The Employment Strategy of the Republic of Azerbaijan for 2019-2030 is adopted with the Presidential Decree dated October 30, 2018. The strategy has six main directions, which include development of skills and competencies of workforce and upgrading the labour standards.

Main targets related to vocational education in the strategy:

- %age of young people not in education, employment or training: 15%
- Employment of people registered in State Employment Services: 70%
- Providing vocational training to unemployed: 20%
- Regional vocational training centres: 10
- Developing occupational standards for all the occupations in the labour market
- Formation of validation of non-formal and informal learning

A.3 The context of VET

A.3.1 Socioeconomic context

At present, the Republic of Azerbaijan is one of the few countries in the Europe, which have demographically young age structure. At the same time, the proportion of the population aged 0-14 in 2018 decreased from 28.4% to 22.5% in 2018, and increased in the 15-64 age group from 65.8% to 70.9%. The young people aged 14-29 years constitutes 25.5 % of the country's population. Compared to 2003, the proportion of people aged 65 years and over in 2018 has risen from 6.0 to 6.6 %.

Growth of Gross Domestic Product in 2018 alone amounted to 1.4%, including non-oil sector - 1.8%, agriculture - 4.6%, more than 118,000 permanent jobs were created, 17.2 billion AZN of economy was invested, the monetary income of the population increased by 9.2 %.

Diversification of economy, development of non-oil sector has been set as a priority target in front of the government. With this regard, development of industry has been particularly emphasized and "State program for development of industry for 2015-2020" was adopted. Establishment of industrial parks and industrial neighbourhoods that meet modern requirements and competitive production infrastructure, ensuring balanced development of the country's economy, introduction of innovative management and modern technologies, creation of new production sites and reducing unemployment are among the main priorities of the country's industrialization policy. Thus, the major target of industrial neighbourhoods aims at developing and supporting small and medium enterprises in the regions.

The systematic approach to economic reforms in Azerbaijan was approved by the Decree of the president and introduced in "Primary Directions of Strategic Roadmaps for National Economy and Main Sectors of Economy". The roadmaps include the developmental prospects of the national economy by focusing on eleven major sectors of the economy: manufacture and processing of agricultural products; manufacture of consumer goods by small and medium enterprises (SMEs), heavy industry and machinery, specialized tourism industry, logistics and trade, affordable housing, financial services, communication and information technologies, utilities (electricity and thermal energy, water and gas supply), oil and gas.

Along with non-traditional industries, the country pays a great attention to the development of traditional industries, such as carpet weaving and silk. At present, the State Program for the Protection and Development of Carpet Art in the Republic of Azerbaijan for 2018-2022 and the State Program for the Development of cocoon and silk in the Republic of Azerbaijan for 2018-2025 are being implemented.

A.3.2 Migration and refugee flows

At the end of the 80s of the last centuries, more than 250,000 ethnic Azerbaijanis were deported from the Republic of Armenia on the eve of the collapse of the former Soviet Union. Azerbaijan was faced with migration problems due to the political and economic crisis in the early 1990s. The occupation of 20% of the territory by the Republic of Armenia, and as a result existence of about one million refugees and internally displaced persons deeply impacted economy. Vocational education has been impacted mainly by the refugees and IDPs since part of them were settled in the dormitories and facilities of VET schools. By this day, there are 7000 people, 2000 refugees and internally displaced families live in 31 vocational education institutions all around Azerbaijan.

At the same time, due to the transition to new social and economic relations, the migration of citizens of Azerbaijan abroad was also of mass character as the tension in the labour market increased. As a result of the socio-economic development and increasing the living standards of the population, the mass migration has been slowdown but so called “brain drain”, the migration of highly trained or qualified people to other countries may affect the labour market and bring further challenges in coming years. In 2018, more than 44,000 foreigners were allowed to live in the territory of the Republic of Azerbaijan. More than 26,000 of them were male and 18,000 were women. The vast majority of foreigners who live in the country are individuals between 19-35 (43%) and 36-60 (37%). There are 84 people in the Republic of Azerbaijan who came from third countries and obtained refugee status together with their family members. 21 people with the status of refugees are 0-18 years old, 17 are 19-35 years old, 40 are 36-60 years old and 6 persons are older than 61 years old⁷.

A.3.3 Education sector context

Currently, there are more than 23,522 students enrolled in all programs at the upper secondary education level. 23,000 people enrolled in vocational education institutions, 52,000 people enrolled in vocational collages and 165,000 students enrolled in general education programs. Together VET institutions and collages represent 31% of all the programs of secondary education level; 9.5% of all students enrolled in programs in VET institutions.

Primary education in Azerbaijan is compulsory between ages 6 and 15, and begins with 4 years of primary school through to age 10.

The higher education system in the Azerbaijan Republic consists of the following types of state or private institutions: universities, academies, institutes, colleges and conservatoires. One of the most important reforms is the transition to a multi-level system of higher professional education in compliance with the Law on Education. Institutions have the right to choose their approach to the multi-level education of specialists, determine the contents of this education, and draw up academic plans for these disciplines. The only restrictions are those imposed by the requirements of state educational standards to maintain a minimum of knowledge. The institutions' right to autonomy is guaranteed by the Law on Education. They have acquired independence in financial and management matters. They can therefore obtain their own financial resources.

University level studies:

University level first stage - Bachelor:

This stage lasts for four years and leads to the Bachelor's Degree or Bakalavr. During this period, students may study the Humanities and Natural Sciences as well as the basis of the chosen speciality. The Diploma of Specialist, which used to be awarded after five years is being phased out.

University level second stage -Master:

During the second stage, which lasts two years and leads to the Master's Degree, students acquire in-depth knowledge and professional training in the Humanities and in Natural Sciences.

University level third stage: PhD

⁷ Information provided by State Migration Service of the Republic of Azerbaijan

The best graduates of the Master stage are admitted to the doctoral stage. After successful completion of their studies (three years), they obtain the Doctoral degree (PhD).

The VET Law introduced innovative changes to vocational education system in Azerbaijan. Before the law was adopted, the vocational education was one pillar and level of the education. The Law recognized the VET as a pillar of education and introduced levels of VET (see Diagram 1).

A.3.4 Lifelong learning context

Lifelong learning has been priority after National Strategy for the Development of Education in the Republic of Azerbaijan where it is indicated that the education must provide opportunity for learners to adopt to technological innovations, find best position on labour market, join the lifelong learning process, choose the healthy lifestyle and be sensitive towards the environment. With this regard, the education infrastructure must facilitate lifelong learning process based on innovation and latest technological trends.

AzNQF as a tool for systematizing national qualifications has been developed in conjunction with criteria of the Framework for Qualifications of the European Higher Education Area and the European Qualifications Framework for lifelong learning (EQF).

Key competencies in lifelong education are a multifunctional system that combines the characteristics, knowledge, skills, values, approaches, ideas and characteristics that are necessary for each individual to develop, integrate and employ. These competences should be acquired at the end of compulsory education or training within all disciplines taught and should play a central role in future education as an integral part of lifelong learning. Generally speaking, basic competences are the most important competences that can be gained as a result of graduating from a graduate program. Basic competencies can be transferred from one training context to another.

Qualifications Framework for Lifelong Learning of the Republic of Azerbaijan (hereinafter referred to as the AzQF) is a tool for systematizing national qualifications, developed for learners, education providers and employers and serves to facilitate the comparability between national and international qualifications. The AzQF is conceptually developed in compliance with the criteria of the Qualifications Framework of the European Higher Education Area (QF-EHEA) and the European Qualifications Framework for Lifelong Learning (EQF).

The development of AzQF is based on the following principles:

Qualifications included in the AzQF are defined in line with the education stages and levels described in the Law on Education of the Republic of Azerbaijan;

Qualifications are described in terms of minimum learning outcomes (LOs) required from learners;

Qualifications are developed in accordance with the requirements of labour market and occupational standards;

All qualifications are described in terms of knowledge, skills and autonomy/responsibility, and referenced to the AzQF levels;

All qualifications are quality assured and quality assurance encompasses all relevant processes including description of expected LOs, assessment and validation of an individual's learning achievement;

Quality assurance of education in education institutions (bodies) awarding qualifications is regulated by the “Law on Education” of the Republic of Azerbaijan and other relevant legislative acts. The quality assurance of education and scientific research by the Higher Attestation Commission under the President of the Republic of Azerbaijan, which awards qualifications of doctor of philosophy and doctor of science, is regulated by the “Statute on the rules on awarding scientific degrees and titles” approved by the decree No. 857 dated February 21, 2003 of the President of the Republic of Azerbaijan.

Furthermore, "Vocational Education Law," and the "Strategic Road Map for the Development of VET in the Republic of Azerbaijan" set priority direction to provide a relevant legislative framework for organization of adult education and further training courses in vocational education institutions.

A.3.5 International cooperation context: partnership and donor support

Various donor organizations support the government for implementing reforms in the field of VET. Most of the projects are technical assistance projects and do not support infrastructure development. The most active donors in the VET sector in Azerbaijan have been the following:

- European Union (EU)
- European Training Foundation
- German Corporation for International Cooperation (GIZ)
- British Council
- Korean Economic and Development Fund
- Chinese government

At present, seven international projects are being implemented in the field of vocational education:

1. “Support to the Establishment of Regional Industrial VET Competence Centre in Ganja” project implementing by UNDP with financial support from EU. – Budget 1,600,000 Euro
2. “Establishment of Regional VET Centre of Excellence in the Lankaran Economic Region” project implemented by UNDP with financial support from EU – Budget 1,444,000 Euro
3. “Establishing dual-like VET pilots in agriculture and tourism in Gabala, Ismayilli and Gakh districts” project implemented by German Corporation for International Cooperation (GIZ) with financial support from EU - Budget 2,200,000 Euro
4. EU funded “Modernization of Barda Vocational Lyceum (BVET)” project, implemented by Local Governance Assistance Public Union Budget 1,553,668 Euro
5. “EU support to VET in Azerbaijan” project, implemented by NIRAS with financial support from EU – Budget 3,130,000 Euro
6. The project implemented under the cooperation agreement between the British Council and the MoE in the fields of agriculture and tourism – Budget 225,000 USD
7. Korea Eximbank supports establishment of a Vocational Training Centre for industry occupations: construction of a new workshop and dormitory; equipment supply; development of curricula and textbooks for eight occupations; training of the teachers is also part of the project.

B. ECONOMIC AND LABOUR MARKET ENVIRONMENTS

Identification of issues

B.1 VET, economy and the labour markets

B.1.1 Labour market situation

In Azerbaijan, only 33% of the economically active population has some formal qualification. According to EU report for business climate in Azerbaijan for 2019, it is not only the lack of jobs in the creation of unemployment, but also the labour force that does not have necessary skills for globalized labour market. Due to gap between the labour market and the education system, in many cases the number of employees in the labour market, which is not qualified for the profession/job/occupation, is very high.

In 2017, 2,446.1 thousand persons or 50.7% of the total number of employed populations were engaged in production fields (agriculture and fishing, industry, construction) and number of persons employed in the field of service was 2376.0 thousand persons and that made 49.3%. The percent of young people not in education, employment or training in 2017 amounted to 23% (NEETs). Majority of employees was aggregated in large and medium enterprises.

Number of persons registered in the employment service was 38.5 thousand for the beginning of January 2018. During last years, the share of woman among unemployed persons decreased to 36.3% in 2017 relatively to 51.6% in 2005.

During 2005-2017 years, average monthly nominal wages and salaries of employees being increased for 4 times, it made 528,5 AZN (328 USD). (Source: <https://www.azernews.az/nation/148307.html>.) 21.5 % of employed people are in education, 18.5 % are in trade; 13.5% in industry, 8.5% in healthcare and social services, 7.2% in construction, 7.0% in public administration and defence; 4.6% in transport and storage, 3.4% in professional, scientific and technical activities, 3.2% in agriculture, forestry and fishing, 1.6% in financial and insurance activities, 11.0% in economy, in other areas and sectors.

According to preliminary data for January 1, 2019, the number of economically active population was 5133.1 thousand people, of which 4879.3 thousand were employed. The labour force participation rate also varies across urban and rural areas. The unemployment and inactivity rate are usually higher in urban areas. In rural areas, in contrast, due to subsistence agriculture labour force participation is high.

The labour market situation is further complicated by the presence of a large number of IDPs. Despite all efforts, most of the IDPs are still struggling to get a stable and sustainable income. In rural areas, IDPs are employed in agricultural enterprises or involved in subsistence agriculture. However, the absence of investments or loans does not allow IDPs to produce enough products for sale. Thus, all agricultural production is for subsistence. Many IDPs in rural areas still depend on governmental assistance or remittances from relatives abroad. In contrast, IDPs in urban areas are involved in informal work where they do not have official employment status. This includes many sales persons, construction workers, cleaners and others.

In order to prevent unofficial employment in the country, Labour Relations Regulation and Coordination Commission established under the Presidential Decree N. 2760 “On additional measures to improve the regulation of labour relations in the Republic of Azerbaijan” dated 17 March 2017 and following the Presidential Decree N 3287 dated October 9, 2017 the “Action Plan on the Prevention of non-formal Employment in the Republic of Azerbaijan” was approved.

B.1.2 Specific challenges and opportunities: skill mismatch

Employers claim that it is difficult to find workers with required skills. The shortage is particularly pronounced in the case of modern, innovative firms, which tend to require more advanced skills. Employers seek not only technical, job-specific skills but also cognitive skills (such as literacy, numeracy and problem solving) and adequate socio-behavioural, soft skills (such as communication, teamwork, leadership and ability to work independently) (EU Business Climate Report 2019, Azerbaijan). The development of these skills among students represents the main challenge for the education system in Azerbaijan and is critical to address the skills gap.

There is not a labour market information system to help labour market actors (education and training institutions, students, jobseekers, employers and public employment services) to make informed choices. Furthermore, making the education system more responsive to labour market requires strengthening systematic partnership between education institutions and employers.

B.1.3 Specific challenges and opportunities: migration

Currently, the number of able-bodied population in the country is 70% of the total population. In such a situation, the protection of the domestic labour market and the employment of the population have become one of the priorities. Although there are sufficient human resources in the country, there is a big demand for highly qualified foreign specialists.

Labour migration is regulated in the country based on labour migration quota. Issuing work permits, as well as giving special consent to the employment of foreigners is subject to unavailability of local skilled workforce or training and retraining opportunities. Immigration of foreigners is largely driven by labour migration and student mobility. Asylum seeker has a minor proportion of immigrants.

A growing number of (short-term) migrants come to Azerbaijan – 48,500 temporary residence permits were issued in 2016 and 54,000 in 2015, mostly for citizens of Turkey, the Russian Federation and Georgia. Permanent residence permits may only be issued after at least two years of residence. More than 3,200 of these permits were issued in 2016. In general, Europe and the EU-28 are increasingly becoming attractive destinations for migrants from Azerbaijan – at least 42,000 Azerbaijanis currently live in the EU, although the Russian Federation remains both the main country of destination and origin (of immigrants and returning migrants). Based on data compiled for this report, total net emigration from Azerbaijan is still negative. Among the post-Soviet countries, Azerbaijan has had one of the highest emigration rates – but with a decreasing trend since the 1990s.

According to migration statistics published by the State Statistical Committee, levels of immigration to Azerbaijan have been decreasing in recent years. However, due to a similar trend in emigration, the net migration balance has turned positive from 2008 onwards. During 2016, 3,233 immigrants entered the country for permanent residence, based on data from the State Migration Service and the Ministry of Internal Affairs. In the same year, 1,711 emigrants left the country permanently (AZSTAT, 2017c).

As it was noted above, immigration flows to Azerbaijan appear to be at a low level compared to other European countries and have not exceeded 5,000 persons per year since 1998 (AZSTAT, 2016 b). However, available immigration statistics do not include citizens of Azerbaijan (AZSTAT, 2016c), for example, return migrants, and are thus not directly comparable to international migration statistics. Until 2012, the majority of immigrants came from Commonwealth of Independent States (CIS) countries, most notably the Russian Federation. In 2013, there is a time-series break due to a changed definition – immigration statistics are based on statistics of permanent residence permits (by citizenship) since that year. In other words, data before 2013 are not directly comparable to data afterwards. The new data since 2013 show larger numbers of immigrants from Turkey, Iran and other foreign countries. In 2016, the largest group of immigrants originated from Georgia (1,134), followed by the Russian Federation (910), Turkey (214) and Iran (145) recently also rank among the main sending countries. Immigration for permanent residence is therefore clearly a regional phenomenon, mostly related to neighbouring countries.

When this is compared to data compiled by EUROSTAT, larger inflows are visible. Data from sending countries (countries which record the next residence of emigrants) from 2016 showed around 15,000 persons leaving for Azerbaijan, primarily from the Russian Federation (around 13,700) and Germany (around 1,100). UN estimates put the number of emigrants from Azerbaijan in the EU-28 in 2015 at more than 42,000. The opposite trend can be observed for the (12 non-EU) post-Soviet countries, but total estimates are still above one million emigrants. Migrants in the Russian Federation worked in wholesale, retail, construction, the processing industry and transport, most of them irregularly. At the end of 2016, more than 26,000 Azerbaijani citizens held valid residence permits in one of the 28 EU Member States⁸. Most of these permits were held by Azerbaijani citizens in Germany (11,463), France (3,297), the UK (1,941), the Netherlands (1,935), and Sweden (1,621). In total, a quarter of these permits were issued for family reasons (26%), one out of seven permits were issued for educational purposes (13%), but only 9% for work reasons. Residence permits due to refugee status or subsidiary protection accounted for 18% of all permits. The remaining 34% were permits issued for other reasons. The UK, in particular, attracts students – 56% of all residence permits, which were issued for educational purposes – but also Italy, where 47% of residence permits were issued for education. Family reasons were most prevalent in Sweden, where nearly half (48%) of all residence permits fell into this category. Work reasons were particularly important for Azerbaijani citizens in Poland (43%). International protection (refugee status and subsidiary protection) was the most common category among residence permit holders in France, accounting for a combined 65%.

In Azerbaijan, employment of refugees not holding work permits is allowed under the law. However, in practice, they have limited access to the labour market, as documents issued by the State Migration Service are not in line with requirements of the e-register operated by the Ministry of Labour and Social Protection of the Population. Under these circumstances, employers are unable to sign employment contracts with holders of such documents. Persons who were recognized as refugees by UNHCR have no access to the official labour market: they need to obtain a work permit under the general procedure.

Bearing in mind that only a small percentage age of the refugees in Azerbaijan possess high-level qualifications, which in addition need to be supported by qualification certifying documents, the possibility of obtaining a work permit is rather limited. There are no special legal provisions concerning

⁸ Baseline Study on Migration in Azerbaijan Study developed within the framework of the EU funded Support to the Implementation of the Mobility Partnership with Azerbaijan (MOBILAZE) project.

starting business by refugees. Though national Entrepreneurship Law does not include measures targeted specifically at refugees as a group, its provisions provide them indirectly with equal rights as local citizens and persons residing directly in the country (Constitution of Azerbaijan, Tax Code, Law of Business Activity).

B.1.4 Specific challenges and opportunities: digital transformation

Digital transformation is an integral part of the country's economic policy. At present, the level of awareness of business entities in digital technology is low. In many cases, entrepreneurs do not have any knowledge of using appropriate information technology tools and solutions. In addition, the mechanisms that can transfer these technologies to entrepreneurs are not well developed, yet. A number of important steps have been taken related to digital transformation.

The Decree of the President of the Republic of Azerbaijan "On Electronic Government Development and Transition to Digital Government" has been adopted and an "Action Plan for the Transition to Digital Government" have been prepared to provide citizens with transparent, operational and resource-saving fully e-services, to make analysis of state information resources and use the results for formation of state information resources and systems for public and private sector, to provide management and the incorporation of integrated approaches and standards in order to accelerate the transition process of the digital government preparing⁹. In 2017, over 23 million people made visits to the electronic services available on the portal Electronic Government, which is operated by Data Processing Centre (DPC) of the Ministry of Transport, Communications and High Technologies.

In addition, the main priorities for digital transformation have been identified in the "Strategic road map for the development of telecommunications and information technologies". For example, expansion of non-cash transactions, wider usage of high technologies in business activities, expansion of technology-based operations, stimulation of business entities to digital environment, etc.¹⁰

One of the main activities of the Innovations Agency, that was established by the Ministry of Transport, Communication and High Technologies under the Presidential Decree of 325 in 2018, is the acquisition and transfer of modern technologies and technological solutions to entrepreneurs¹¹. The new version of the Open Government Data Portal¹² developed by Data Processing Centre of the Ministry of Transport, Communications and High Technologies was presented on November 21, 2017.

Description of policies

B.1.5 Strategic policy responses involving education and VET

From 2019-2020 academic year MoE is planning to introduce initial vocational education programs in general secondary education school. The project is initially set to be piloted in 50 schools. MoE also has also introduced "digital skills" pilot program at the secondary education school which aimed at introduction to coding and programming languages as a part of curricula. VET curricula have also introduced "Information technologies" module as a part of curricula for all the occupations.

⁹ <http://www.e-qanun.az/framework/38229>

¹⁰ <http://www.e-qanun.az/framework/34254>

¹¹ <https://president.az/articles/30601>

¹² www.data.gov.az

In 2017, the number of economically active population being increased for 693,7 thousand persons made 5073,8 thousand persons compared to 2005, of which 4822,1 thousand persons are engaged in the fields of economic activity, 251,7 thousand persons are unemployed. The realization of reforms in the economy, especially the privatization of enterprises and organizations in the state property were the reasons for significant changes in distribution of employment by public and non-public sectors. So, in 2005 if the share of persons employed in the public sector made 30,3% of a total number of persons engaged in economy, that in 2017 this indicator was decreased up to 24,0% and the number of persons employed in the non-public sector was increased for 1,3 times during this period. As of December 1, 2018, the number of hired workers in the country's economy increased by 2.1 % compared to the same period last year and amounted to 1,553.6 thousand people.

It should be noted that from March 1, 2019, the minimum salary in Azerbaijan, was increased by 38.5 % (from 130 to 180 AZN) and 250 AZN from September 2019, allocating about 335 million AZNs (\$197 million) from the state budget. In subsequent years, this figure will be increased to 400 million AZNs (\$235 million)¹³.

In order to address the gap between education and employment, the development of the labour market information system is foreseen which involves collecting, publishing and analysing information on the supply and demand for occupations and skills that help students and job seekers to choose fields of study and invest in skills to enhance their employment and wage prospects.

MoLSPP coordinated the development of 289 occupational and 63 qualification standards for different sectors of the economy in order to adjust the quality of the workforce to the labour market and the ever-growing economy for usage of employers. The experience of leading countries in the field of professional standards has been studied with the involvement of experts from the EU with a goal to create a framework for the establishment and expansion of the legal framework for occupational standard. Taking into account opinions and suggestions of the relevant authorities, the "Rules for Preparation, Re-Preparation, and Registration of Occupational Standards" and the Decision of the Cabinet of Ministers of the Republic of Azerbaijan "On the Establishment and Approval of the Commission for the Development of Competitiveness Committees" have been prepared and submitted to the Government. Following the approval of the draft resolutions, budget allocated from the Unemployment Insurance Fund will be used to upgrade existing professional standards in line with the AZQF, as well as to develop other new occupational and qualification standards that are considered to be priority in the economy.

"Rules of provision of counselling services in professional (vocational) orientation" was developed by the Ministry of Labour and Social Protection to help getting information on the current state of the labour market and information on the most demanded professions and specialties and gaining information about job and training opportunities available for vocational and professional education, assessing the socio-psychological characteristics of youth (students and pupils of educational institutions), employers and unemployed persons. State Vocational Education Agency has also identified responsible persons in the secondary school for linking VET institutions to secondary schools. VET institutions organize open door days for secondary school pupil and their families to inform them about the occupations and VET institutions.

¹³ <https://www.azernews.az/nation/148307.html>

For the purpose of retaining the skilled workforce and attracting human capital to Azerbaijan, State Program on Increasing the International Competitiveness of the Higher Education System in the Republic of Azerbaijan for 2019-2023 was adopted with the Presidential Decree dated November 16, 2018. The main purpose of the program is to develop new generation professionals utilizing the latest scientific and innovative educational technology, as well as modernization of the content by introducing double diploma programs. The program also intends to invite renowned scholars from high-rank universities for teaching and research at the local institutions. Although the main purpose of the program is to develop higher education, vocational education will also benefit by supply of highly trained teachers and engineers.

Furthermore, in order to facilitate digital transformation, the government set a priority of "Modernization of Technology teaching with the involvement of Business". In this context, it is planned to eliminate shortcomings in technology teaching, to strengthen preparation of human resources for production and service provision fields that will lead to establishing the competitiveness of the ICT sector and to increase the technology literacy of business entities.

E-government through the use of modern information technologies creates conditions for providing information and e-services to all citizens residing in the territory of Azerbaijan, legal and physical persons, foreign citizens and stateless persons by government bodies. In addition, the implementation of reforms to develop digital education, organizing cutting-edge training courses, evaluating knowledge and skills have been put as a task for provision of advanced ICT skills and knowledge.

B.1.6 The role of VET in remedies through active labour market policies (ALMPs)

Starting from 2016, the implementation of a large-scale self-employment program on the initiative has been conducted in Azerbaijan. Self-employment program opens a qualitatively new stage in state employment policy, raising the income of unemployed and employed persons by means of family labour, creating individual farms, increasing labour potential through self-employment, and, consequently, continuing process of opening new jobs in the country and small and medium-sized enterprises and created conditions for their development.

The implementation of the SYSLAB methodology in the integration of youth into the labour market has been continued in the "Innovation and Employment Development in Azerbaijan" project, which has been realised in recent years between the UNDP and the Ministry of Labour and Social Protection.

According to the Rules approved by the Cabinet of Ministers training and retraining of the unemployed or jobseekers will be held in accredited VET institutions based on accredited modular, competency-based qualification programs and curricula.

B.1.7 Identification of skills demand and its bearing on VET provision

Based on the rules of "Admission to VET institutions" adopted by the decree of Cabinet of Ministers dated, March 15, 2019, admission plan has to be formulated taking into account the labour market needs and directions of economic development. For this purpose, Ministries of Economy, Labour and Social Protection, as well as MoE develop the plan in coordination considering the above-mentioned aspects. The vacancy database of the State Employment Service under the Ministry of Labour and Social Protection of Population is used for the admission of students to educational institutions and forecasting the labour market.

At the same time, establishment of the “Vacancies Bank” on the Employment Subsystem operating at the Ministry’s Electronic Information System is planned accordingly where information about vacancies available by employers will be included in the system.

B.1.8 Supporting migrants and refugees through VET

Training courses for foreigners and stateless persons have been launched by the State Migration Service Training Centre from October 4, 2016. Within the framework of the courses, instructors provided trainings on legislation, Azerbaijani language, history, culture to foreigners and stateless persons. From 04.10.2016 till 10.04.2019 thousands of foreigners and citizens of 47 countries applied for trainings to the Training Centre for participation in the courses.

B.2 Entrepreneurial learning and entrepreneurship

Identification of issues

B.2.1 Job creation and VET

According to Azerbaijan Doing Business 2018 economy profile, Azerbaijan has ranked 9 in “Starting a business” indicator which is mainly due to reduction in procedures and costs. Application of electronic registration both for legal persons and individual entrepreneurs for starting business is also contributed to the ranking. According to data published in the “The Strategic Roadmap for the production of consumer goods at the level of small and medium entrepreneurship”, contribution of small enterprises and individual entrepreneurs to GDP is limited; 12% of all the registered legal entities are small and medium enterprises, their contribution to GDP is 4%, contribution to employment was 6.3% and contribution to production of goods and services was 9.6%.

Although starting a business is getting easier in Azerbaijan, more people still prefer to get full-time job and work for public or private companies. According to S&M strategic roadmap, the main issues with entrepreneurship in Azerbaijan are listed as lack of entrepreneurial thinking as a result of a lack of entrepreneurship tradition. The job creation and entrepreneurship opportunities of VET students and graduates are not systematically researched in Azerbaijan but according to same roadmap, as the cooperation between S&Ms and VET institutions are weak, the students do not get enough practical and systematic information about entrepreneurship opportunities.

Description of policies

B.2.2 VET policies to promote entrepreneurship

Stimulating entrepreneurial way of thinking, as well as encouraging entrepreneurship of VET students and graduates are the priority goals indicated in VET and SME strategic roadmaps. With this regard, “Entrepreneurship” module has been developed together with international and national experts and introduced as a mandatory module in all VET levels from 2018. The VET Agency has been involved in organization of events, workshops, competitions, as well as field visits of VET students together with

other relevant stakeholders and non-government institutions for encouraging entrepreneurship of VET students all over the country.

At Regional Vocational Training Centres under State Employment Agency “Principles of Entrepreneurship” courses for job seekers and unemployed (6120 people in 2017-2018 and 212 during the first quarter of 2019) were organized. In addition, 7,267 unemployed people, including 1174 young business advocates, have successfully participated within the self-employment program aimed at providing self-employed persons with jobs, in particular, for young people, especially in the promotion of entrepreneurship activities, resulting in more than 5900 families created small households with assets.

According to the action plan 2018-2020 approved by the Ministry of Economy, the Small and Medium Enterprises Development Agency (KOBIA) will organize special trainings with the participation of SME subjects in promoting entrepreneurial thinking in the vocational education institutions, supporting organization of manufacturing training and manufacturing practices in accordance with the concept of dual VET system.

In order to increase employment prospects, as well as to ensure the participation of employers and private sector in the field of vocational education, The National Confederation of Entrepreneurs (Employers) Organizations of the Republic of Azerbaijan (ASK) has implemented “Cooperation in the field of Vocational Education” (2015-2018) project together with the German Ministry of Economic Cooperation and Development and funded by the German Economic Development Fund. Labour Market Monitoring and Analysis, Workplaces as learning centres, School as a training centre, and information strategy were the main four directions to attain by the end of the project. Moreover, quantitative and qualitative requirements for qualified personnel, "Open Doors" in workplaces and Dual Experience, launching new modules to increase the interest of vocational and secondary school students to vocational education were also key objectives of the project. In addition, guidebooks "Start Your Own Business" have been prepared and published in the layout.

The second phase of the project "Support to vocational education" in South Caucasus (2019-2021) has been launched with the aforementioned goal. Second stage of the project covers Baku, Khachmaz, Ganja and Lankaran regions. This phase of the project considers the delivery "Start Your Own Business", trainings to students for forming the idea of "future entrepreneur" from school age students. An electronic career guidance platform, as well as teacher-consultants on career guidance and profession-oriented mentors were envisaged within the project.

C. SOCIAL ENVIRONMENT AND INDIVIDUAL DEMAND FOR VET

C1. Participation in VET and lifelong learning

Identification of issues

C.1.1 Participation

According to admission of students for 2018-2019 academic year, 11600 students enrolled at VET institutions studied with financial support from government, and 7380 on tuition-base. According to

statistics of MoE, most of the public financed places in VET institutions were filled by a student, however, there are 329 places remained unregistered. The main reason for unregistered places were unattractiveness of certain occupations or newly introduced occupations that were poorly communicated. During admission, more than half of the places for tuition-based programs were filled by the student which is the positive tendency as this number has been increasing for last 3 years.

Vocational education in Azerbaijan still is lacking the attractiveness and most of the time is considered as a last choice for study. Although there is a positive tendency for students with higher academic grades in base education choosing vocational track, it is still challenging to attract talented youth to vocational education (UNDP report, Modernising VET Centres in Azerbaijan).

There are VET institutions in most of the biggest cities and region centres but the infrastructure of most of them are obsolete and needs urgent investments. Most of the vocational institutions in the regions do not have dormitories and some dormitories are dilapidated or are settled down by refugees, IDPs and local residents.

The main objective of the admission rules to VET institutions is to provide easy access to vocational education. There is not a test or other types of assessment for application. Employers can sign a mutual agreement with the VET institutions for short term courses (less than 6 month) on tuition-paid bases. VET centres that provide non-formal training set the admission criteria independently. One of the main problems with admission is that the admission does not assess the prior competencies of knowledge of the student, the classes are organized with diverse levels of skills of students which also affects the learning process. Another problem of the admission is lack of data for required occupation in the labour market based on regions.

State strategy on development of the education is gradually addressing issues to attract qualified teachers and managers. Modern infrastructure and financing of vocational education and updated content are still the issues that have to be address accordingly. There are reforms that result in moderate improvements in big cities but most of the VET institutions are still in a poor condition.

C.1.2 VET opportunities for vulnerable and marginalized groups

According to the “Law on Employment” of the Republic of Azerbaijan, vulnerable and marginalized groups are defined as “people with special needs and having difficulty finding job, children with special needs under the age of 18, youth under the age of 20, single and multiple parenting children bringing up children under 18 years old, parents bringing up children with special needs under the age of 18, two years of retirement age minors, persons released from places of detention, internally displaced persons.” 6.8% of the total student population are coming from refugee families, 14% of the students does not have one or both parents.

Most people attending vocational education institutions are from low income families, people with low or no qualification, people living in rural and remote areas. Vocational education system is intended to transform them to human capital by training them and helping them acquire necessary skills and competencies.

Description of policies

C.1.3 Policies to improve VET access and participation

Law on Vocational Education addressed involvement of vulnerable and marginalized groups in Vocational education. The following groups of people who are in need of social protection are exempt from tuition during their education in state VET institutions:

- Children with parental death and children deprived of parental care;
- Disabled persons of I, II and III groups;
- Members of the martyr family;
- Persons who have reached the age of 20 and who have I group disabled parent, who have a monthly income below the subsistence minimum.

VET Strategic Roadmap envisages the increase of the students' participation from vulnerable populations involved in vocational education to more than 5 % of the total number of students in vocational education.

According to the Rules of Admission to Vocational institutions, disabled persons, children with parental death and children deprived of parental care are admitted to vocational institutions out of competition.

On February 5, 2016, the Cabinets of Ministers adapted a law on the appointment and payment of students' scholarships at different levels of educational institutions. Scholarships are given to students according to their exam results. Accordingly, 14 February, 2019, the president of the Republic of Azerbaijan signed decree on the increase of students' stipends at higher education, secondary and vocational education institutions.

In order to increase the participation, as well as to ensure the accessibility to vocational education, open-door events, job fairs, competitions, as well as work-based learning and internship opportunities for students have been provided. Among others, Republican culinary championship of students of VET institutions is organized together with the National Culinary Association of Azerbaijan, "Organization of awareness-raising activities to increase knowledge and skills of young entrepreneurs in vocational education" an exhibition and competition of handicrafts made by students majoring in "cook", "confectionery", and "tailor" occupations, the "Golden Byte" International IT Contest has been organized in seven nominations having the goal building up a start-up platform for talented young professionals to realize their ideas and business projects, and invest in and fund projects. Azerbaijani team has also participated in an international vocational competition on "Joint Development and Vocational Professional Skills" was launched on May 25-31, 2019 in the Republic of China. MoE also introduced digital teaching material platform that contains electronic version of the study books and other materials. Besides, Curriculum Management information system has been created. The platform contains online recourses. Starting from November, 2018, learning materials of VET have also been included in the platform that can be accessible for everyone¹⁴.

The Council on State Support to NGOs under the Auspices of the President of the Republic of Azerbaijan was established in 2007. Amongst its various services the Council involves NGOs in the implementation of programs and projects that are of important for the state and society, carry out

¹⁴ <https://www.trimis.edu.az/site/index.php>

various development programs to improve their professional capacity¹⁵. Each year the council conducting grant competition addressing various important social, cultural and public topics for NGOs. The council is planning to put Vocational education and training among list of topics for future grant competition which will allow to local NGOs to apply and implement projects related to raising awareness about this field among various groups of population in Baku and regions.

Youth Foundation under the President of the Republic of Azerbaijan is a legal entity which is a non-profit organization ensuring stimulation of activities in the sphere of science, education, culture and other social fields concerning to the youth policy. The Foundation functions in cooperation with government and local self-government bodies, mass media, non-governmental organizations and international organizations¹⁶. The Foundation conducting grant completion for local NGOs working with youth and individuals aged 16-29, supporting participation at the international conferences and events. Talented young people with special needs for social protection will also receive financial support from the Foundation to cover their tuition costs. The main criterion is the young student's attendance, educational performance, and relevance of the applicant to the vulnerable social group. Students from vulnerable groups aged 16-29 and who were admitted to VET institutions can apply to these funds as well.

The Youth Foundation is also established the Youth Development and Career Centers in Baku and regions where young people can get trainings on various topics related to their personal and professional development. Some of these centers especially those that in regions will provide to young people vocation skills trainings. President of the Republic of Azerbaijan Ilham Aliyev has signed a decree on additional measures to support the activities of the Youth Foundation and 4 million AZN has been allocated by the Presidential Reserve Fund envisaged in 2019 state budget to the Youth Foundation in order to create and maintain representative offices of the Youth Development and Career Centers at the Heydar Aliyev Centers operating in cities and regions of the country¹⁷. The Foundation planning to have about 50 Youth Development and Career centers all over the country by April 2020.

C.1.4 Promoting VET access and participation for vulnerable and marginalised groups

From the approved unemployment insurance fund for the 2018 budget, 7,267 people have been involved in self-employment, with 35.8 million AZNs allocated for the organization of self-employment activities, varying from socially vulnerable groups, people with disabilities - 826 people, martyrs' families - 110, prisoners - 31, unemployed people - 169, war veterans - 209, people with OSD - 771, and internally displaced people - 955 people. 274 out of the 7267 people are with vocational education.

There are eight VET schools (seven in Baku and one in Salyan city) located and operate in penitentiary facilities. State admission includes more than 1200 places for these facilities and prisoners to receive VET in more than ten occupations every year. There are also some groups that involve female prisoners. There is one special vocational education school, closed-type training and education institution, under MoE where juveniles are involved in training on the basis of a court order.

¹⁵ <http://cssn.gov.az/news.php?id=2222&lang=en>

¹⁶ <https://youthfoundation.az/action/foryouth/>

¹⁷ <https://apa.az/en/social/azn-4-mln-allocated-to-youth-foundation-293988>

During the first half of 2018, 160 Roma people were registered in the State Employment Service under the MSLPP, of which 72 were employed, 11 were involved in professional services activities, and 14 were involved in Self-employment Program including 22 students enrolled from orphanages, 2240 students representing socially vulnerable groups of population, 5 students studying at inclusive education classrooms.

C.1.5 Flexible VET provision in support of participation in VET

To ensure transparency and accessibility to VET schools, the admission process has been implemented electronically and documentation process has been conducted in all “ASAN service” centres. “ASAN service” centres are the bodies to ensure the realization of the services to be rendered by the state entities in a uniformed and coordinated manner¹⁸.

On 16 April, 2018 the Ministry of Cabinets signed a decree on the “Transition rules from one level of vocational education to the next level” which addresses transition electronically among levels of vocational education, including transition from one VET school to another.

In accordance with lifelong learning concept and labour market requirements, the content of VET reflects interests, needs, national and universal values of students, society, state and individual employers. To ensure the flexibility and relevance to lifelong learning, newly developed vocational education programs built upon a series of modules which are independent educational blocks, containing assessment, learning outcomes and activities. Each occupation consists of different modules, each having a concrete competence in a relevant field.

Based on the request from employers or employer organization, VET school can provide short term courses which can last up to six months in any time of the year. Students are provided with the certificate of completion of courses at the end of the course. Within the agreement of State Employment Service with the Vocational Education Agency vocational institutions also started to provide short-term courses started from May, 2019. Besides, based on the “Strategic Roadmap on VET in the Republic of Azerbaijan” developing a legislative framework for organization of adult education and further training courses in vocational education institutions has been carried out.

C.1.6 Validation of non-formal and informal learning

According to Law on Education, recognition of non-formal and informal learning in Azerbaijan is only foreseen on vocational education pillar. Currently, the legislative base for “Rules of examination of citizens for recognition through assessment of knowledge, skills, competences and experience gained by informal and non-formal learning” has been developed. “Strategic Road map for the Development of VET in the Republic of Azerbaijan” also highlights recognition, as well as requirement of vocational certificate for employment in certain occupations where recognition has been implemented. This mechanism is planned to be tested within the framework of the “Support to the establishment of Regional Industrial VET competence Centre in Ganja” EU funded grand project and “Support to implementation of National Qualifications Framework in Azerbaijan” project.

¹⁸ <https://www.asan.gov.az/en/about>

C.2 Equity and equal opportunity in VET

Identification of issues

C.2.1 Success of learners in VET

The success of learners in vocational education pillar is deeply affected by their performance in general basic education. The Programme for International Student Assessment of the Organization for Economic Cooperation and Development, held every 3 years since 2000, tests the proficiency level of 15-year old schoolchildren in reading, mathematics and science. Azerbaijan has agreed to participate in PISA 2018 research and relevant measures have already been taken. In April-May of 2017, pilot stage of PISA research has completed. The main stage of PISA 2018, however, took place in April-May of 2018 and 6872 schoolchildren have been included the international research. The research result is evaluated by PISA International Consortium and final results will be made public in December 2019. In April – May of 2016 main stage of PIRLS – Progress in International Reading Literacy Study was conducted at general education institutions at the national levels where 170 general education institutions were identified by random selections. Based on PIRLS results, reading comprehension was 472 and the share of pupils performed under the “low” level was 27 % (MoE annual report 2017, 2018).

The statistics for drop-out rate in vocational education is not collected in 2018-2019 academic year. However, based on the 2018-2019 academic year admission, from one-year courses there were 8296 people enrolled out of which 7914 students were graduated. Based on this calculation, 95% is completed the course successfully and 5% dropped out without completing the study.

C.2.2 VET learners in need of additional learning and training support

As previously indicated, the vast proportion of the students enrolled in VET comes from disadvantaged social background. Although in most of the big cities there are vocational education institutions, the infrastructure sometimes does not meet the minimum requirements (outdated buildings, no heating and etc.) to conduct a quality training. Furthermore, these VET institutions do not have functioning dormitories to host students from other regions.

Description of policies

C.2.3 Measures in support of equity in VET

Based on rules of admission to vocational institutions, disabled persons, children with parental death and children deprived of parental care are admitted to vocational institutions out of competitions. As a result of the indicated actions, in 2018-2019 academic year, 236 female and 243 male students from this group were enrolled to vocational institutions in different cities such as Baku, Ganja, Sumgayit, and Agstafa. According to the Law on Vocational Education, those students were admitted to vocational institutions out of competition. In addition to this, they study at the expense of the state budget and receive 50 AZN monthly allowances.

In 2018-2019 academic year, 86 classes were opened for students with disabilities by regional and city education departments in special education classrooms that are part of general education institutions. Total number of students studying in special education classes in Azerbaijan is 477. In 2018-2019 academic year, 6655 students were involved in studies at home.

C.2.4 Inclusive education and VET

“Expanding Inclusive Education for Children with Disabilities in Azerbaijan” joint project of the European Union, UNICEF and MoE was launched on November 12, 2018. Currently, 10,130 children with disabilities were involved in special education in the 2017-2018 academic year. The “State Program for the Development of Inclusive Education for Children with Disabilities in the Republic of Azerbaijan in 2018-2024” has been adopted. UNICEF and Heydar Aliyev Foundation’s “Regional Development” Public Union are now co-implementing two projects funded by the European Union for support of inclusive education. “The Law on Education of Persons with Disabilities (Special Education) have been adopted in order to ensure the rights of citizens by the Constitution of the Republic of Azerbaijan. At the same time, the Law on the "Prevention of Disabled Persons and Children's Health Restrictions, Rehabilitation and Social Protection of Disabled Children and Children with Disabilities," reflected issues related to the education and training of persons with disabilities in the Republic of Azerbaijan. Although there are several policies that aim to increase inclusive education, it is still challenging for schools since schools do not have recourses and appropriate infrastructure to implement inclusive education.

In the Strategic Roadmap for VET, one of the main goals is to make the education inclusive and accessible to all, as well as for socially vulnerable population groups. Pilot implementation of inclusive vocational education at Baku State Vocational Education Centre for Technics and Technologies have been carried out for two years. The centre will accept inclusive groups in the next academic year, as well. There are five girls with limited health studying at the Sewing occupation groups. According to teachers, those girls can easily keep up with their peers. One of those girls has participated in different international competitions in India and Norway successfully. The school has an experienced teacher working with disabled students, particularly working with children with speech defects. In 2018 and 2019 among five students in inclusive vocational groups there were 3 students with hearing and 2 have vision disabilities. In previous academic year 9 students studied in inclusive vocational groups.

C.3 Active support to employment

Identification of issues

C.3.1 Employability of VET graduates

During the Soviet period, 185 vocational educational institutions had been educating over 100,000 students on 300 specialties across the country; qualified workforce trained in diverse occupational directions were sent to enterprises and employed upon graduation.

In late 1980s and early 1990s, the developments in the socio-economic life of the country adversely affected the development of this field; the logistics base of vocational educational institutions started to go out of order and the vocational education system was on the brink of collapse. The link between enterprises and vocational schools disappeared.

Although economy has recovered and some sectors of economy developed gradually, vocational education was not able to adopt accordingly. Consequently, VET institutions adopted theoretical teaching methodology, which resulted in VET students to lack the competencies required in the labour market. Although one of the strategic objectives of VET roadmap is to enhance employment rate of graduates of vocational education institutions, overall quality of the training in most of the institutions does not affect the employment of graduates in positive manner.

C.3.2 Economic factors with an impact on transition

One of the economic factors that impede the entry of VET graduates to labour market is the value of certificate or diploma they receive upon graduation. Currently, VET certificate is not obligatory for employment in Azerbaijan. In a number of regulated professions, such as Marine, Transport, Aviation, Agriculture and other VET graduates have to apply for additional certificates for getting employment opportunities.

Another issue affected VET graduates to employment is their choice of occupations. On the one hand, state programs encourage development of industry, construction, transportation, IT and other sectors but either few students enrol to these occupations or there are few enterprises where they can get practical knowledge or employment upon graduation.

Furthermore, because national qualifications framework has not been structured, some occupations such as accountant, IT specialist and etc. are provided in both higher and vocational education. Although these occupations are popular among applicants of VET schools, upon graduation their chances for getting employed is weak in opposed to higher education graduates.

Description of policies

C.3.3 Overview of policies in support of employability and transition to employment

Employment Strategy for the Republic of Azerbaijan for 2019-2030 envisages development goals focusing on the development of quality indicators in the field of employment, the creation of decent jobs, the inclusion of employment and the increase of the participation of socially vulnerable populations in the labour market.

Following the decree # 258 "On the expansion of the application of electronic services in the field of labour, employment, social protection and social security" of the President of the Republic of Azerbaijan dated 5 September 2018, the Employment subsystem (hereinafter MAS) was established on the basis of information platform on the unified platform of the Ministry of Labour and Social Protection of Population. The purpose of the establishment of MAS is to simplify the ability of citizens to apply directly to local employment centres through this system, to increase the quality and flexibility of the services provided to the population. The subsystem provides real-time access to information on employment services, including vacancies and realistic picture of employment opportunities for job-seekers in a constantly updated database. According to Article 18.3 of the Law On employment, employers must submit information about new vacancy or information about vacant place specifying salary to the "Vacancies Bank" by using MAS, at the latest within five business days from the date of the new job creation.

C.3.4 Career guidance

"Rules on Professional counselling services" have been prepared in accordance with the Law "On Employment" to provide information on the current state of the labour market and information on the most demanded professions and specialties in the labour market, available job opportunities in vocational and professional education, and opportunities for vocational training. Given the importance of the professional orientation for the young generation, pupils of secondary general education schools operating in urban and rural areas, as well as job-seekers who apply to Employment Centres, have been given professional counselling in the correct choice of profession. As a result of these activities, 118,138 people were received professional counselling in professional orientation in 2018.

The State VET Agency is implementing the activities in the field of career guidance as well:

- establishment of partnerships with subordinate agencies and employers within the framework of public-private partnerships and coordination between government agencies;
- coordination of international programs and projects in the field of vocational education;
- organization and regulation of vocational training to improve the social status of vocational education and training;
- participation in the formation and implementation of state policy in the field of vocational education;
- to establish partnerships with employers within the framework of public-private partnerships and government agencies, to develop programs, to coordinate international programs and projects in the field of vocational education, to promote and promote vocational education, to increase the effectiveness of vocational training in subordinate organizations. take action for their implementation;
- to study, generalize and disseminate best practices in the field of vocational education;
- make suggestions on classification of specialties in order to increase the effectiveness of vocational training in subordinate organizations in accordance with labour market requirements;
- to propose mechanisms to improve the management of subordinate bodies within the framework of public-private partnership with employers;
- to monitor the employment of alumni;
- participation in the organization of activities to increase the attractiveness of vocational education;
- to participate in the organization of work to study and increase the potential of subordinate organizations to increase their extra-budgetary revenues;
- study of international experience in public-private partnerships and mechanisms of coordination between government agencies in the field of vocational education and organization of cooperation in this area and make necessary proposals in this regard;
- to participate in the development of public-private partnership rules with employers and to improve the assessment mechanism in this area;
- to take part in the organization and work of conferences, exhibitions and other events held in the subordinate organizations;
- coordinate the activities of subordinate organizations in the field of vocational education, awareness raising, career development and cooperation with employers and ensure the preparation of periodic reports related to these activities, to analyze and prepare summary reports on the Agency's management.

D. INTERNAL EFFICIENCY AND OPERATION OF THE VET SYSTEM

D.1 Teaching and learning environment

Identification of issues

D.1.1 Teaching and learning methods, including work-based learning

Although teaching methodology in general education has been reformed and a number of scientific approaches implemented, this has not been the case for vocational education which was not been reformed since Soviet times. Until recently, in the majority of the vocational education institutions, teaching was knowledge-based relying on more theoretical information transferred from teachers to students. As VET educators did not have appropriate practical knowledge and competencies, the knowledge transfer to learners have been in a poor quality. Most of the classes are held in classrooms because of the lack of appropriate workshops and technical material base in the institutions. Lecturing have been used as a main teaching methodology in all of the occupations. The role of learners in the classroom was mainly a note taker.

Although the study programs include industrial experience which required to take place in the companies or facilities where the learners are able to practice, most of the classes are held in the schools or in companies where learners get very little experience. Few schools have been cooperating with industry for sending students to internships which lasts for about 3 months. Work based learning initiatives are piloted in a number of international projects, however is not massively implemented because of the lack of interest from enterprises as well as low initiate from schools.

D.1.2 Teaching and learning environment

The teaching and learning conditions in the majority of VET institutions is impacted by lack of interest to vocational education in the country. One of the negative factors influenced the teachers negatively have been lack of training programs and facilities for VET educators. Educators are also impacted with lack of poor infrastructure in the school, refugees and IDPs settled in the most VET institutions, lack of material base and equipment for teaching, as well as both missing and outdated programs and teaching materials. Until recently, low wages have also been negative condition for VET teachers.

Description of policies

D.1.3 Policies to improve training/teaching and learning methods in VET

In order to improve the learning and training methods, new guidelines for implementation of new Vocational Education and Training curriculum have been prepared together with international and local experts. The guideline included information about planning of implementation of modern curricula at VET institute level, planning of the learning activities, implementation of training, new teaching style and teaching methods.

Most of the donor coordinated projects including EU technical assistance project, EU grant projects, initiatives with British Council in tourism and agriculture sectors have been piloting work-based learning mechanism as a part of newly designed curricula. Based on the data provided by the projects, the initiatives that include work-based learning components have been successful where more than 60% of graduates were able to either remain in the companies as an employee or get full time employment in the sectors in the same occupations.

D.1.4 Improving the training and learning environment

Improving teaching and learning environment is identified as a priority measure in National Strategy for the development of education in Azerbaijan. State Vocational Education Agency together with Agency for Business and Economic Development (GIZ) have developed didactics and pedagogy

training program for VET teachers and managers. The program includes “activity-based learning and teaching” module for teaching staff, “establishing partnership between enterprises and vocational institutions” for managers and “training for in company trainers’ modules for in company tutors.

Cabinet of Ministers of Azerbaijan adopted appropriate decisions on the rationalization and organization of a network of vocational education institutions and the government aimed at improving material and technical base and educational conditions in a newly established VET institutions¹⁹. For developing capacity, teachers and masters are actively participating in curricula and teaching material development together with experts. Teachers’ salaries in VET institutions have also been increased more than twice since 2018 creating favorable conditions to attract talented specialist to vocational education.

D.2 Teachers and trainers

Identification of issues

D.2.1 Composition of the workforce of VET teachers and trainers

Teacher policy in vocational education have not been developed yet which has a greater impact on a quality of the vocational education system. The lack of mechanism for developing teaching personnel for vocational education impacts the overall teacher recruitment. Negligence to vocational education for decades resulted in the composition of VET teachers with low or no qualification and any practices knowledge and skills. Ageing teaching force (50 % of total teachers at VET institutions are above 50) and difficulty to attract well qualified new entrants to teaching, or to retain them once they start are also the biggest challenges of the system.

The teaching and training in VET institutions are conducted by Teachers and Masters. The number of teachers in the VET area in Azerbaijan is 5188, whereas the number of students enrolled to VET institutions is 23089.

There are three categories (chief master, head master and master) masters in VET system.

Chief master: Supervise the work of masters and educational workshops. Provides implementation of training programs by each teaching group. Master plans to produce product and reports. Supervises the implementation of production training plans. Provides technical and methodological assistance to masters in training classes. Collects information on the changing labour market requirements and prepares proposals for improving the curriculum. Master organizes the selection of enterprises, signs contracts with them, and prepares students’ final exams. Additionally, master prepares annual reports on work-based training and work-based experience, fixing existing problems and deficiencies in this direction, and making proposals for further improvement of the process.

Head master: In accordance with the curriculum, head master prepares equipment and materials for workshop classes, plans educational and training work of students on the academic semester, and ensures that these jobs are carried out at the level of technical requirements. He/she ensures the quality of the teaching assignments by the students and provides students with study methods, new techniques and technology, compliance with safety and safety regulations, and provides training and implementation experience. Ensures the storage of equipment for students. Participates in contracting

¹⁹ <https://en.trend.az/azerbaijan/politics/2968210.html>

with companies. Ensures that each discipline is followed by students. Participates in the preparation and conduct of occupational examinations by students.

Master: Masters usually work with automobile groups in accordance with practice-based training programs. Master produces equipment and supplies, automobiles and other vehicles for practice-based training classes. In accordance with practice-based training programs, master ensures that students are equipped with equipment and vehicles are in good working condition. Students regularly carry out classroom and out-of-school activities accompanied by the master. Participates in the preparation and conduct of the final exams for the students.

Teacher: Participates in the implementation of state policy in the field of education. Prepares students for independent life and work. Uses various forms, techniques and methods in the learning process. Plans educational materials on the subject, enabling the implementation of curricula, the adoption of all students by state standards. Teachers organizes events on his / her subject. It regularly contacts students' parents or their guardians. Participates in organizing methodological work. Provides recommendations for improving the training process, tries to improve its qualifications, adheres to teachers' ethical conduct rules.

Category and number of VET teachers and trainers

1. General education subject teachers - 1167
2. Specialty subject teachers - 634
3. Masters - 1266
4. Male – 25%, female 75%

D.2.2 Entering the teaching profession in VET

Working as a teacher or a trainer in a VET institution is regulated by a contract, in accordance with the Labour Code and the norms of “Law on Vocational Education”. Thus, the salary of teaching staff working in vocational education institutions is defined on the basis of the decision of the Cabinet of Ministers.

Teachers of general education subjects teaching at VET institutions are recruited through “Teacher Recruitment” procedure by the MoE of Azerbaijan. The recruitment of teachers to general education institutions included in the MoE system is carried out by the MoE through competition and teachers will be teaching general education subjects at VET institutions are also recruited through this examination. The competition consists of 4 stages: evaluation of electronic application, test exams, selection of vacancies and interviews.

Specialization teachers is recruited by the VET institutions based on the minimum requirements set by the regulatory documents. Teacher in minimum must have vocational education (higher, full secondary) and specialization (at least 3 years of production or pedagogical experience) in the relevant professional area, and correspond to the basic specialization of subjects taught.

Vocational institution may also contract any field expert for teaching in per hour basis. However, the per hour rate is set by the Cabinet of Ministers is much smaller than full time teacher’s equivalent which is unattractive in most of the cases for qualified specialist.

D.2.3 Employment status of teachers in VET

Teachers working at VET institutions are contracted by the institutions based in full-time, part-time, fixed-term and temporary contracts. In tourism and services, as well as in industry sectors approximately 70% of teachers is employed in full time and 30% is fixed term contracts. According to Labour Code if the teacher employed in temporary contract for 5 years, the contract automatically shifts to full-time employment. The main challenge with full-time contracted teachers is difficulty to replace them because of their poor performance or low qualification.

D.2.4 Quality of teachers and trainers in VET

Although the minimum quality indicators of teachers and masters are indicated in the Law on Vocational Education, as well as State Standards of Vocational Education, the perceived quality of most of the teachers of vocational education is low. In addition to above mentioned reasons, limited exposure to world of work, outdated competencies of the teachers, lack of professional development and training are the main affecting nuances. The problems are particularly severe in the occupations where highly skilled people are demanded including industry, construction, IT, processing and etc. The lack of professionals in the labour market is negatively affecting attraction of professionals for training students and provide them with necessary competencies.

Until recently, participation of teachers and trainers in vocational education institutions in professional development courses, seminars or trainings have been very limited. Most of the training of development courses that educators participated were limited to theoretical knowledge. The lack of institution and facilities to provide the professional development courses to VET teachers, as well as weak interest from enterprises to cooperate with VET school in teacher development has also influenced the quality of teachers in a negative way.

Description of policies

D.2.5 Attracting and retaining teachers and trainers in VET

Based on activity plan set in Strategic Roadmap on Vocational Education, the MoE carries out a diagnostic assessment using theoretical test to determine the potential and professional level of existing teaching and pedagogical staff of VET institutions. The roadmap also envisages to organize training and retraining for those teaching and pedagogical staff. Accordingly, recruiting highly professional masters with industrial experience and pedagogical staff to the pilot VET institutions on priority specialties identified through surveys conducted as part of the action. It is planned that specific conditions and criteria will be developed for selection of the pedagogical staff; specialties for which it is needed to involve professionals with practical experience and employers operating in those areas of specialization will be identified. Then, relevant encouraging and stimulating measures will be identified for both employers and filed professionals who will be involved in teaching process.

Based on the activity plan, recruitment of new teachers will be performed through evaluation of applicants. Upon completion of the selection process, teacher candidates will take part in relevant trainings in order to be familiarized with pedagogical process and be prepared for the teaching process. In this view, the possibility of organizing pedagogical evening courses for those teachers can be considered as well.

D.2.6 Steering, motivating and supporting professional development

Most of the initiatives for supporting professional development of VET teaching personnel has been financed and organized by the international projects. Within this initiative, in total, 533 teachers have attended the trainings on “Preparation of the competence-based curricula and textbooks and their application” in 2018. Besides, teaching staff members are sent to study visits to different countries within grant projects. 24 trainers and masters have recently been trained in Korea within the “Creating VET Centres” project by Korea’s Economic Development Cooperation Fund. By the support of the British

Council, the representatives of VET institutions visited the UK. The training on "Skills Development" was organized within the Memorandum of Understanding signed between the MoE and the British Council. Within the "EU Support to VET(VET) in Azerbaijan" project, 6 teachers and masters were sent to Slovenia for a study trip to learn their experience.

D.2.7 Ensuring the quality of teachers in VET

According to the Strategic Roadmap on Vocational Education, monitoring the performance of new pedagogical staff has been planned. The MoE will assess the performance of teaching staff recruited from employing organizations with a view to ensure that teaching process meets quality standards. The assessment will be performed periodically based on the criteria set out by the MoE. Based on the results of assessment, the teachers will receive relevant recommendations and proposals. Besides, opinion surveys will be conducted among students to assess the performance of teaching staff. The MoE will use the results of these surveys to make relevant changes to the content and structure of lessons.

D.3 Quality and quality assurance

Identification of issues

D.3.1 Quality and relevance of education and training content in VET

In Azerbaijan, the content of vocational education is regulated by Law on Education, VET Law and State Standards of Vocational education. Until recently, vocational education content was structured based on old Soviet curricula. From 2018, the shift to modern curricula has been implemented. Modern curriculum is designed to meet labour market needs by formulation of programs based on occupational standards and involvement of the employers during the curricula development.

The table below shows the significant difference between traditional and modern curricula.

Traditional curricula	Modern curricula
Based on a supply	Based on a demand
Administered by the state	Management is distributed among the parties
Decisions are made from the centre	Schools are given more independence
Mainly young people are paid attention	People of all ages are accepted, and training and work experience are recognized in the community
Teacher-oriented classes based on providing knowledge	Student-oriented classes based on competence (knowledge, ability and attitude)
The focus is on the theory; theory and practice are separate	Education is based on skill and practical training is carried out in conjunction with theory
Final exams are held	Evaluation is carried out continuously
Students are taught to work under supervision and instruction	Students are taught to take an initiation and be creative

Currently, out of 168 programs thought in vocational education institutions only 36 implemented based on competency based modern curricula. The transition to modern content of vocational education has been ongoing and planned to be completed by 2020. Based on the initial assessment of the pilot program, participants who studied with new curricula 62.3% of graduates of tourism and service sector, 73% on the IT sector and 68.4% in the service sector were provided with jobs upon graduation.

D.3.2 Defining the quality of learning outcomes

Although there is not a formal definition of quality in vocational education in Azerbaijan, quality of the content of the vocational education is regulated by State Standards of Vocational Education. Learning outcomes based on lifelong learning concept is indicated in the standards for gaining necessary competencies based on labour market demand.

D.3.3 Quality assurance processes in VET

VET provider obtains a license in accordance with the Law of the Republic of Azerbaijan "On Licenses and Permits" with no term limit and according to the law, if the terms of the license violated, the license is terminated accordingly.

The accreditation of the vocational educational institutions is carried out based on "Accreditation Rules of education institutions" approved by the Decree of Cabinet of Ministers dated 2010. The aim of the accreditation is to verify the compliance of the educational institution with the requirements of the adopted state educational standards and other normative legal acts and create legal guarantees for the status of the educational institution. Accreditation of the vocational training institution is carried out every 5 years and ends with issuing a certificate, relevant document that testify the quality. Program

accreditation is not implemented in Azerbaijan in vocational education. The latest accreditation of VET institutions was implemented in 2013.

Attestation of students studying general education subjects at vocational education institutions is implementing according to "Rules on carrying out attestation of students (except for final assessment (attestation) in general education)" that has been approved by decision of the collegium of the MoE dated December 28, 2018. The final attestation is implementing by "Rules of Conducting Final Assessment (Attestation) of students studying at the General Education Level" that has been approved by Decree of the Cabinet of Ministers of the Republic of Azerbaijan dated December 12, 2016.

Description of policies

D.3.4 Creating and updating VET content

Although there is not a formal process of design and updating of curricula, State Vocational Education Agency initiates the changes in old curricula and proposing the development of new programs. The new program development is also initiated by other relevant government bodies or employers and employer organizations. The designed curricula are assessed towards state standards and being approved by the Ministry of Education.

According to State Standards of Vocational Education, the programs has to be developed based on occupational standards, qualification standards and to national qualifications framework. The process of curricula development starts with the establishment of working group where curricula experts, teachers, field expert and employers take part and design the curriculum. When the final program is ready, it is being approved by the working group and employer organization. Finally, the program is submitted to the State Vocational Education Agency for approval.

D.3.5 EU key competences

State Standards of Vocational Education defines learning outcomes for eight key competencies which is part of the education programs in vocational education. The existing eight key competences (listed below) included in vocational education programs and being thought as a separate module for at least 40 hours.

1. Communication on mother tongue
2. Calculation
3. Entrepreneurship
4. Communication on Foreign language
5. Personal and career development
6. Cultural self-expression
7. Professional (Work) ethics
8. ICT

D.3.6 Policies to strengthen quality assurance

Based on the Education Law, "New Attestation Rules on Vocational Education" have been prepared and approved on March 13, 2019. The document regulates the issue of assessment and examination process in VET institutions. According to the rules, the assessments are carried out based on the learning outcomes indicated in curricula. Current, mid-term and final assessments are carried out for

the purpose of attestation within the programs. Based on the new rules of assessment, modular and final examination is conducted by the professionals assigned by the employer organization.

E. GOVERNANCE AND FINANCING OF VET

E.1 Institutional arrangements

Identification of issues

E.1.1 Effectiveness of institutional and governance arrangements

The Strategic roadmap for VET sector in the Republic of Azerbaijan has identified several issues that VET system is currently facing. One of the challenges is identified is VET system do not follow modern market economy principles of governance and the mechanism for financing from state budget is not efficient enough. Accordingly, employing organizations do not participate in the financing of vocational education institutions and there is not a relevant legislative framework for this.

Another problem is with the involvement of stakeholders in school management. Although VET schools have close relationships with local municipalities, they fail to build strong ties with employers. With regard to the implementation of the VET reforms, VET schools have very limited role either because of lack of interest to reform or lack of capacity. Consequently, reforms started in the MoE does not always bring necessary changes in the vocational education system.

E.1.2 Accountability, leadership and control

The major drawback in institutional and governance arrangements in Azerbaijan is a lack of unified authority in vocational education for setting up policy arrangements in vocational education system. Although State Agency on Vocational Education is the main institution in the field, its authority is limited to VET institutions under the ministry of education. This case is also affecting the development of adult education in Azerbaijan, which is not coordinated or institutionalized based on a unified principle like in most of the European countries.

Furthermore, even though the State Vocational Education Agency has authority for management of VET institutions under the MoE, the decision-making and policy implementation is done with coordination with either MoE or with other related government institutions. For example, the financing or construction of new VET institutions, approval of VET curricula, monitoring and quality assurance of private or public VET institutions is not implemented by the VET Agency.

With regards to staff management, the directors and deputy directors of VET institutions are appointed by the governing body. The feedback from municipal government, as well as school pedagogical council is not taken to account during the appointment. Appointment is not carried out based on merit and the criteria for appointment as a school manager are not identified.

The Agency has five departments:

1. Department of Law, Human Resources and Information is a structural division of the Agency, which develops legislative acts and regulations on professional education, legal analysis, legal protection of the Agency's interests, application of legal acts in the field of public service and labour legislation. Selection, placement of civil service personnel on a competitive or interview

basis, control over compliance with ethical conduct of civil servants and non-civil servants of the Agency (hereinafter - employees), training, attestation and social protection of civil servants, as well as civil service and the organization and regulation of labour relations, human capital management, electronic organizes effective control of document circulation and its implementation by applying the document circulation system.

2. The Department of Education Standards and Educational Resources, which is the structural unit of the Agency, provides the development and implementation of effective educational standards and curricula (programs) based on competences in accordance with legislative acts and regulations on vocational training. In addition, it deals with the development of textbooks (hereinafter - textbooks) and other teaching resources.
3. The Department of Management, Quality Assurance and Monitoring of Vocational Education Institutions, which is the structural unit of the Agency's Office, operates in the organization and management of activities in the field of management, coordination and monitoring of the activities of the Agency.
4. The Financial and Economic Department, which is the structural unit of the Agency's Office, operates in the area of organization of financial and economic activities and accounting activities in accordance with the legislation on accounting.
5. The Department on Career-guidance and Cooperation with employers which is the structural unit of the Agency's Office, develops international cooperation programs, cooperates with employers to enhance the effectiveness of vocational training under the Agency, coordination and promotion of vocational education, awareness raising, organization and regulation of vocational education.

Description of policies

E.1.3 Governance reforms

One of the main strategic goals of Strategic roadmap of VET is to build a network of an optimized number of rationalised public vocational education institutions. Optimization of VET institutions under the MoE has been carried out from 2016 and 24 new vocational education centres have been established based on 55 vocational schools and lyceum. Although newly established centres are located in the old vocational school facilities, Roadmap identifies establishment, building or renovation of ten vocational centres. These centres with modern infrastructure, material, technical and training basis will be located in Baku, as well as in the regions and managed with transparent, responsible and results oriented effective management mechanisms based on public-private partnership. Construction of two new VET schools have started from this year and five more VET centers will be constructed from next year.

VET institutions are governed based on Statues which are approved by the Decree of Cabinet of Ministers on February 2019. The new statue transforms vocational institutions to public legal entities. The Statue identifies the purpose of the vocational training enterprise to ensure the training of qualified personnel in various occupations on the basis of general secondary education and full secondary education in accordance with the needs of the labour market. The new statue also allows more freedom to vocational institutions for providing services, as well as financial management.

New state standards of vocational education identified the management of VET institutions based on Strategic Plans which is approved by the governing body and encompasses 5-year activity plan for schools. Identification of key performance indicators for vocational education institutions and creation an outcomes-based financing system is identified Strategic Roadmap for development of VET. Once the system is initiated continuous monitoring of outcomes-based financial system will be conducted relying on data and analysis against the key performance indicators set in strategic plans.

E.2 Involvement of non-state actors

Identification of issues

E.2.1 Distribution of responsibilities between state and non-state actors in VET

Although Strategic Roadmap on VET highlights importance of the non-state actors' participation in the financing of vocational education institutions, it does not cover the participation and contribution of non-state actors to the governance and shaping of VET policy. The lack of formalized social partnership mechanism in vocational education, also affected involvement of non-state actors and sharing responsibility within national agreements, sectoral and regional skills councils with VET policy makers and providers in institutionalized form.

The negligence towards the vocational education from all stakeholders for decades have influenced deteriorating image, which also resulted in lack of the interest from social partners to vocational education. Poor infrastructure conditions, low qualified teachers, limited financing of vocational education, as well as vet graduates with limited competencies have been affecting involvement of non-state actors to vocational education.

Description of policies

E.2.2 Policies in support of participation of non-state actors

Newly developed normative legal acts including "Law on Vocational Education", Strategic Roadmap on Vocational Education, state standards of vocational education, Statue of vocational education has addressed the abovementioned issues. Article 3 of VET Law states that the main principles and directions of the state policy in the field of vocational education, integration of employers into the VET system, involving their highly qualified staff in the educational process should be taken into account. Additionally, the Strategic Roadmap on Vocational Education highlights the participation of private sector in the VET system by 2020 be stimulating a mechanism based on public-private partnership between the private sector and vocational training and training institutions. Thus, VET Agency has been initiating cooperation with private sector and within the last few years more than 100 agreements were signed between agency, schools and private sector. The subject of these agreements is mostly agreement to cooperate and is not binding the parties for specific actions.

E.3 VET budget

Identification of issues

E.3.1 Expenditure planning, VET budget formation and execution

There is not a unified fund allocated for vocational education in the state budget in Azerbaijan. Public VET institutions are allocated budget from general funds of governing institutions. For example, budget of VET institutions is allocated from state budget to MoE as a subunit of education budget. The

participation of VET institutions, as well as VET Agency in formulation of the budget is also limited. This budget includes, students' stipends, teachers and masters' salary. Vocational education institution can also provide various paid education services to individuals and legal entities in accordance with the Law on Vocational Education and its Statute and receive donations and voluntary assistance from legal entities and individuals. However, the ability of public VET institutions to use this fund is limited with the legal procedures. Private or municipal vocational education institutions do not receive government funding for their services. There is not a fixed budget allocation for development and repair of vocational institutions and allocation is made within the general education investment fund.

Description of policies

E.3.2 Policies to improve expenditure planning and budgeting in VET

According to the "Law on Vocational Education", formation of sustainable and multilateral financing of vocational education system described as main principals and directions of the state. The state also ensures identification and monitoring of the state budget for VET, as well as the implementation of the volume, financial mechanisms and norms of the state budget allocated for the development of vocational education;

For the purpose of ensuring the implementation of the Education Law, the Cabinet of Ministers of the Republic of Azerbaijan has been approved "Financing norms of the state vocational training enterprise". The norms of financing the VET institution are used to determine the requirements for budgetary funds in accordance with the uniform budget classification for the current activities of the state vocational training institutions operating in the territory of the Republic of Azerbaijan.

Within the framework of the "EU support to VET in Azerbaijan" technical assistance project, the guidelines and methods have been developed regarding training budget and direct costs, indirect costs of the institutions, as well as guidance on the identification and calculation of sources of expenses. The Guidelines outline directions of budget formation, definition of financial sources, distribution of funds and their management.

E.4 Mobilization of resources for VET

Identification of issues

E.4.1 Sources and mechanisms of funding for VET

Public VET institutions are funded from state, private and municipal VET institutions are funded from founders' budget. Currently there is not a mechanism for mobilising funding from private sources for public VET institutions. Public VET providers can generate revenue through provisional services but currently the amount is not significant because the infrastructure and capacity of trainers is not sufficient to provide quality training.

Description of policies

E.4.2 Diversification and mobilisation of funding for VET

The Law on Vocational Education envisages the establishment of “Vocational Education Development Fund” which will manage, and allocate the funds among VET institutions in transparent manner. The fund is planned to function under the MoE as a public legal entity and governed by the governing body, which will consist of both private and public sector participants.

E.5 Allocation and use of resources in VET

Identification of issues

E.5.1 Patterns of resource allocation

Resources for VET schools are allocated by the MoE considering different factors such as, school size, the number of students, expenditures for the school etc. Formation of the financing norms for the types of expenditure for the next fiscal year by the public VET institutions is determined by the amount of actual budget allocations allocated for this area. Resource allocation does not consider the infrastructure and material base needs, requirements of the curricula to implement or introduction of new programs in the institutions, as well as costs for training of VET educators, managers and attracting professionals from employers and other organizations.

Description of policies

E.5.2 Policies to ensure adequacy of resources for VET and equity in their allocation

One of the strategic targets identified in the VET strategic roadmap is to build an outcome-based strong financing system which incorporates performance-based rewards mechanism for vocational education institutions and teaching staff with the goal to ensure efficient use of funds. Within the activity plan for implementation priorities set to identify additional public, private and international funding sources to ensure future development of VET system and develop a system for monitoring and management of non-budgetary funds. The funding is foreseen to provide flexible solution of issues such as financial stimulation of teaching staff, improving material base, infrastructure and equipment based on modern standards.

The adoption on 30th June 2017 of the new Law on Unemployment Insurance will substantially contribute to expand the coverage and quality of active labour market programmes, thanks to future increased resources from the Unemployment Fund. Implementation started on the 1st of January 2018. Main objective of the Law on Unemployment Insurance is to compensate the loss employment and implement preventive measures (ALMMs) to reduce unemployment.

The Budget of the Unemployment Fund was estimated 89,040 mln AZN for 2018, to be allocated to: unemployment insurance (38%), training for unemployed (1.8%), career orientation (1.3%), job fairs (0.13%), self-employment programmes (40.2%), wage subsidies (1.55%) and others. From 2019 it is expected to allocate some funds to analysis of trends and dynamics of the labour market, occupational demand and skills needs.

ANNEXES

ANNEX 1. QUANTITATIVE AND QUALITATIVE EVIDENCE

KEY INDICATORS ON EDUCATION, SKILLS AND EMPLOYMENT

Table 1. Total population

Total population									
POP	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total	8997586	9111078	9235085	9356483	9477119	9593038	9705643	9809981	9898085
Male	4455503	4517055	4583484	4648793	4713548	4775857	4835641	4891210	4938027
Female	4542083	4594023	4651601	4707690	4763571	4817181	4870002	4918771	4960058

Source: The State Statistical Committee of the Republic of Azerbaijan (data received)

Note: Estimates - 1st of January each year

Table 2. Population by age

Population by age (000)									
POPAGE	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total									
14 years	161.5	153.8	137.5	138.5	134.2	129.5	124.3	127.0	132.3
15 years	172.2	161.5	153.7	137.5	138.5	134.2	129.5	124.2	126.9
16 years	177.5	172.1	161.4	153.7	137.5	138.5	134.2	129.5	124.2
17 years	180.0	177.4	172.1	161.4	153.6	137.4	138.4	134.2	129.4
18 years	184.8	179.9	177.4	172.0	161.3	153.6	137.4	138.4	134.1
19 years	190.7	184.7	179.8	177.3	171.9	161.2	153.5	137.3	138.3
20 years	189.1	190.6	184.6	179.7	177.2	171.8	161.2	153.4	137.3
Male									
14 years	84.2	80.3	72.5	72.8	71.2	68.8	66.4	67.6	70.5
15 years	89.5	84.2	80.2	72.5	72.7	71.2	68.8	66.4	67.5
16 years	91.4	89.4	84.1	80.2	72.5	72.7	71.2	68.7	66.4
17 years	92.5	91.4	89.4	84.1	80.1	72.5	72.7	71.2	68.7
18 years	94.5	92.4	91.3	89.4	84.1	80.1	72.4	72.7	71.1
19 years	95.1	94.4	92.3	91.2	89.3	84.0	80.0	72.4	72.6
20 years	93.7	95.0	94.3	92.3	91.2	89.2	84.0	80.0	72.3
Female									
14 years	77.3	73.5	65.0	65.7	63.0	60.7	57.9	59.4	61.8
15 years	82.7	77.3	73.5	65.0	65.8	63.0	60.7	57.8	59.4
16 years	86.1	82.7	77.3	73.5	65.0	65.8	63.0	60.8	57.8
17 years	87.5	86.0	82.7	77.3	73.5	64.9	65.7	63.0	60.7
18 years	90.3	87.5	86.1	82.6	77.2	73.5	65.0	65.7	63.0
19 years	95.6	90.3	87.5	86.1	82.6	77.2	73.5	64.9	65.7
20 years	95.4	95.6	90.3	87.4	86.0	82.6	77.2	73.4	65.0

Source: The State Statistical Committee of the Republic of Azerbaijan (data received)

Table 3. Relative size of youth population

Relative size of youth population (%)									
YPOP	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total	28.7	27.8	26.9	25.8	24.7	23.7	22.6	21.6	20.7
Male	29.5	28.7	27.9	26.9	25.8	24.9	23.9	22.9	22.0
Female	27.9	27.0	26.0	24.8	23.7	22.5	21.4	20.4	19.5

Source: The State Statistical Committee of the Republic of Azerbaijan (data received)

Note: Estimates - 1st of January each year

Table 4. Educational attainment of active population (% aged 15+)

Educational attainment of active population (% aged 15+)									
ATAP	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total									
LOW	m	m	7.4	7.0	7.4	7.5	7.5	7.7	7.1
MEDIUM	m	m	76.3	76.7	76.4	76.2	76.2	75.9	76.4
HIGH	m	m	16.3	16.2	16.3	16.3	16.3	16.4	16.6
VET	m	m	15.8	15.8	16.0	16.2	16.2	16.3	16.6
Male									
LOW	m	m	5.7	5.3	5.4	5.5	5.5	5.8	5.8
MEDIUM	m	m	75.1	76.2	75.7	75.5	75.5	75.2	75.1
HIGH	m	m	19.2	18.5	18.9	18.9	18.9	19.0	19.1
VET	m	m	16.0	15.0	15.5	15.4	15.4	15.7	16.1
Female									
LOW	m	m	9.2	8.9	9.4	9.6	9.6	9.7	8.5
MEDIUM	m	m	77.5	77.3	77.1	76.9	76.9	76.6	77.7
HIGH	m	m	13.2	13.9	13.5	13.5	13.5	13.6	13.9
VET	m	m	15.5	16.6	16.5	16.9	16.9	16.9	17.2

Source: The State Statistical Committee of the Republic of Azerbaijan (data received)

Note: LOW: Main and primary education; MEDIUM: Secondary, Vocational and secondary specialised education; HIGH: Higher education; VET - secondary specialised education

Table 5. Students in vocational programmes as a %age of total upper secondary students (ISCED level 3)

Students in vocational programmes as a percentage of total upper secondary students (ISCED level 3)									
VET	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total	13.2	14.9	16.3	15.8	13.7	13.5	13.7	14.2	14.5
Male	17.3	19.3	21.3	20.5	17.8	17.7	18.6	19.6	20.2
Female	8.4	9.5	10.4	9.9	8.4	8.3	7.6	7.7	7.7

Source: The State Statistical Committee of the Republic of Azerbaijan (data received)

Note: Values refer to the ratio of the total number of trainees in primary vocational education institutions to the total number of trainees at full secondary education level.

Table 6. Number of students enrolled in vocational programmes at upper secondary level of education (ISCED 3) (in thousands)

Number of students enrolled in vocational programmes at upper secondary level of education (ISCED 3) (in thousands)									
VETN	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total	21.9	23.9	24.8	24.3	20.9	19.4	19.7	19.8	19.2
Male	15.6	17.0	17.7	17.6	15.2	14.1	14.3	15.1	14.6
Female	6.3	6.9	7.1	6.7	5.7	5.3	5.4	4.7	4.6

Source: The State Statistical Committee of the Republic of Azerbaijan (data received)

Table 7. Tertiary education attainment (% aged 30-34)

Tertiary education attainment (% aged 30-34)									
TAT	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total	m	m	m	m	m	m	m	m	m
Male	m	m	m	m	m	m	m	m	m
Female	m	m	m	m	m	m	m	m	m

Source:

Notes:

Table 8. Early leaves from education (% aged 18-24)

Early leavers from education (% aged 18-24)									
ELE	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total	m	m	m	m	m	m	m	m	m
Male	m	m	m	m	m	m	m	m	m
Female	m	m	m	m	m	m	m	m	m

Source:

Notes:

Table 9. Persons not in employment, education or training – NEETs (% aged 15-24)

Persons not in employment, education or training-NEETs (% aged 15-24)									
NEET	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total	m	m	m	m	m	m	m	m	m
Male	m	m	m	m	m	m	m	m	m
Female	m	m	m	m	m	m	m	m	m

Source:

Notes:

Table 10. Public expenditure on education

Public expenditure on education									
EXP	2010	2011	2012	2013	2014	2015	2016	2017	2018
% of GDP	2.8	2.4	2.7	2.5	2.6	3.0	2.9	2.5	2.5
% of total public expenditure	10	8.2	8.3	7.5	8.3	9.0	9.9	9.9	8.7

Source: The State Statistical Committee of the Republic of Azerbaijan (data received)

Table 11. Participation in training/lifelong learning (% aged 25-64)

Participation in training/lifelong learning (% aged 25-64)									
LLL	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total	m	m	m	m	6.5	m	m	m	m
Male	m	m	m	m	7.6	m	m	m	m
Female	m	m	m	m	5.3	m	m	m	m

Source: The State Statistical Committee of the Republic of Azerbaijan (data received)

Notes:

Table 12. Activity rate (%)

Activity rate (%)									
15+	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total	66.7	68.5	68.4	68.4	69.5	69.7	70.0	70.3	70.5
Male	69.7	70.8	72.5	73.9	77.5	77.6	77.9	78.0	78.2
Female	63.9	66.3	64.7	63.5	62.8	63.0	63.3	63.5	63.8
15-24									
Total	34.3	35.4	36.9	38.9	42.4	43.3	45.7	46.3	47.1
Male	35.1	36.9	39.9	42.9	49.7	49.6	51.4	51.2	51.2
Female	33.5	33.9	34.1	35.3	36.3	37.8	40.6	41.8	43.2
25-49									
Total	89.3	90.7	89.5	88.5	87.6	87.7	87.8	88.2	88.7
Male	92.6	92.2	92.8	93.5	94.3	94.1	94.2	93.7	93.5
Female	86.1	89.2	86.2	83.9	81.6	81.9	82.0	83.0	84.2
50-64									
Total	76.5	79.4	76.4	73.1	72.8	71.6	70.1	69.8	69.3
Male	79.6	80.4	79.6	76.4	78.9	78.9	77.8	78.8	79.5
Female	73.7	78.4	73.5	70.1	67.6	65.6	63.7	62.6	61.1
20-64									
Total	80.6	82.1	80.9	79.8	79.9	79.9	80.2	80.5	80.9
Male	83.4	83.9	84.4	84.3	86.3	86.3	86.7	86.6	86.6
Female	78.0	80.3	77.5	75.6	74.3	74.1	74.4	74.9	75.6

Source: The State Statistical Committee of the Republic of Azerbaijan (data received)

Table 13. Inactivity /out of the workforce rate (%)

Inactivity/out of the workforce rate (%)									
15+	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total	33.3	31.5	31.6	31.6	30.5	30.3	30.0	29.7	29.5
Male	30.3	29.2	27.5	26.1	22.5	22.4	22.1	22.0	21.8
Female	36.1	33.7	35.3	36.5	37.2	37.0	36.7	36.5	36.2
15-24									
Total	65.7	64.6	63.1	61.1	57.6	56.7	54.3	53.7	52.9
Male	64.9	63.1	60.1	57.1	50.3	50.4	48.6	48.8	48.8
Female	66.5	66.1	65.9	64.7	63.7	62.2	59.4	58.2	56.8
25-49									
Total	10.7	9.3	10.5	11.5	12.4	12.3	12.2	11.8	11.3
Male	7.4	7.8	7.2	6.5	5.7	5.9	5.8	6.3	6.5
Female	13.9	10.8	13.8	16.1	18.4	18.1	18.0	17.0	15.8
50-64									
Total	23.5	20.6	23.6	26.9	27.2	28.4	29.9	30.2	30.7
Male	20.4	19.6	20.4	23.6	21.1	21.1	22.2	21.2	20.5
Female	26.3	21.6	26.5	29.9	32.4	34.4	36.3	37.4	38.9
20-64									
Total	19.4	17.9	19.1	20.2	20.1	20.1	19.8	19.5	19.1
Male	16.6	16.1	15.6	15.7	13.7	13.7	13.3	13.4	13.4
Female	22.0	19.7	22.5	24.4	25.7	25.9	25.6	25.1	24.4

Source: The State Statistical Committee of the Republic of Azerbaijan (data received)

Table 14. Employment rate (%)

Employment rate (%)									
15+	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total	63.0	64.8	64.9	65.0	66.1	66.3	66.5	66.8	67.0
Male	66.7	67.7	69.3	70.9	74.4	74.4	72.9	73.8	75.0
Female	59.5	62.1	60.7	59.8	59.1	59.3	59.6	59.8	60.1
15-24									
Total	29.2	30.2	31.7	33.5	36.7	37.5	39.8	40.4	41.1
Male	30.2	31.7	35.0	37.8	44.0	43.9	45.6	45.5	45.5
Female	28.2	28.7	28.6	29.8	30.5	31.8	34.5	35.6	36.8
25-49									
Total	85.3	86.7	85.6	84.8	83.9	84.0	84.0	84.4	85.0
Male	90.0	89.3	89.8	90.5	91.2	91.0	91.0	90.6	90.3
Female	80.7	83.9	81.5	79.4	77.3	77.6	77.6	78.7	79.9
50-64									
Total	73.9	77.0	74.3	71.3	71.0	69.7	68.0	67.8	67.2
Male	76.8	78.3	77.2	74.6	77.0	77.0	75.8	76.8	77.5
Female	71.3	75.8	71.6	68.2	65.9	63.8	61.6	60.5	58.9
20-64									
Total	76.3	77.8	76.9	76.0	76.2	76.0	76.3	76.6	77.0
Male	80.2	80.5	81.0	81.1	83.0	82.9	83.2	83.2	83.2
Female	72.6	75.2	72.9	71.3	70.1	69.9	70.0	70.6	71.3

Source: The State Statistical Committee of the Republic of Azerbaijan (data received)

Table 15. Employment rate by educational attainment (% aged 15+)

Employment rate by educational attainment (% aged 15+)									
ERAT	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total									
LOW	m	m	m	28.9	31.1	32.3	33.2	34.1	m
MEDIUM	m	m	m	66.5	66.5	66.6	67.0	67.1	m
HIGH	m	m	m	74.7	74.9	74.8	75.0	75.4	m
VET	m	m	m	77.8	79.0	79.7	79.2	79.7	m
Male									
LOW	m	m	m	25.8	27.0	28.3	29.4	31.1	m
MEDIUM	m	m	m	70.3	70.0	69.9	70.7	70.8	m
HIGH	m	m	m	76.2	77.7	77.3	77.8	77.7	m
VET	m	m	m	76.0	78.3	77.4	77.5	78.8	m
Female									
LOW	m	m	m	31.2	34.0	35.2	35.9	36.2	m
MEDIUM	m	m	m	62.9	63.2	63.4	63.6	63.6	m
HIGH	m	m	m	72.6	71.0	71.3	71.2	72.2	m
VET	m	m	m	79.6	79.7	82.0	80.8	80.6	m

Source: The State Statistical Committee of the Republic of Azerbaijan (data received)

Note: LOW: Main and primary education; MEDIUM: Secondary, Vocational and secondary specialised education; HIGH: Higher education; VET - secondary specialised education

Table 16. Employment rate of recent graduates (ISCED levels 3-8)

Employment rate of recent graduates (ISCED levels 3-8)									
ERG	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total	m	m	m	m	m	m	m	m	m
Male	m	m	m	m	m	m	m	m	m
Female	m	m	m	m	m	m	m	m	m
Source:									
Notes:									

Table 17. Employment rate of recent graduates (ISCED levels 3-4) by programme orientation

Employment rate of recent graduates (ISCED levels 3-4) by programme orientation									
ERGP	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total	m	m	m	m	m	m	m	m	m
GENERAL	m	m	m	m	m	m	m	m	m
VOCATIONAL	m	m	m	m	m	m	m	m	m
Male	m	m	m	m	m	m	m	m	m
GENERAL	m	m	m	m	m	m	m	m	m
VOCATIONAL	m	m	m	m	m	m	m	m	m
Female	m	m	m	m	m	m	m	m	m
GENERAL	m	m	m	m	m	m	m	m	m
VOCATIONAL	m	m	m	m	m	m	m	m	m
Source:									
Notes:									

Table 18. Employment by broad economic sectors (%)

Employment by broad economic sectors (%)									
ESC	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total	100.0								
<i>Agriculture</i>	38.2	37.9	37.7	37.1	36.7	36.4	36.3	36.4	36.3
<i>Industry</i>	13.7	14.1	14.2	14.3	14.3	14.0	14.3	14.4	14.6
<i>Services</i>	48.1	48.0	48.1	48.6	49.0	49.6	49.4	49.2	49.1
Male	100.0								
<i>Agriculture</i>	32.3	32.2	31.8	31.1	31.2	31.0	31.0	30.9	31.0
<i>Industry</i>	20.8	21.5	21.9	22.2	22.0	21.9	22.1	22.2	22.7
<i>Services</i>	46.9	46.3	46.3	46.7	46.8	47.1	46.9	46.9	46.3
Female	100.0								
<i>Agriculture</i>	44.5	43.9	43.9	43.6	42.7	42.1	42.1	42.2	42.0
<i>Industry</i>	6.1	6.2	6.2	6.1	6.1	5.9	6.0	5.9	6.0
<i>Services</i>	49.4	49.9	49.9	50.3	51.2	52.0	51.9	51.9	52.0

Source: The State Statistical Committee of the Republic of Azerbaijan (data received)

Table 19. Employment by status (% aged 15)

Employment by status (% aged 15)									
EST	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total	100.0								
<i>Employees</i>	31.9	31.7	33.3	33.5	33.0	32.2	31.8	31.6	31.7
<i>Employers</i>	10.5	10.8	9.6	10.1	10.0	12.3	13.1	13.2	13.1
<i>Own-account workers</i>	28.4	28.0	27.4	26.6	27.1	26.0	21.7	21.7	21.4
<i>Contributing family workers</i>	29.2	29.5	29.7	29.8	29.9	29.5	33.4	33.5	33.8
Male	100.0								
<i>Employees</i>	35.3	34.7	37.4	37.5	37.3	36.7	36.0	35.9	36.4
<i>Employers</i>	10.4	10.7	10.6	11.4	11.4	15.0	15.4	15.4	15.8
<i>Own-account workers</i>	27.4	27.6	25.4	24.9	24.9	24.5	22.6	22.9	22.9
<i>Contributing family workers</i>	26.9	27.0	26.6	26.2	26.4	23.8	26.0	25.8	25.0
Female	100.0	100.0	100.0	100.0	100.1	100.0	100.0	100.0	100.0
<i>Employees</i>	28.4	28.6	28.9	29.2	28.5	27.4	27.3	27.0	26.7
<i>Employers</i>	10.6	10.8	8.5	8.7	8.5	9.5	10.7	10.8	10.2
<i>Own-account workers</i>	29.4	28.5	29.6	28.4	29.4	27.4	20.7	20.4	19.8
<i>Contributing family workers</i>	31.6	32.1	33.0	33.7	33.7	35.7	41.3	41.8	43.2

Source: The State Statistical Committee of the Republic of Azerbaijan (data received)

Table 20. Incidence of self-employment (%aged 15)

Incidence of self-employment (% aged 15)									
SEM	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total	68.1	68.3	66.7	66.5	67.0	67.8	68.2	68.4	68.3
Male	64.7	65.3	62.6	62.5	62.8	63.3	64.0	64.1	63.6
Female	71.6	71.4	71.1	70.8	71.5	72.6	72.7	73.0	73.3

Source: The State Statistical Committee of the Republic of Azerbaijan (data received)

Table 21. Incidence of vulnerable employment (%aged 15)

Incidence of vulnerable employment (% aged 15)									
VEM	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total	57.6	57.5	57.1	56.4	57.0	55.5	55.1	55.2	55.2
Male	54.3	54.6	52.0	51.1	51.3	47.3	48.6	48.7	47.8
Female	61.1	60.6	62.6	62.1	63.0	64.2	62.0	62.2	63.1

Source: The State Statistical Committee of the Republic of Azerbaijan (data received)

Table 22. Employment by broad ISCO08 occupation

Employment by broad ISCO08 occupations (%)									
OCUP	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total									
Low	m	15.4	15.8	15.5	15.6	15.6	15.6	15.6	15.4
Medium	m	60.7	61.0	60.9	60.8	60.8	60.8	60.9	61.2
High	m	23.8	23.0	23.4	23.4	23.4	23.4	23.3	23.2
Male									
Low	m	14.6	13.0	13.7	13.5	13.8	13.8	13.7	13.3
Medium	m	66.1	67.8	67.0	66.9	66.6	66.6	66.7	67.1
High	m	19.1	18.8	19.0	19.3	19.3	19.3	19.3	19.2
Female									
Low	m	16.2	18.7	17.5	17.9	17.5	17.6	17.6	17.7
Medium	m	55.0	53.8	54.4	54.3	54.6	54.6	54.6	54.7
High	m	28.8	27.5	28.1	27.8	27.9	27.8	27.7	27.6

Source: The State Statistical Committee of the Republic of Azerbaijan (data received)

Note: LOW: ISCO08 group 9; MEDIUM: ISCO08 groups 4-8; HIGH: ISCO groups 1-3; (excluding ISCO group 0 - therefore, sum is not 100% in case of males)

Table 23. Unemployment rate (%)

Unemployment rate (%)									
15+	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total	5.6	5.4	5.2	5.0	4.9	5.0	5.0	5.0	4.9
Male	4.4	4.4	4.3	4.0	4.0	4.1	4.2	4.1	4.1
Female	6.9	6.4	6.1	5.9	5.8	5.9	6.0	5.9	5.8
15-24									
Total	14.9	14.7	14.2	13.7	13.5	13.4	13.1	12.9	12.7
Male	13.9	14.2	12.2	12.0	11.5	11.4	11.3	11.1	11.0
Female	16.0	15.2	16.3	15.6	15.9	15.8	15.1	14.9	14.7
25-49									
Total	4.5	4.5	4.4	4.2	4.2	4.3	4.4	4.2	4.2
Male	2.8	3.1	3.3	3.1	3.2	3.3	3.4	3.3	3.4
Female	6.3	5.9	5.5	5.4	5.3	5.3	5.4	5.2	5.1
50-64									
Total	3.4	3.0	2.7	2.5	2.4	2.6	2.9	2.9	3.1
Male	3.5	2.6	2.9	2.4	2.3	2.4	2.6	2.5	2.5
Female	3.3	3.4	2.5	2.6	2.6	2.9	3.2	3.4	3.6

Source: The State Statistical Committee of the Republic of Azerbaijan (data received)

Table 24. Unemployment rate by educational attainment (% aged 15+)

Unemployment rate by educational attainment (% aged 15+)									
URAT	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total									
LOW	m	m	9.5	9.4	9.2	9.4	9.4	9.0	10.2
MEDIUM	m	m	4.7	4.5	4.5	4.6	4.8	4.7	4.6
HIGH	m	m	5.3	5.1	4.7	4.7	4.3	4.2	4.1
VET	m	m	5.8	5.5	5.2	5.2	6.2	6.1	5.8
Male									
LOW	m	m	11.5	11.2	11.7	11.6	11.8	11.0	11.1
MEDIUM	m	m	3.8	3.5	3.5	3.5	3.7	3.6	3.6
HIGH	m	m	4.3	4.4	4.0	4.1	3.8	3.7	3.7
VET	m	m	4.9	5.1	4.8	4.9	5.3	5.1	5.0
Female									
LOW	m	m	8.3	8.3	7.8	8.1	7.9	7.7	9.5
MEDIUM	m	m	5.7	5.6	5.6	5.6	5.9	5.8	5.7
HIGH	m	m	6.9	6.2	5.7	5.5	5.1	5.0	4.6
VET	m	m	6.7	5.9	5.5	5.5	6.9	7.0	6.6

Source: The State Statistical Committee of the Republic of Azerbaijan (data received)

Note: LOW: Main and primary education; MEDIUM: Secondary, Vocational and secondary specialised education; HIGH: Higher education; VET - secondary specialised education

Table 25. Youth unemployment ratio (% aged 15-24)

Youth unemployment ratio (% aged 15-24)									
YURO	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total	5.0	4.9	4.7	4.7	4.9	5.0	5.2	5.4	5.6
Male	4.7	4.8	4.2	4.2	4.3	4.4	4.6	4.7	4.9
Female	5.3	4.9	5.3	5.3	5.5	5.7	5.9	6.2	6.3

Source: The State Statistical Committee of the Republic of Azerbaijan (data received)

Table 26. Long-term unemployment rate (% aged 15+)

Long-term unemployment rate (% aged 15+)									
LTU	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total	3.8	3.7	3.5	3.3	3.3	3.3	3.4	3.1	3.0
Male	2.7	2.7	2.6	2.5	2.4	2.5	2.5	2.5	2.5
Female	5.0	4.7	4.4	4.2	4.2	4.2	4.2	3.6	3.6

Source: The State Statistical Committee of the Republic of Azerbaijan (data received)