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The National Observatory of the Russian Federation is part of a network of similar institutions in the countries of Central and Eastern Europe, the New Independent States and Mongolia



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The vocational education and training system in the Russian Federation

Moscow, 2000

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Executive summary

This Report surveys the progress of vocational education and training in Russia between 1998 and 2000. It also forecasts likely developments in the light of the present situation and new targets as set by the Programme of Social and Economic Development under the aegis of the Russian Federation's new government.

This Programme assumes vocational education and training will play a key role in providing qualified workers and specialists who will boost the national economy by contributing to our country's economic growth.

If vocational education and training is to meet our expectations, it must be realigned to match market needs.

Restructuring involves financing and control. The former assumes lump sum payments to educational institutions. That way, the institutions run their finances more effectively: they use a scheme that allows for differences in cost between various courses, and they allocate funds to each student to pay for their education and training.

Control will continue to devolve responsibility from the centre to the regions. This will ensure that local needs are met more precisely and more cost-effectively.

To achieve these ends, the network of vocational education and training institutions must continue to improve and develop. Furthermore, we must create new schools and colleges that integrate continuing education and training.

Interested parties increasingly realise the need for constructive discussions between all key stakeholders in the vocational education and training system. Furthermore, all the social partners involved must plan and run the system so that it provides the skills and qualifications to match future needs.

Labour market training must expand. To do this, it has to integrate current in-service and supplementary training with the upgrading of qualifications - and with new forms of adult training based in companies. We must persuade industry to participate in vocational education and training. To this end, we should offer new tax incentives and other benefits to companies that commit themselves to the system - and to training for the labour market.

In its new form, the system has laid down many challenges. To meet them, teachers must be better trained, and we must accord them more respect and social prestige.

1. Socio-economic background

1.1 *Economic developments*

In recent years, the Russian economy has changed radically. This is because we have switched to a democratic approach to control; we have set up a public institute to take care of private property; and, amongst other changes, we have implemented the mechanics of price setting and competition in the market. While some of these changes are still in embryo, their impact on the economy is still significant. In tandem with the state and post-state or privatised sectors of the economy, there also emerged private initiatives, mostly small- and medium-sized businesses, and informal sectors including the “shuttle” business.

In August 1998, the financial crisis exploded. This eroded our economy in the second half of 1998 and throughout 1999. It effected every sector and market, especially banks and financial institutions – with small and medium-sized businesses the hardest hit. Furthermore, it reduced our donor regions¹ from 16 to eight.

The crisis put an end to a financial policy marked by a considerable budget deficit, a relatively high exchange rate and ineffective systems for tax and credit.

After the crisis, our economy started to recover as early as October 1998², and results for 1999 were encouraging.

That said, our economic growth was making up for lost time. It still did not attract heavy investments. Indeed, it could not have sustained these as production growth was only taking advantage of the rouble devaluation, a favourable foreign economic situation and excellent energy prices. Sustainable future growth now hinges on new investments and an economic policy that transcends bottlenecks and exploits our progress to date.

By the end of 1999, the economy still suffered from various problems. The agriculture crisis was still acute with the volume of gross agricultural output at only 96.9% of the 1998 figure. About half of all businesses were still unprofitable - and seriously undermining the mobility of the work force.

We did not reach our target level for real available income and real wages³. Despite a slight positive shift, the real available income of the population was only 70.5% of the 1997 total, and this held back economic growth and aggravated the social situation. The population continued to have wildly divergent incomes. Poverty was still serious, and income per head was close to subsistence level. There was not enough investment to effect urgent structural changes and generate long-term economic growth. High risk and expensive credit combined to discourage long-term investment. Banks did not invest in production, and the banking system was ill prepared to cope with the needs of economic development. Despite a marked improvement in capitalisation, the share of capital

1 Regions with favourable economy contributing to the state budget.

2 Annex 1.

3 The real available income in 1999 was 82-85% of the 1998 figure, in September 1999 the seasonal adjusted indicator of real consumer income went down by 2%, 13% below the 1997 figure; real wages declined by 32.4%, while the subsistence level per capita nearly doubled.

accounts in the banking system's liabilities was 25% under the pre-crisis level. The situation in the budgetary sphere (see Annex 10 Glossary) was exacerbated by our having to service foreign debt and our limited access to foreign credits. While foreign trade was relatively favourable, our exports diminished and turnover nose-dived by 26.2% on the 1998 figure. It amounted to \$US70.6 billion.

Despite the 1998 crisis and economic growth the following year, education stayed much the same. It still suffered from chronic under-funding and, as a result, wage arrears and soaring debts on utility payments. The 1999 budget shows that education gets slightly less from the Gross Domestic Product. At the same time, it benefited significantly more from the Federal budget – but not enough to compensate for under-funding in previous years⁴.

In June 2000, Russia adopted the new Strategy of Social and Economic Development. This said that in future economic development was to make the most of the results achieved in the post-crisis period. In particular, Russia was to continue with structural reforms, make the country more marketing-minded, and restore the balance between production and consumption. The Strategy's main aims are to:

- stabilise society;
- abolish infrastructure monopolies and develop the private sector;
- create economically effective businesses, integrate corporate structures in business and finance sectors, enhance investment activity in business to make Russia more competitive;
- improve budget policy;
- reduce bad debts and arrears;
- curb inflation, stabilise the exchange rate of the rouble;
- actively develop socio-economic issues in the regions.

Forthcoming changes in the economy could favour vocational education and training. Benefits may include a larger allocation from the Federal budget, streamlined payment of salaries, redemption of remaining wage arrears and new jobs for vocational education and training graduates in Russia's growing national economy.

1.2 *Demography*

*Demographic situation in Russia*⁵

In 1998-99, Russia's population continued to contract with the death rate outstripping the birth rate⁶ and a continuing decline in male life expectancy.

It is forecast that Russia's population will fall to just fewer than 142 million by 2010. After 2000, despite a sharp drop in the young-age dependency ratio, the working age population will show only slight growth.

4 For more information about public financing of education, see 3.3.

5 Data of the RF State Committee on Statistics.

6 Annex 2.

In Russia, demographic development displays a combination of low birth rate and a reduced average life expectancy. For many years, the birth rate has gone down. At the same time, the number of elderly people has risen. Hence, the **ageing of the population**.

By early 1999, for the first time in Soviet and post-Soviet times, those of retirement age numerically outstripped under-16s by 110,000. *This ageing population puts more pressure on the state budget (more retirement benefits) and entails difficulties with the work force as older people are slow to keep pace with technological advance.*

In 1999–2015, the under- 16 population will decline by a further 8.4 million (28%), reducing their share of the population by 4.8%. This change will have a major impact on education (see below).

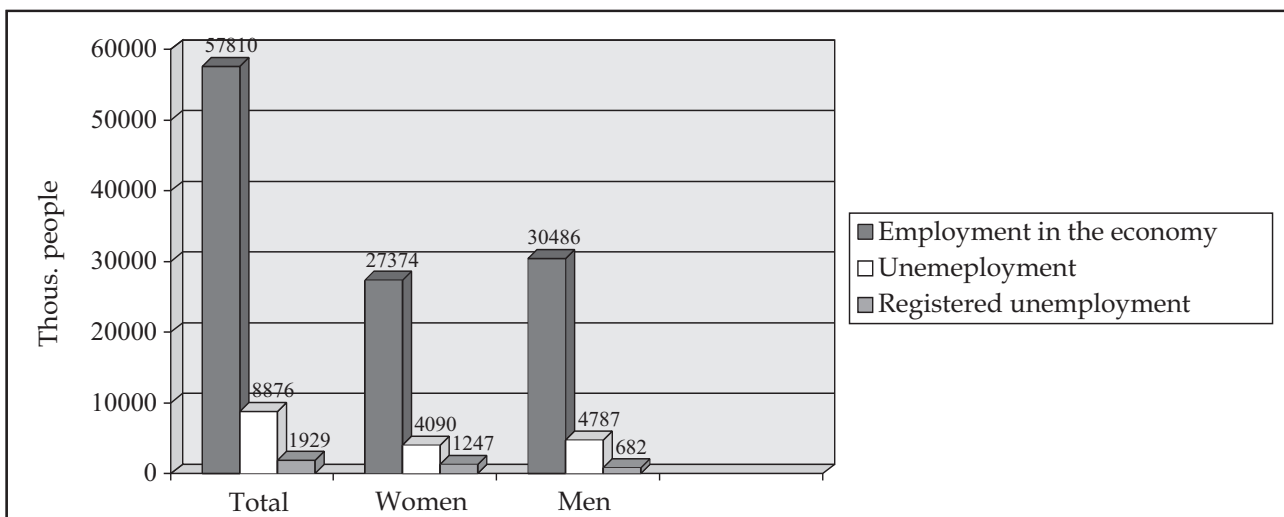
However, the working age population is expected to grow from 86.4 million in 2000 to 88.2 million in 2003. So, the prospects for labour resources and work force supply are good for the period 2000-2005. In 2003, 21% of the total population will be of working age, The population under the working age will decline from 29 million in 2000 to 25.4 million in 2003. This does not take account of demobilised servicemen and a slowly diminishing stream of migrants from the Commonwealth of Independent States who will help fill out the labour market growth.

These changes in the population will benefit the demographic load indicator (the number of those above working age per 1,000 of the working population): we expect this to decline from 686 in 2000 to 626 in 2003. Coupled with reformed labour relations and other relevant social and economic measures, this factor can be central to the country's economic growth.

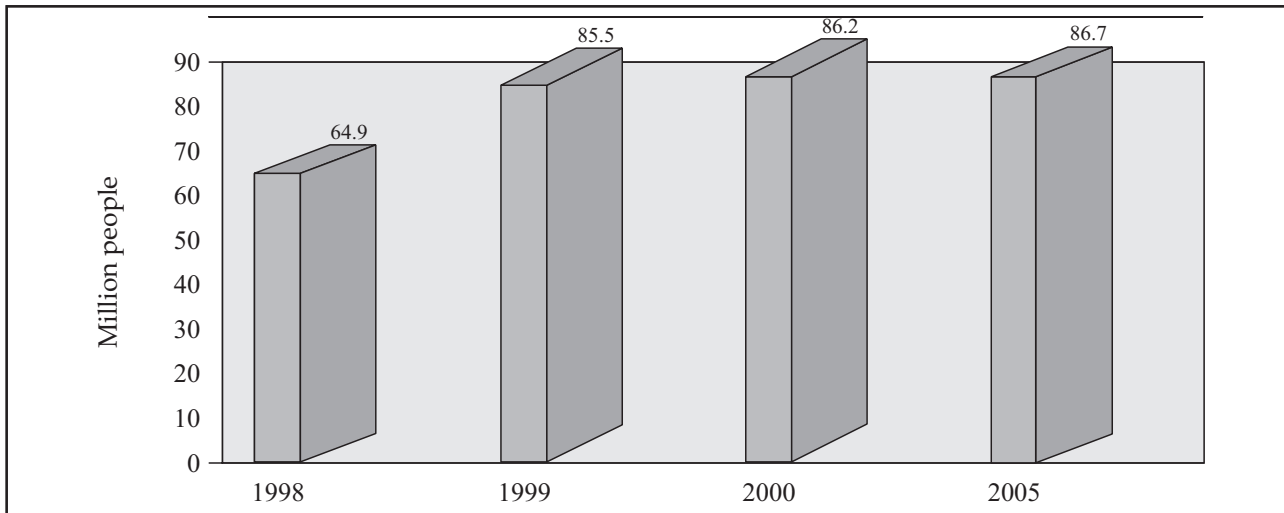
Labour resources⁷

In 1998, sample population surveys by the Goskomstat estimated the economically active population to be 66.736 million; amongst them, 31.464 million women and 32.154 million men.

Figure 1. Distribution of the economically active population



7 Data of the Russian Federation State Committee on Statistics.

Figure 2. Labour resources of the Russian Federation

Demographic tendencies in initial and secondary vocational education and training

In the immediate and short-term future, the number of students in education will be determined by, first, an increased birth rate following measures to encourage procreation in the early 1980s, and, second, by a declining birth rate after 1988.

The impact of the first factor is slowly fading. Between 2001 and 2005, those who were aged between 10 and 14 in 1999, will be in Initial and secondary vocational education and training and higher professional education. There will be 12 million of them.

The declining birth rate means far fewer students. The 10-14s, some 12.4 million in 1998, will number only 6.6 million by 2008. In other words, in 10 years there will be just half the number of secondary schoolchildren – and that does not allow for the mortality rate and a stable migration level. These radical changes will seriously affect vocational education and training. The Ministry of Education already has plans to deal with them.

At present, public educational institutions at every level of vocational and professional education can enrol 2,301,500 students, some 850,000 more than the number of graduates from core general schools - not counting those who graduated from initial and secondary vocational education and training in earlier years). If this trend continues, there will be 65% fewer students in the initial system by 2010. By the 1998 figure, that means a drop in demand for facilities and staff by 35%-40%.

We anticipate that, by 1999 standards, the secondary system will see enrolment rates fall by 22-25%; demand for physical facilities by 30%; and teachers by 25%.

To avoid wasting this currently available potential, we are thinking of:

- offering pre-vocational and post-secondary professional courses based on existing vocational schools, lycees and centres of continuing education;
- developing courses for up to 500,000 unemployed and redundant workers, with costs covered by employment agencies, employers and non-budgetary sources;
- integrating initial vocational education and training institutions within education complexes;

- persuading educational institutions to run re-training and in-service training courses for unemployed and redundant workers;
- amalgamating post-secondary professional educational institutions with educational complexes; these will include multi-functional institutions that contain educational institutions of various levels;
- encouraging implementation of initial vocational education and training and higher education curricula.

2. Labour market

2.1 *Labour market background*

Brief overview

The situation on the labour market has changed radically since the financial crisis in August 1998. Numerous large Russian and western companies either went bankrupt or withdrew from the market. During the crisis, the private - or market - sector of the economy anticipated change more swiftly than state companies and was much faster to make people redundant.

These redundancies were made to cut costs on a huge scale. Unfortunately, they were made at random and with no regard for the qualifications of those who were fired. Post-crisis, matters settled down and, in 1999, employers were re-hiring staff to meet the demands of a revived market. This precipitated upheavals amongst the free labour force.

Experts claim that, before the crisis, there was a shortage of specialists. As a result, the trade, credit and financial sectors had to take on sub-standard staff who were high on both cost and mobility. After the crisis, the demand for labour shrank due to closures and bankruptcies. At surviving businesses, there were fewer staff on lower pay and employees were far more dependent on their employers; they also had much less scope to raise their income by changing jobs. As a result, they became aware of greater competition – and the need to improve their skills.

Despite a stable labour market, unemployment is still high and fragmentation is progressing. Current trends show that employers and employees are adapting to changes. Employers seek more experienced staff for lower pay. And the demand for qualified personnel has returned to its pre-crisis level.

In 1999, demand was highest for specialists qualified in finance, client relations, advertising and the promotion of goods and services. Equally sought after were experts in freight transport and warehousing, consulting, industrial technologies, lawyers, housing and municipal services, the service sector, and social and health services. And, by the end of 1999, companies that made shoes, furniture, and construction materials all wanted more qualified staff.

Demand for highly qualified specialists peaked at large commercial and manufacturing enterprises affiliated to big financial and manufacturing groups. (These included metal works the food industry suppliers of goods to the military; light industry; manufacturers of cars, chemicals and construction materials; fuel and energy complexes recently founded banks, and business devoted to road, railroad and sea transport.

Labour market forecasts

The Strategy of Economic and Social Development states that the projected growth of the real sector⁸ will make a positive impact on the labour market. This will, in part, vindicate the policy aimed at

sector restructuring and the reform of businesses. Given our new goals, priority goes to sectors and businesses with a high potential for research and technology, and organisations capable of boosting output in the high-tech research-intensive sphere – and thereby achieving sustainable competitive growth in both the external and internal markets⁹.

Following its restructure, the state administration and economy – i.e. statistics, judicial and law enforcement bodies – will phase out old functions and offer new job opportunities. We also expect there will be more new jobs in the private and small business sectors.

Following the global trend, Russia will put a high premium on some qualifications while less resounding credentials will fade into disuse. New occupations are already emerging, and will soon be flourishing due to proliferation of Information Technology and rapid technological development. This means we must minutely examine the changing needs of the national economy. We must also ensure that vocational education and training takes account of those changes. For reference, we should consult the recent European Centre for the Development of Vocational Training studies “European Trends in the Development of Occupations and Qualifications” and “Anticipation of Occupation and Qualification Trends in the European Union”.

Problems

In general, reforms in the labour market cannot keep pace with socio-economic changes. Key difficulties are:

- slow pace of creating and renovating jobs;
- too many inconsequential, low-paid jobs;
- too many people after too few jobs in every sector;
- a chaotic outflow of labour into the ever-increasing informal sector.

Given this background, state regulation of labour takes on a new significance. It works by creating new jobs and maintaining existing jobs that are still viable. State regulation also functions through employment agencies, job data banks and state programmes. Its aims are to provide career guidance, and help people to obtain vital knowledge, skills and employment. Amongst much else, it also helps businesses to develop in-house courses.

Up to 2000, the aims of state regulation were set out in programmes adopted by the Government of the Russian Federation: Structural change and economic growth for the period 1996-2000, A comprehensive programme of measures to create and maintain jobs for 1996-2000 and The Federal programme of promotion employment of the population in the Russian Federation for 1998-2000. In March 2000, the Ministry of Education and the Ministry of Labour agreed to work together on new measures to promote employment and continuing training for the work force. This included training at schools and at the work place.

Unfortunately, these measures have not improved matters on the labour market – possibly due to an over-global approach to orchestrating demand for labour. Based on analysing data on

8 See Glossary.

9 Before we adopted the new strategy, it was forecast that up to 2010 priority would go to developing sectors such as light construction materials, automobiles, metal working, food, chemical, petrochemical, wood, wood processing and pulp, and paper industries and agriculture [Ref. 17]. We expect increasing demand for middle-level specialists in the tertiary sector, social sphere market infrastructure, tax and budgetary sphere, insurance market and personnel management.

macro-economic principles, this approach has been largely abandoned by other countries. Instead, these tend to conduct analyses regionally, locally, and sometimes even in terms of businesses. True, general trends in the economy help shape the economy, but also having a significant impact are needs specific to regions, territories and businesses; likewise, the requirements of individuals and their families in terms of career development and personal fulfilment.

That is why we must conduct analysis in a new way. It must now focus on developing vocational education and training that meets the needs of organisations, thereby reconciling this type of training with the labour market – and making state regulation far more efficient.

While this new approach to analysis is being developed, we should also make the most of vocational education and training courses, given their success in some CEE states.

Social partnership¹⁰

Our Ministry of Labour and Social Development actively promotes social partnership. In 2000, it framed various laws. These included “On Associations of Employers”, On Social Partnership and On Career Guidance and Psychological Support of the Russian Federation Population. The Ministry developed a concept for a career guidance course. It also set average standards, and drew up legal documents. The latter license activities that provide career guidance and psychological support. Up till now, territorial tri-partite and branch collective agreements have helped to prevent mass unemployment. In every area, the Ministry will also set up tripartite regional committees to regulate social and labour relations; to provide information and resources to help regions to establish social partnership and to involve large financial industrial groups in collective bargaining and other business matters on behalf of the employers.

Social partnership within vocational education and training is only now taking root. So far, we have set up 12 interregional structures. These update the content of initial vocational education and training. And, to ensure continuity of qualifications, they involve representatives of employers, trade unions, employment agencies and the Ministry of Education. In the Lipetsk, Novgorod and Chelyabinsk regions, initial vocational education and training Councils emerged to encompass every kind of social partner.

In some regions, social partners take part in controlling initial vocational education and training. Amongst much else, they decide on the extent and character of the training. On a municipal level, interaction consists of direct agreements between partners.

In virtually every region, social partnership is increasingly applied to training the unemployed. For instance, in the Moscow region, 34 tripartite agreements and 27 sector agreements have been finalised. As a result, social partners help define types of training that match labour market needs.

In some regions - including Kostroma, Voronezh, Kursk, Ulyanovsk, Pensa and Udmurtia - multi-lateral agreements were clinched. These regulate social and labour relations between the regional administration, the Trade Union Federation and associations of employers. Bilateral agreements were also signed between, first, the Employment Service Agency and the Department of Education; and, second, the Committees on Youth Affairs and the regional administration.

The National Doctrine of Education¹¹ and the newly adopted Strategy to Develop Education both put a premium on generating social partnerships within vocational education and training. This is part of the Strategy of Social and Economic Development.

10 For general overview see Annex 4.

11 See Chapter III.

We must take a number of steps to foster social partnership in the sphere of vocational education and training. First, we must institutionalise it on a statutory level. Next, we must generate laws for it, and define key issues for social discussion such as standards and content of curricula. We must then invoke practical ways of getting employers involved. Amongst others, these will include tax incentives, getting specialists in businesses to teach at educational institutions, and re-establishing links between education and businesses.

Issues such as vocational standards development and career guidance should be on the Tripartite Commission's agenda at both federal and regional level.

In Russia, leading figures in vocational education and training must brief themselves on social partnership mechanisms and on western approaches to developing the system. To this end, they should use the Internet, consult publications and - with help from the European Training Foundation and the Russian Federation's National Observatory - provide advisory services to the regions.

2.2 *Employment*

Employment policy and landmarks for the future¹²

Overview of the situation

According to the State Statistics Committee, the population became more economically active in 1999. By the end of the year, 74 million people were working, a million more than the previous year's figure.

In 1999, for the first time in ten years, the employed rose by 2.5% from 63.3 million in 1998 to 64.9 million. The majority of the employed, 41.9 million (65%), worked in large and medium-sized organisations. Over 10.1 million worked at large and medium-sized enterprises 24.2% of the average payroll number.

Both in 1998 and 1999, the number of people quitting work outstripped the total of those entering employment. But the gap narrowed considerably over those two years: 1.2 million left work at medium-sized and large organisations in 1998 but in 1999 the figure dropped to 145,000. In 1999, 10.3 million left work, 24.5% of the average payroll number.

The biggest influx of employees was at commercial enterprises, such as the stock exchange and brokers' agencies, 41.9% of their average payroll figure. Next came real estate agencies (40.5%), construction (40.3%), housing and municipal services (37.3%) and trade (35%). At the other end of the scale, financial, credit, insurance and research organisations and educational institutions hired the least number of employees.

As for job vacancies at large and medium-sized businesses, the largest number occurred at housing and municipal organisations, health services institutions, institutions of physical culture and sport, and in social services. The lowest numbers were recorded in agriculture, trade, public catering and industry.

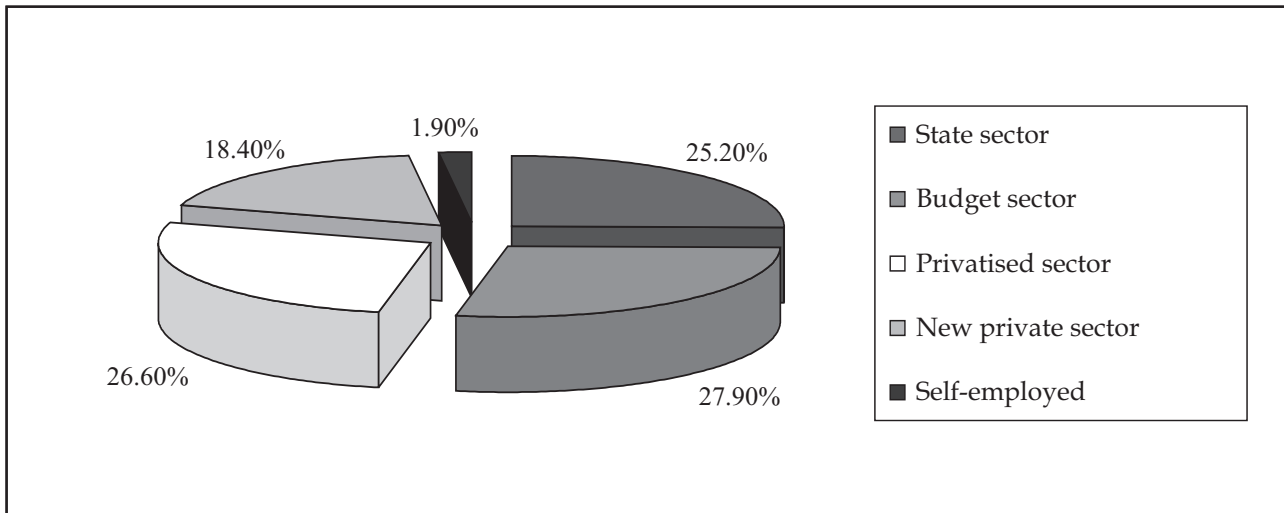
On the whole, in recent years, employment has shifted from the state to the private sector. This was due to fast growing employment in the latter; to the development of small-sized businesses, to a

12 See Annex 5

dramatically growing number of self-employed, and to proliferating options in part-time and secondary employment¹³.

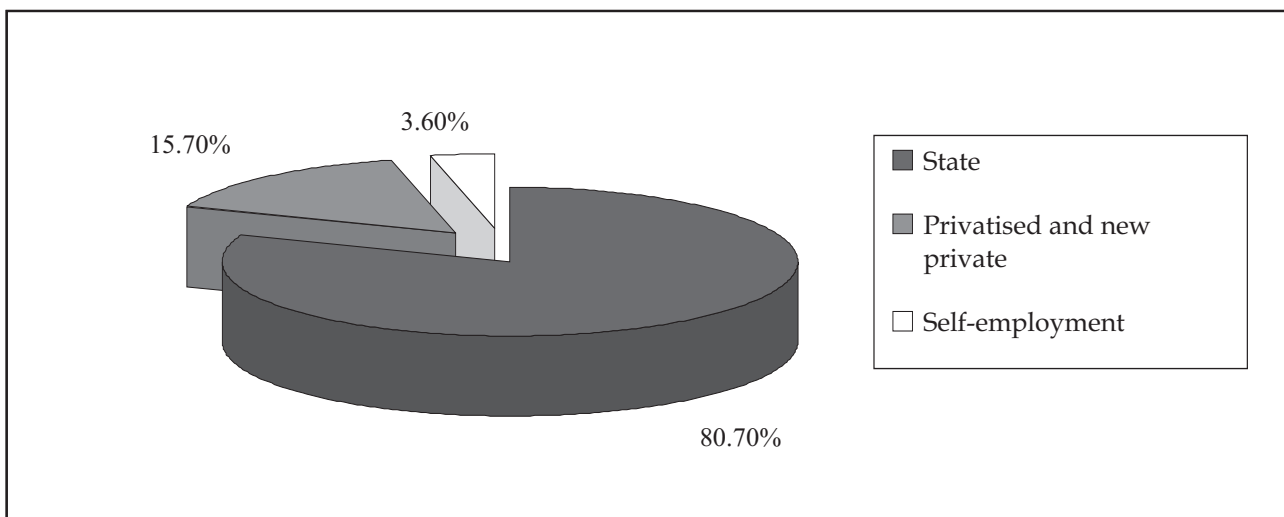
In 1998, the Institute of Comparative Studies of Labour Relations polled samples in five cities: Moscow, Samara, Kemerovo, Lubertsy and Syktyvkar. This research showed sector distribution of the employed (average figures) [Ref. 40] as follows:

Figure 3. Distribution of employment by sector (in 5 regions)



Another survey was based on a poll among households and data of career records. As of 1 January 1998 [Ref. 40], this showed distribution of employment by sector to be as follows:

Figure 4. Distribution of employment by sector (household data)



Tendencies

The employment sector structure shows a still smaller share of industry (especially manufacturing) and science/research, and a rising share in the trade, housing and municipal, health care and education sectors [Ref. 35a].

13 See Annex 3.

In the recent years, hidden labour resources tended to become latent unemployment¹⁴, while contrasts between employment opportunities in the regions became ever more extreme.

In 1998, the administration transferred 4.7 million (11% of the average registered figure) to part-time work. Part-time employment peaked at transport organisations (29.6% of the average payroll list), in industry (19.9%), in research institutions (14.8%), and in construction, information and computer servicing companies (10.2%).

Part-time employment, wage arrears and job-finding problems have combined to create the stable secondary employment now firmly rooted in the labour market. In two thirds of cases, secondary employment is informal. As a survival strategy for the most competitive and adaptable social groups, it is mostly concentrated in the new sector of the economy¹⁵.

On average, 25 million people work in the informal sector. For over 7.5 million of these, this is their only source of income [35b], which is why secondary employment is largely a “grey area”. Experts believe that the flower of the qualified work force works in this sector, which, according to the latest Goscomstat data, absorbs up to 20% of the Gross Domestic Product.

Generally, mass employment in the informal sector makes it impossible to get a realistic picture of income levels, social levels, living standards, unemployment and the relationship between supply and demand of the work force.

Informal or secondary employment makes it hard to identify disadvantaged groups genuinely entitled for social support from the state. This may well cause problems when these groups come to be assessed for entitlement to state subsidies within the vocational education and training system¹⁶.

The new Social and Economic Strategy treats employment issues as integral to social development. Once this strategy is under way, we expect some positive breakthroughs in employment.

However, prevention of mass unemployment is still more important than any active employment policy.

A new law, “Employment of the population of the Russian Federation”, is in preparation. This will specify the responsibilities and rights of executive power bodies on both federal and regional levels concerning the labour market, its working methods and the payment of unemployment benefits.

We now need to:

- develop an active employment policy that balances economic and social priorities on the labour market;
- train the unemployed more effectively, drawing on international experience of administration and funding with our resources;
- draw the qualified work force away from the informal sector and eradicate distortions in the supply and demand of the work force and the unemployment rate.

14 Potential (hidden, latent) unemployment is due to a slump in the production slump at many organisations that used to keep most of their work force on their payroll lists.

15 Data on the rate of informal employment vary considerably as the term itself has several interpretations. Furthermore, the rate changes according to the period during which supplementary jobs are available. Possibly the most reliable informal employment rate, as offered by the Institute of Comparative Studies of Labour Relations, is 17.5% of those aged 15-72.

16 See Chapter III.

2.3 Unemployment

Overview

In 1999, the unemployment rate continued to grow: between 9 and 12 million people sought jobs. Following International Labour Organisation methodology, this is 10-12% of the total unemployed.

On graduation, 17% of initial vocational education and training graduates and 20% of secondary vocational education and training graduates fail to get jobs. Furthermore, two-thirds of initial vocational education and training graduates are not employed in the areas they were trained for.

The number of registered unemployed continued to dwindle. By the end of 1999¹⁷, they totalled 1.26 million people, or 1.7% of the economically active population.

The majority of the unemployed was aged 18-24¹⁸.

In 1999, 4.3 million people (a 90.1% rise on 1998) applied to register at the Ministry of Labour's regional or local employment agencies. Of them, over 54% were women, and over 56% were aged 16-29. Over 3.07 million succeeded in getting a job with the help of the employment agencies, a 17.7% rise on 1998.

Between May and August 1999, the average job-seeking period slightly shortened from 10.0 months to 9.4 months. The share of those seeking jobs for more than a year went down from 49.4% in May to 44.6% in August. In 1999, the average period of registered unemployment was 7.6 months.

The average age of the unemployed was 38.7. Of the total unemployed, 51% were men, 48% were women, and 38% were aged 16-29¹⁹.

During 1999, the number of vacancies registered by the employment agencies doubled, reaching 600,000 by the year-end.

The labour market tension ratio changed from 6.6 in 1998 to 2.5 at the end of 1999. It peaked in the Aginsk Burjat Autonomous area (2,250 persons per 1 job), Ingushetia (968), Evenkia (107), and the Altaj Republic (30). It was lowest in Moscow (2 jobs per 1 person), and in the Volgograd and North Novgorod regions (1).

Anti-unemployment measures

The core responsibility for promoting employment lies with the Federal Ministry of Labour and Social Development and its regional employment agencies. However, these bodies only have limited resources and can do a little for uncompetitive people.

However, the chief difficulty is not so much lack of resources as poor organisation of work. In particular, the Ministry and its other bodies do not interact with other key stakeholders in the

17 The reluctance of the unemployed to register with employment agencies may be due to the low level of social payments and to the state's failure to guarantee prompt payment of benefits. Further factors include: applications go down in summer, and, for a certain section of the registered unemployed, the initial period of entitlement to benefit expires.

18 See Annex 5.

19 Note that the total number of registered unemployed must be adjusted to allow for those unemployed (one in ten) who are not, under Russian Federation law, defined as unemployed when they applying to an employment agency. For example, 254,000 students at day core general schools (2.9%) and about 750,000 (8.7%) pensioners seeking jobs.

economic process on the national, regional and local levels; they have nowhere to meet and work out a masterplan to develop the labour market.

The financial resources of the employment fund are limited to a budget of some 15 million roubles. This has resulted in cuts in outlay on active employment courses, in finance for creating and maintaining jobs, social support, social benefits and programmes of public works. Following amendments to the "Law On Employment", which in part relates to them, the funding of public works was reduced and their popularity waned. Nevertheless, in 1999 public works involved 496,900 people (139% up on 1998). At the same time, outlay on training and career guidance rose.

In 1999, 34% of those who found jobs did so with the help of the employment agencies (up from 29% in 1998).

Training of the unemployed

Training for the unemployed, paid for by the State Employment Fund, is a powerful way to combat social tension and promote an employment policy.

In 1999, employment agencies trained some 350,000 unemployed, (the target figure was 300,000) and gave career advice to over 5 million. After training, about 92% were employed.

Selected from 3000 tenders, various vocational education and training institutions put training in hand. Some 43,000 people (30.2%) trained in technical schools, 34,900 (23.9%) trained in initial vocational education and training institutions, 20,500 (14.4%) in secondary vocational education and training and higher professional institutions and 19,200 (13.5%) in other educational institutions.

In early 2000, the Ministry of Labour and the Ministry of Education issued a joint decree. This concerned the organisation of pre-service and in-service training, and the re-training of the unemployed.

In-company training

The state and new private businesses set the pace in training. State enterprises are responsible for 26% of all personnel undergoing training; new private businesses for 24%; privatised organisations for 15%, and self-employed people for 18%.

The organisations and companies that appreciate the value of training staff are mostly finance and credit companies, insurance companies, exchanges, medical and educational institutions, enterprises employing specialists in arcane professions, joint ventures and network marketing companies. At new private organisations and companies - in sectors such as business, construction and services - the rank-and-file personnel train on work premises.

In 1999, some four million employees benefited from in-company training funded by employers.

Given the importance of anticipatory training²⁰, the Ministry of Labour endorsed various recommendations from regional and local employment agencies of the Ministry of Labour to promote anticipatory training. This helps to ensure the continuing employability of those threatened with redundancy by allowing employers full or partial reimbursement of outlay on training.

20 Anticipatory training is training given to people before their labour agreements with employers end. It aims to reduce social tension on the regional labour market and shorten the period of unemployment.

Employment and adapting young people to the labour market

Employment and adapting young people to the labour market is a key factor in the employment policy.

Recently, the Ministry of Labour and Social Development and the Ministry of Education formally agreed to co-operate on bridging the gap between vocational education and training and the labour market and on promoting youth training and employment. Their first step was to develop and approve an inter-departmental Programme, "A system to promote employment for graduates of vocational education and training and adapt them for the labour market". The Programme contains a system with a database that provides information on labour markets and educational services and the mechanics of legal, economic and social safety. It aims to create a network of state and private organisations and institutions that deal with student and graduate employment. The Agreement also provides for the establishment of regional youth employment centres.

In some regions, the vocational education and training institutions have adopted curricula that ease the transition of students to the labour market.

In 1998, employment agencies helped 127,000 young people who were getting their first jobs to enrol in vocational education and training institutions. In 1999, the figure rose to 150,000.

At present, the "Youth Practice" programme promotes the employment of young vocational education and training graduates. In 1999, the programme provided jobs for 40% of the 30,000 people in the scheme. Of them, 38.5% were secondary graduates, 27.5% were initial graduates, and 15.3% were higher education graduates.

Another programme, "Part-time jobs for minors", is for those aged 14-18. In 1999, 875,300 of them, or 89% of the participants, gained part-time employment in the spring and summer.

A key factor in the policy is job quotas at organisations. In 1999, these secured jobs for 99,800 young people, 22% more than in 1998. This figure includes 25,500 under - 18s and 11,400 disabled.

Clearly, training the unemployed should not wholly devolve onto Russia's employment services. It must also involve social partners and, primarily, employers.

To reach different types of unemployed people, Russia must create alternative ways of organising and funding training. For instance, job rotation schemes with benefits obvious to both sides; incentives for employers offering temporary jobs; and special employment insurance funds made up of either voluntary or mandatory levies or contributions from payroll funds.

Russia must also set up anticipatory training for workers facing redundancies, using the joint resources of businesses and employment agencies - especially when workers return to their former organisation once they have been re-trained.

To make training more accessible, we must set up an information system is required for job seekers. This will help them to home in on available jobs and their "niche" in the labour market. A comprehensive career guidance system must also be developed for different categories such as general and secondary school leavers, vocational education and training students, job seekers and the unemployed.

3. Governance of vocational education and training

3.1 *Vocational education and training policy and legislation*

Overview

Continuing vocational education and training reform is part of overall education reform in the Russian Federation. Its key principles are democratisation and decentralisation of governance and regionalisation²¹.

In line with democratisation, the education system now contains elements of public governance. These take various forms. They include the Council of Education Administrators of the Russian Federation Subjects (affiliated to the Ministry of Education²²), the Federal Council for Secondary vocational education and training, the Initial vocational education and training Council²³, the Council of Principals of Secondary vocational education and training Institutions and the Council of Principals of Teacher-Training Schools and Colleges. Also set up were 76 Regional Councils of Principals and 18 Associations for secondary vocational education and training institutions. The All-Russia “Rosproftech” Association, the Academy of vocational education and training, the Initial vocational education and training Principals Club and the All-Russia Council of vocational education and training Veterans also make strategic decisions.

More and more educational institutions have co-founders. The first co-founders of secondary vocational education and training institutions were the Ministry of Education and the executive

21 Regionalisation presupposes that educational institutions will take account of a region’s comprehensive socio-economic development. To this end, they will meet the needs of the local labour market and the population needs. Regionalisation also assumes that state governance will be channelled towards joint federal-regional governance with participation from the state and public institutions. The regionalisation policy aims to integrate vocational education and training and professional education institutions vertically and horizontally into regional academic and university systems. They would then be answerable to the Russian Federation Subjects state administration bodies of divisions. These, in turn, execute state governance of the regional vocational education and training and professional education systems - also working with Councils of Rectors of higher educational institutions, principals of vocational education and training institutions and Boards of Trustees. These latter are to become part of the regional state and public system of governance and self-government of vocational education and training. The principles of the regionalisation policy are set down in the programme of the Russian Federation Government that deals with the stabilisation of economy and finance. This provides for a stage-by-stage transfer of vocational education and training and higher professional education under the jurisdiction of the Russian Federation Subjects.

22 In 1999, the Council discussed the draft concept of the “Regional Education Policy in the Russian Federation”. It also examined, amongst much else, the development and implementation of regional plans to develop education and criteria for assessing activities of Russian Federation subjects in the education field.

23 The Initial vocational education and training Council was set up in 1999. It aimed to co-ordinate the activities of education administration bodies of the Russian Federation subjects, ministries, employers, educational institutions, educators and public associations for the benefit of Initial vocational education and training development.

bodies of the Subjects of the Federation. The institutions were in the Irkutsk, Samara and Sakhalin regions.

The initial and secondary vocational education and training systems are seen as part of continuing (life-long) education.

When selecting personnel, employers now seek highly skilled specialists with a wide range of competencies. Hence, the growing demand for “universally” applicable or transferable skills. Alongside occupational qualifications, employers also place a high premium on functional and personal qualities. These include communication skills, creative flair and a responsible approach to making and implementing decisions.

With the first wave of vocational education and training standards set nation-wide, the standardisation of education is well under way.

Despite the demonstrable progress of reforms, the vocational education and training system is still riven with key structural and management issues yet to be resolved. As in other sectors of education, there is a dire need for modernisation of content, institutes and investments. The strategy for modernising vocational education and training is a part of the overall Strategy of the Economic and Social Development.

The overall Strategy sees the updating of vocational education and training and the rest of the education system as vital to the modernisation of Russian society and its transformation into an “Information Society”. The latter demands new social skills, new roles for individuals and the rapid proliferation of information technologies.

To meet the new challenges:

- ➔ Russia must correct the structural imbalance between supply of education services, demand generated by individuals/society and developing labour markets;
- ➔ Educators and officials - the suppliers - must hand over responsibility for setting national targets to the vocational education and training customer;
- ➔ We must devise ways to link education with the needs of the society - and thereby stop the serious waste of resources outside and within the system.

Vocational education and training: legislation and policy

The two key legal documents that control the vocational education and training system are the Russian Federation Constitution and the 1996 Law “On Education”. In 2000, two new central policy documents appeared: “The National Doctrine of Education in the Russian Federation” (January) and “The Strategy of Economic and Social Development of Russia” (June).

The main provisions that determine the status and operation of the education system are further specified in various publications. These include “The Federal Programme of the Development of Education in the Russian Federation”, “The Concept of Reforming Initial vocational education and training”, “The Programme of the Development of Secondary vocational education and training for 2000-2005” and “The Concept of Training the Unemployed”.

The National Doctrine offers the statutory perspective of an integrated vision and the principles of the development of the education system. On the other hand, the Strategy puts education in the general context of the country’s economic and social development as a national “point of growth”. The Strategy also specifies the economic and financial mechanisms for updating the system in ways

conducive to future economic and social prosperity. By being specific, the Strategy may help to realise the good intentions and general aims of earlier programmes.

However, key provisions of the Education Strategy all relate to new financial and management mechanisms; and these, in turn, hinge on steady economic growth. As for their success, only time will tell.

There are various reasons to doubt the feasibility of the new education strategy. First, many of its key principles depend on fundamental revisions to current legislation and on the adoption of numerous new by-laws - some 200-300, according to the Minister of Education - and other norm-setting documents.

Second, the cost of radically reshaping the education system to absorb a market approach to funding could be both expensive and time-consuming. This is because it would need, amongst much else, planning and co-ordination with every level of governance and finance and resolution of ownership issues. Also the new financial scheme could work only if the collective income of Russia's population, the consumers of education services, rose substantially.

Third, we still do not know how and to what extent, if at all, 12-year secondary general education in its new form will absorb vocational education and training elements nor how curricula of complete secondary general education and initial vocational education and training will correlate.

Lastly, it may be hard to reconcile vocational education and training with general education in the curricula. Indeed, we would need to reorganise academic subjects fundamentally to ensure vocational education and training graduates had access to higher education.

In summary, Russia must subject the Strategy to serious public examination and discussion. It should also be reviewed on the federal and cross-regional levels by professionals from various sectors - economic, financial, management, labour market and education.

The National Doctrine of Education in the Russian Federation sets targets for the education system, and lays down policy for their achievement by the State up to 2025. The Doctrine reconfirms the main provisions of the Russian Federation's Constitution. In part, this relates to the citizen's right to free pre-school education, core general and secondary (complete) general education - together with a first-time sortie into Initial and secondary vocational education and training.

The Doctrine is now making transition an element of 12-year secondary schooling. This policy has various advantages and disadvantages, and it is too early to forecast how it will affect quality of education, the capacity of school-leavers to integrate with society and society in general. However, it is demonstrably very costly.

Some of the Doctrine's provisions are particularly relevant to vocational education and training. These relate to continuing education, promotion of social partnership, norm-based funding of educational institutions; likewise, to vocational education and training and re-training opportunities for the working and unemployed population. The provisions also cover the creation of laws to cover fund-raising in education and ways of generating private investment in education such as tax and customs incentives.

The Doctrine also prescribes the level of funding for the education system in terms of percentages of Gross Domestic Product: 2003 - up to 6%; 2010 - 8%; and 2025 - 10%.

However, the Doctrine treats all these provisions only from a statutory perspective, with the State as the sole entity responsible for promoting education. While education is given priority, it is not seen as a route to the successful development of society. From this point of view, the Education Strategy is conceptually more advanced.

Basically, the organisation of state education policy is formulated in the “The Federal Programme of the Development of Education”. The Russian Federation Government approved this on 24 June 1999, and it became Federal Law on 10 April 2000.

The Programme sets down the goals and directions for developing the system of education. It embraces improved laws and economic and governance mechanisms. Amongst much else, it forecasts the system’s needs for training specialists, the interaction between education and labour, state and social guarantees for students and teachers and provision of resources.

As for vocational education and training, it touches on standards, diversity of educational institutions and multi-level system of governance, quality assurance and quality control, and regional and sector programmes for developing education. It also expands on content and optimisation of the training structure, integration of different levels of vocational education and training and higher education, and getting business involved in developing this type of training.

However, the Programme is largely theoretical. It does not describe ways to achieve its aims nor does it assess the costs involved. The Russian Federation Government adopted the Concept of Reforming Initial Vocational Education²⁴ on 21 July 1997. This Concept allows for reforms to initial vocational education and training. These include the transfer of initial vocational education and training institutions to the jurisdiction of the Subjects of the Federation; and, to make the most of resources, a possible merger of all initial vocational and education training institutions. It encompasses new occupations in the tertiary sector within the Classification of Occupations. And it provides for the development and introduction of state educational standards for initial vocational education and training.

The Concept sets down the forms of ownership of initial vocational education and training institutions. It also states principles for estimating the budget of these institutions based on approved state and local norms and sources of initial vocational education and training. These include non-budgetary sources such as fund-raising.

The new draft law “On initial vocational education and training” stresses the promotion of multi-channel funding. It also stresses the importance of co-founding educational institutions - with founders representing the federal education administration bodies, executive bodies of the Subjects of the Federation and municipalities, businesses, firms and corporations.

The Programme for Developing Secondary Vocational Education for 2000-2005 was adopted in 1999.

This aims to create a legal, economic, organisational and methodological for developing secondary vocational education and training “to enhance its social effectiveness in the changing socio-economic situation in Russia”. The Programme sets various targets. These include Secondary vocational education and training oriented to the labour market and improved quality of training; a diversified multi-level system that is integral to continuing education; effective state-and-public governance of the system; and consolidated interaction with employers and other social partners.

Before the adoption of the Programme, over 100 norm-setting documents controlled various aspects of the system for secondary vocational education and training.

A new draft law, “On secondary vocational education and training” specifies provisions of the Law “On Education” as they affect the system. It also sets down various important legal norms. These cover the concept of secondary vocational education and training, social guarantees for obtaining it, state education standards and curricula, structure and governance of the system and its institutions, quality assessment, rights and responsibilities of the subjects, economics, and international

24 As the Concept was adopted in 1997, the next two years saw it in action.

co-operation. Now the draft must radically change to accommodate the new financial mechanisms of the Modernization Strategy²⁵.

Legislation for vocational education and training is far from complete or perfect. Some areas of the system await rulings, and there are contradictions between recently adopted laws and regional legislation, both on the federal level and between federal and regional legislation. A number of norm-setting documents must be either amended or reworked. And there must also be a major legislative effort to support the new Education Strategy as follows:

- provision of budget subsidies from higher level budgets to maintain initial vocational education and training;
- financial incentives for employers to invest in vocational education and training and/ or to provide work for trainees;
- tax deductions for vocational education and training institutions of all revenues from sales of goods produced by them. These should then be reinvested in education;
- funding secondary vocational education and training - which is still not free, even first time round.

Given the regionalisation of governance of the system, regulations are required that frame the jurisdiction of educational administrative bodies. Indeed, there is already a draft that sets down the goals and functions of all administration bodies; this includes their right independently to develop regional regulations based on traditions and inter-regional administration. It is essential to eradicate contradictions in current education legislation²⁶ and between the education legislation and legislative acts in other spheres, such as the Tax Code.

3.2 *Responsible bodies*

The Russian Federation's Government Regulations have identified the Ministry of Education as the federal executive body with numerous responsibilities. For a start, the Ministry must implement state policy and assert control over education, research and technological activities within institutions that offer secondary vocational education and training and higher professional education. The Ministry also supervises the training and certification of researchers and academic researchers who aspire to gain the highest qualifications.

The Ministry of Education coordinates activities carried out by other Federal executive bodies. It also works alongside these bodies and interacts with a host of other organisations. These include executive bodies of the Subjects of the Federation, local self-government bodies, the Russian Academy of Education, the Russian Academy of Sciences, other state sector academies of sciences, research institutions and public associations.

Agreements form the foundation of the interaction between the Ministry of Education and the regions. By January 2000, 74 agreements had been signed with 56 Russian Federation Subjects and seven were about to be finalised. The Ministry was also responsible for 16 agreements between the Russian Federation's government and state bodies of executive power concerning decentralised authority and responsibility in education.

25 See in 3.3.

26 The most common discrepancies between the legal norms that regulate relations in education are those between the norms of the Federal laws, between the norms of the Federal Laws and the Federal by-laws, and between the norms of the Federal laws and the norms of legal acts of the Russian Federation Subjects. See Annex 6.

Half the state higher education institutions, 25.3% of secondary vocational education and training institutions and 79% of initial vocational education and training institutions are affiliated to the Ministry. As of 1 January 1999, the Ministry of Education had within its jurisdiction²⁷ 336 higher educational institutions, 676 secondary vocational education and training institutions, 3,103 vocational schools and 117 educational institutions at other levels.

Currently, in the 89 Russian Federation Subjects there are 124 state education administration bodies. Of them, 50 run general education and initial vocational education and training; 11 control initial vocational education and training; 14 organise research and higher education, while 40 are integrated bodies that govern general education, initial and secondary vocational education and training and higher education.

Unfortunately, this prolix administrative structure makes it hard to pinpoint where, within all the various levels of control, authority actually lies. And this compromises effective management. For example, with most of the secondary vocational education and training institutions in federal ownership, the regional education administration bodies have virtually no influence in this area of vocational education and training.

To improve the management of vocational education and training, Russia must form integrated regional education administration bodies. These will comprise general education, vocational education and training - both Initial and Secondary - and higher education divisions.

Russia must also ensure the comparison of regional education systems, sustain quality of governance; and enhance their co-ordinated development. It must also establish indicators to gauge the impact on the system's development and administration of conditions in various areas such as the socio-economic, socio-cultural, ethnic, demographic and in spheres specific to the particular regions.

3.3 Vocational education and training financing²⁸

Major outcomes for 1998-99

In recent years, educational institutions have been heavily under-funded, getting only half the financial resources they need. Since 1991, budgetary funding in real terms has shrunk by 40%. Inflation seriously depleted the real volume of allocations, and State arrears owed to educational institutions (over 2.3 billion roubles) have not been repaid in full. In 1998-99, the situation was exacerbated by educational institutions having to settle outstanding debts to utilities and pay for fuel and energy resources.

Since 1992, the outlay from the Federal budget has shrunk from 5.85% in 1992 to 3.45% in 1998, with a slight rise to 3.63% in 1999 and a projected rise of 3.75% in 2000²⁹

However, on average, regional budgets that used to contribute about 21% to education (ranging from 13% to 38%) started to grow. At the same time, salaries rose absolutely and relatively from

27 Data of the Checking Chamber ("Documents in Education", January 2000). According to the Ministry of Education the number of affiliated PSPE institutions is 669.

28 The order of budgetary funding appears in Article 41 of the Law "On Education". Under the Law, the development of financial mechanisms is within the competence of the federal, regional and local administrative bodies and self-government bodies.

29 See Annex 1.

31.6% to 39.4%, while in some regions educational institutions were paying as much as 40% more for utility services. Just as educational costs rocketed, budgets for educational development and for teaching materials and equipment, nose-dived both absolutely and relatively.

Note that differences in the financial state of the regions have inevitably resulted in differences in both educational standards and access to good education. Also, even in regions with similar economic resources, the level of education spending differs. This often depends on how much importance regional authorities attach to education.

In 1998, the budget gave the Ministry of Education 89.2%; and, in the first half of 1999, it was 59.8%.

The 1999 Federal budget for education rose by 21% due to economic growth. In real terms, the 1999 budget rose by 62% (or 17.2 billion roubles) as against the 1998 figure of 12.9 billion. The 1999 Federal education budget went according to plan. Salaries went to institutions of the federal affiliation on time and in full, and arrears were partly redeemed. Non-budgetary funds - fees for paid training courses, production activities and renting out premises - amounted to 9 billion roubles, 40% of the education budget³⁰

In 2000, budget expenditure rose by over 56%, and, for the first time in five years, expenses such as structural repairs, new equipment and utility payments were covered. By 2005, it is estimated that spending on education from the Gross Domestic Product will rise by 1%.

In 2000, the Initial Vocational Education Training budget rose by 64.5%, and that for secondary vocational education and training by 62.1%.

Recently, positive developments include the regional tax or levy. The law requires businesses and other organisations to pay this to help cover the needs of educational institutions. It amounts to up to 1% of payroll costs. However, the future of this tax is uncertain: the new Tax Code does not allow for it, but it has been reconfirmed in the Federal Law "On the Enactment of Part 1 of the Russian Federation Tax Code". At the same time, the new sales tax introduced in July 1998 is meant to meet the social needs of low-income groups, and automatically replaces the education tax in any region that adopts it.

With no lump-sum funding, both the autonomy and entrepreneurial spirit of educational institutions are heavily constrained despite provisions in the Law "On Education". This funding lack prevents educational institutions from planning their budgets and using funds effectively, which they are better placed to do than is any superior authority.

Multi-channel financing

Desperately under-funded by the budget, institutions have to raise funds from elsewhere. Hence, multi-channel financing to supplement an inadequate income from the budget. State and municipal educational institutions usually raise funds by selling manufactured products and educational services and by exploiting capital assets and other properties.

In 1999, vocational education and training institutions raised 75% of funds from educational services and 10.4% from renting out premises.

30 In 1997 the Centralised Education Stabilisation and Development Fund emerged at the Ministry of Education. It aimed to stimulate fund-raising. However, its limited resources largely went on paying for utilities.

Paid educational services³¹ are provided by state and municipal educational institutions on top of the compulsory curricula and state education which are, of course, free.

Initial vocational education and training institutions raised 76.3% from educational services, 22.2% from entrepreneurial activities, and 1.0% from renting out premises.

Secondary vocational education and training institutions raised some 10-15% from educational services, and, from entrepreneurial activities, 5-10% of the total budget for educational institutions.

So far, the initiative and resourcefulness of state educational institutions have made them more competitive than their equivalent in the private sector.

Analysis of current fund-raising stresses the need to create a regional financial and legal environment. This should adapt regional vocational education and training laws to local regulations concerning the distribution of funds from the Regional Education Fund. The new environment should also encompass education development funds³², backed up by relevant administrative and business structures, financial management tools, competent personnel³³ and regional co-operation of educational institutions.

Role of financing in the modernisation of vocational education and training

For financing to be effective, it must combine public and private funding. The new Education Strategy believes this kind of financing will play a key role in the modernisation of vocational education and training.

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- 31 For initial vocational education and training institutions, such services include:
- implementation of initial vocational education and training compulsory curricula with full reimbursement of tuition costs by physical or juridical entities (adult training);
 - intensive courses in disciplines alongside compulsory classroom hours and courses;
 - preparatory courses for applicants to higher and secondary vocational education and training institutions;
 - foreign language courses;
 - retraining courses for workers and specialists and in-service training that lead to a new area of expertise.

Apart from this, initial vocational education and training institutions sometimes provide other services, i.e. music lessons, sewing and photography courses, and fitness classes.

For secondary vocational education and training paid educational services include:

- courses for applicants to secondary vocational education and training institutions where entry is competitive;
- contract-based training for secondary vocational education and training specialists with costs of covered by either legal or physical entities (enrolment on top of the target quota is funded by the founders);
- retraining and in-service training in occupations, subjects and disciplines of the educational institution.

- 32 Such funds have already proved effective (i.e. in the Krasnoyarsk kray). When raising and distributing funds, the state and public control of funding for vocational education and training is assessed by the Council of Principals, public organisations and associations concerned with macro-economic issues.

- 33 It is vital to train staff in the economics of vocational education and training. To this end, an Institute of Social Educational Management will open shortly.

According to this Strategy:

1. Most of the money flowing into education will derive from a “personal approach” to budget funding. This enables individuals and households to add their own resources to their share of funds from the budget. For vocational education and training, this scheme comprises norm-based per capita funding³⁴ for initial vocational education and training according to the principle “money follows the trainee”, while budgetary financing based on personal certificates applies to secondary vocational education and training.
2. Subsidiary budget responsibility will change to an open system of transfers focused on educational needs in subsidised regions. This approach may be supplemented by an incentive whereby larger amounts go to subsidised regions that increase their own outlay on education and make effective use of federal funds.
3. Outlay on education from the budget will be on two levels. The first will support minimum social standards and be based on federal norms of educational budget financing. The second will support the development of educational institutions: co-funding tender-based selected projects submitted by educational institutions in priority areas identified by the Ministry of Education.
4. As a supplementary measure, targeted subsidies from federal and regional authorities will go to disadvantaged groups and to education programmes deemed important by the State but in low demand among trainees.
5. A 20% quota will go to top educational institutions. This will cover the costs of tuition and maintenance, reimburse trainees’ travel costs to educational institutions, state and state-guaranteed loans, and part-time job pools for disadvantaged groups and students from geographically remote areas.

As ways have yet to be found to introduce - and pay for - these initiatives, their introduction may lie far in the future. The community recognises more urgent ways to improve the funding of vocational education and training. They include:

- enactment of provisions of the 1992 Law on Education. These allocate public finance in lump sums to educational institutions irrespective of their form of ownership. This means the institutions are free to plan their own budgets;
- measures of indirect financing. These include giving different regional benefits (tax incentives) to educational institutions and tax incentives to businesses that invest in vocational education and training. They also embrace improvements to the economic and entrepreneurial activities of educational institutions;
- maintenance of the tax (levy) to help cover the needs of educational institutions.

The Russian regions are very well versed in financial management and, specifically, in the multi-channel financing of vocational education and training. It is important that a meeting is held, where the regions can share their experiences. Steps should be taken to ensure this kind of data can be cumulatively pooled.

34 Private funding includes contributions from individuals or households. It is expected that these will total 150-180 billion roubles in 2000 prices by 2010, given new tax incentives for private investment in education, income growth and budget financing incentives. Businesses will provide more training in the light of increased demand and tax incentives. By 2010, their contribution should total 50 billion roubles, or 0.5% of Gross Domestic Product. Add to this the income from activities mentioned in the previous section, fund-raising activities of educational institutions and the export of Russian educational services.

4. Initial and secondary vocational and education training systems

In Russia, the education structure comprises initial vocational education (ISCED 4) and secondary vocational education (ISCED 5B). These two successive stages follow general secondary school. Continuing training consists of supplementary professional education, which covers in-service training and re-training needs.

Since 1997, young people have come to see Vocational and Education Training as a route to success on the labour market, a good career and continuing well being.

Traditionally, but vocational education and training in Russia does two things. It eases the transition of young people into adult life and it ensures that a qualified work force continues to flow into all sectors of the economy.

Initial vocational education and training has an even more crucial role. It takes care of students during their compulsory schooling and it looks after numerous young people from low-income and disadvantaged families who are entitled to extra social support.

However, despite reforms, vocational education and training still has problems such as:

- 36% of secondary institutions were founded by over 30 federal bodies, thus making co-ordinated control a problem;
- a third of training relates to technical occupations within traditional production sectors. (However, this proportion used to be two-thirds);
- poor interaction between the system and the labour market, together with the employers' low commitment to Vocational Education and training, combine to undermine the regional labour markets.

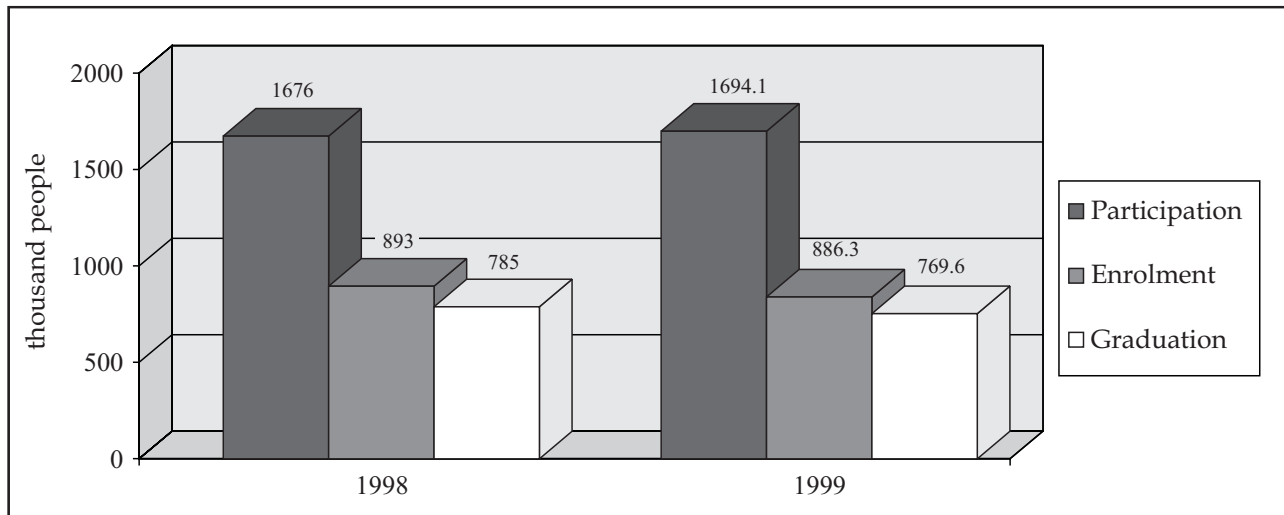
To solve these problems, it is necessary to improve financial measures (see Chapter 3) and strengthen links between vocational education and training and the labour market. This means setting up regional human resources programmes to be administered by boards. These should comprise regional executive officers from education administration bodies, employment services, economic management agencies, employer associations trade unions and leading regional enterprises. It is also necessary to enhance the financial and economic autonomy of vocational education and training institutions by placing trustees on the boards of these institutions, and activating public education associations and private providers of vocational education and training.

4.1 Initial vocational education and training

Core statistics

In 1999, vocational education and training institutions numbered 3,911. Due to the mergers of educational institutions³⁵ this was slightly less than the 1998 figure of 3,954. However, 1999 saw an increase in the participation and enrolment of students.

Figure 5. Initial VET participation, enrolment, graduation



The number of students financed from different sources in 1996-98 was as in following table:

Source of financing	1996 ('000)	1997 ('000)	1998 ('000)
State budget	821.3	799.6	784.8
Non-budgetary including:	203.8	221.6	265.5
■ Employment agencies	54	39.7	48.1
■ Contracts with enterprises	58.1	54	56.5
■ Contracts with individuals	91.7	127.9	160

- In 1998, 844 initial vocational education and training institutions set up advanced level courses (21.3%) and thereby attained the status of vocational lyceums; they are mostly grouped in the North-Western, Central, North Caucasian and Urals regions;
- About 37.5% of initial vocational education and training institutions are affiliated to Federal executive power bodies, and 494 to regional executive power bodies.
- In 1998, there were 114 students per every 10,000; in 1999, there were 116.
- The average annual enrolment in initial vocational education and training is 52 people per 10,000.

35 See Appendix 7.

- In 1999, 20.9% of 9th form graduates and 15.1% of 11th form graduates entered initial vocational education and training institutions.
- 39.2% of initial vocational education and training institutions are funded from the budgets of Russian Federation Subjects (regions).
- The demand for initial vocational education and training has been stable for the past five years. There is no shortage of applicants. Indeed, in many regions, admission figures outstripped preliminary estimates.
- In 1999, 9.9 % of graduates from initial vocational education and training day departments went on to higher educational institutions.
- In 1999, about 50.5% graduates from day vocational education and training institutions were offered jobs. Out of 330,280, 93,890 went into industry; 69,670, into agriculture and forestry; 45,920 into construction; 47,480 into trade; and 20,560 into the housing, municipal and public catering sector. In 1998, 337,700 people graduated, as against 744,000 in 1990. Out of these, 97,000 went into industry (285,000 in 1990) and 70,000 into agriculture (164,000 in 1990).
- In 1999, 14.6% of initial vocational education and training graduates failed to get work.

In December 1999, a new “List of Occupations of initial vocational education and training” with 286 integrated occupations, was approved. The qualifications structure of initial vocational education and training (a component of the state standard) shows that 84% of occupations demand a complete secondary general education.

It is expected that the economy will demand more of these occupations in the future.

Up to 2010, given the overall modernisation of the system, the priorities of initial vocational education and training are:

- to strengthen links with the labour market;
- to promote social partnership along with continuing discussions between educational institutions, employers, trade unions and employment agencies;
- to rebuild the network of initial vocational education and training, renew facilities and equipment, and set up resource centres;
- provide training opportunities at businesses in contrasting types of ownership;
- update content, launch modular training (primarily in specific work skills), raise achievement level of graduates;
- introduce new financing mechanism³⁶;
- update material base, equipment and facilities of educational institutions.

The Modernisation Strategy demands a stronger vocational component while calling for “the abandonment of unrealistic attempts to achieve vocational standards and a secondary (complete) general education certificate”. This strategy is in breach of the Law on Education and earlier policy documents. It is also contrary to the current international stress on academic knowledge and skills that encourages workers to carry out increasingly complex tasks. That aside, the Strategy flies in the face of the internal need for workers with qualifications based on a secondary complete general education. It is to be hoped that this issue will be resolved in favour of initial vocational education and training graduates.

36 See Chapter 3.

4.2 Secondary vocational education and training

Core statistics

Number of educational institutions:

1998: 2,584 state and municipal (technicums and colleges) and 183 private;

1999: 2,670 state and municipal (technicums and colleges) and 134 private. (The reduction in private educational institutions resulted from the 1998 crisis.)

➔ Participation:

in 1998: 2,051,600;

in 1999: 2,147,300.

➔ Graduation:

in 1998: 544,800,

in 1999: 563,200.

➔ Over 34% of the total enrolment comprises specialists who train with businesses and individuals according to contract, and recoup tuition costs. Of all students trained at state expense, 7.1% train on a contract basis.

➔ In 1999, Federal state educational institutions accounted for 61.1% of all state and municipal institutions: within this figure, 38.1% were state secondary vocational education and training Institutions of the Subjects of the Federation and 0.8%³⁷, municipal.

➔ Participation:

Federal state and municipal secondary vocational education and training institutions: in 1998, 2,052,000; in 1999, 2,125,000;

Private educational institutions (about 28,319 per 10,000 population): 1998, 137; 1999, 146.

➔ Enrolment in state and municipal Secondary Vocational and Education Training institutions:

1998: 707,000

1999: 766,000

➔ 11% of annual enrolment consists of graduates from core general schools while 24% come from secondary general schools. 80% of secondary vocational education and training graduates get work on graduation.

➔ In 1999, of 329,533 full-time secondary vocational education and training graduates, 98,732 were offered jobs.

➔ About 22% of the population have a secondary vocational education and training education. About 20 million specialists of the middle level, or 33% of the employed population are employed in the economic and social sphere; 62% of employed specialists have secondary vocational education and training and higher professional education. There is training for 290 occupations.

➔ Technical, economics and law institutions are usually in big industrial cities, while medical, teacher-training, and agricultural institutions are mostly in smaller towns. Every third educational institution - and they account for half the enrolment in secondary vocational education and training - is in a smaller city or a settlement. Here, it becomes a cultural and educational centre.

- ➔ Out of 290 courses for various occupations offered by secondary vocational education and training, 37% have no equivalent at any other level or in any other type of institution.
- ➔ The advanced level produces an increasing number of specialists. It now amounts to 11.6%. At this level, the largest share of specialists is in teaching (38.2%). Next come culture and arts (8.4%), then economics and humanities (9.4%).
- ➔ In recent years, demand for secondary vocational education and training graduates has been stable.

Place of secondary vocational education and training within the educational structure

The Education Strategy asserts that for young people secondary vocational education and training is the compulsory minimum of vocational training. To ensure their access to secondary vocational education and training, the Federal budget should cover half the total outlay.³⁸

Forecasts of social and economic development up to 2002 estimate that participation in secondary vocational education and training will rise by 9.5% on the 1998 figure.

At present, Russia requires middleweight specialists in research-intensive and high technology sectors, in transport, communications, information and computer support of management. And it needs more secondary vocational education and training specialists in the market infrastructure, in taxation, and in the budgetary, service and social spheres.

Secondary vocational education and training graduates also manage lower level work teams; they maintain and control technological and engineering systems; and they prepare and carry out the primary processing of technical, technological, economic and other information.

Over the past three years, the system has met labour market demand by introducing training for 20 new types of occupation.

Secondary vocational education and training institutions network

In the past few years, the percentage of multi-profile educational institutions has reached 45% of all secondary vocational education and training institutions.³⁹ These are usually existing institutions that expand to offer courses in economics, management and law. Colleges are a new type of multi-functional, multi-profile and multi-level educational institution. They account for 37% of all secondary vocational education and training institutions.

New types of secondary vocational education and training complexes integrate various kinds of educational institution. Their flexible character will attract more new investors and promote continuing education in the regions. Integration, or the merger of educational institutions, takes place on the same level (horizontal integration) and between levels (vertical integration). Some 160 departments of higher educational institutions implement curricula for secondary vocational education and training. Integration works best at educational institutions affiliated to the Ministries of Communications, Health, Culture and Agricultural Products. In a number of regions, vocational lyceums changed into secondary vocational education and training institutions.

38 As we have seen, this latter provision contradicts the National Doctrine and the Law on Education. It needs legislative adjustment or radical re-thinking.

39 The highest incidence of multi-profile educational institutions is in the Republics of Tuva and Khakassia, the Novgorod and Cheljabinsk oblasts. It amounts to 60% or more.

The Education Strategy's priorities for developing secondary vocational education and training are to:

- cut the number of Federal ministries running institutions and concentrate the institutions under the Ministry of Education;
- develop business-based training;⁴⁰
- make the institutions provide in-service courses and courses for unemployed and redundant workers funded by state employment agencies;
- improve the institutions' network through horizontal interaction between educational institutions so that multi-profile colleges will comprise 80% of all educational institutions;⁴¹
- promote multi-level institutions that offer initial and secondary curricula and re-training courses for a wide range of occupations so they comprise some 25% of all educational institutions;
- integrate more secondary vocational education and training institutions with higher education institutions by incorporating colleges in university complexes (up to 20% of all secondary vocational education and training institutions);
- set up college-style departments of higher education institutions;
- promote multi-channel funding by getting the Government, municipalities and business in all forms of ownership to co-found educational institutions.

Issues common to both levels of vocational education and training

Both levels would only benefit from closer mutual interaction and a co-ordinated approach to key issues. We have already made progress by consolidating ways to develop models of integrated institutions of vocational education and training. This process was spurred on by a workshop set up by the National Observatory with support from the European Training Foundation.

Overseas, there has been much activity in this area: for instance, in Further Education Colleges in the United Kingdom and in Regional Education Centres in the Netherlands. By analysing this international experience, we will find it easier to develop models compatible with Russian conditions. These will use available resources to meet the needs of the local labour market together with those of the population.

We must develop these models in co-operation with all the key stakeholders in the system because they play a vital role in developing labour market training and providing job placements for trainees.

To attain other urgent targets, we must improve the governance of vocational education and training institutions: clearly defining authority and responsibilities between all levels and subjects of administration; and involving social partners more widely.

40 However, due to lack of funds, the employers' resources for financing business-based training will be under 5% of total training costs. The same goes for the private resources of individuals. With a stronger economy and interaction between secondary vocational education and training and the labour market, the share of private individual resources may rise to 10%.

41 This especially applies to smaller cities and areas with no higher education institutions.

4.3 *Supplementary professional education*

Core statistics

Supplementary professional education embraces over 1,100 educational institutions. These include 14 academies, 14 inter-sector in-service training institutes affiliated to higher educational institutions, 52 inter-sector regional training centres, 119 sector institutes, 103 specialised institutes of in-service training of physicians and teachers, 140 sector affiliated in-service training institutes at ministries, over 300 departments of in-service training of executives and specialists at higher educational institutions, 160 courses and 92 departments at secondary vocational education and training institutions, 27 training centres for the ex-military and 56 training centres run by employment agencies.

In 1998/99, 1,120,000 people were trained at these institutions, including in-service training of 1,052,000 and re-training of about 67,000.

The staff of supplementary education institutions comprises 83,700 people, including 26,300 full-time teachers (among them 3,500 candidates of science); 13,000 part-time teachers (including 6,841 professors and doctors of science and 20,000 candidates of science) and other kind of employees.

Current problems

Lack of government funds means the state system of supplementary education has to be largely self-financing. At present, its share of the budget is about a third of that for higher education. The right to free supplementary education does not appear in either the Constitution or the Law "On Education".

Federal, regional and local budgets continue to under-fund the state system of supplementary education. As a result, the private sector may well engulf the state sector of supplementary professional education. The sector-based system of in-service training and re-training is also in flux.

At the same time, given the rapid development of technological information and communications, we expect the role of supplementary education and training to grow. Estimates suggest that some 20 million administrators, specialists and civil servants will have to retrain so that they can meet the needs of the economic reform over the next few years. To this end, the current system of supplementary professional education must grow several times over. This means the government must make much more of an effort to uphold and expand the system. Otherwise, we will see the emergence of highly competitive suppliers that provide supplementary education – and this sector is already said to be growing fast – or state institutions that lay on additional paid services.

Given the emergence of further private supplementary education institutions, we must maintain the quality of training by imposing higher standards when licensing, certificating and accrediting the providers of supplementary education. Unfortunately, we have no statistics for the private sector.

The state has started to streamline the state system of supplementary professional education, mostly by adopting norm-setting documents.⁴²

The draft law, "On Supplementary Professional Education", states that employees must have at least five days' unpaid leave once every two years to take a course of their own choice. They are also entitled to upgrade their qualifications with in-service training or re-training at their employer's expense. In both cases, training must last more than 72 hours. During training, trainees are paid an average salary with travel costs covered by the employer.

The law makes various provisions to upgrade the retraining and qualifications of unemployed people funded by the unemployment service. Under the law, the government sets the norm for the employers' contribution to the supplementary education and training of their employees. This varies between regions and sectors, but is never lower than 2% of the payroll. Employers see training costs as production costs.

The funds of sponsors channelled into supplementary education and training are tax-deductible. At the same time, the state allocates to state and municipal providers of supplementary training funds from budgets of all levels. These are never less than one third of a paid hour per month per trainee.

However, legal documents on their own will not promote the efficiency of supplementary training and education. There must also be a continuing need to develop skills and competencies both in individuals and employers. That way, both sides will appreciate its benefits.

Conditional on the development of the labour market, this could come about through the resumption of industrial production and the further expansion of the tertiary sector.

4.4 *Teachers/trainers and their training*

Quality of vocational education and training largely hinges on the quality and the qualifications of the teachers and instructors.

Secondary vocational education and training employs 150,000 full-time and part-time teachers. Of them, 91% have higher education, and 3.3% are studying for, or already hold, doctorates of science.

Initial vocational education and training is seriously short of qualified teachers and instructors. Only 53.9% of teachers have a higher education and, of those, only 11.7% have an academic education. Among instructors, only 6.4% have a higher education and only 30.3% have post-secondary professional education. Only one in five practical training instructors has a higher education qualification (22.2%). Ironically, a third of the instructors in occupational Initial vocational education and training have qualifications lower than those awarded to the people they train. The staff at Initial vocational education and training institutions are mostly engineers or technicians. Neither of these have psychological or pedagogic qualifications.⁴³

42 The document includes:

- adoption of the State Education Standard of supplementary professional education for federal civil servants and teachers;
- development of requirements re: the content of supplementary education curricula as a foundation for the federal system of quality control of in-service training and re-training;
- development of the draft Government Regulations "On the measures of state support and development in the Russian Federation of the system of in-service training and retraining of executives and specialists" and a draft law "On supplementary education";
- development of a draft state standard of supplementary professional education.

43 In some cases, they take crash courses. So far, these have proved ineffective.

In-service training and re-training of teachers

The Ministry of Education retrains teachers and trains them in-service at various places. These comprise the Academy of In-service Training and Re-training of Educators, three initial vocational education and training in-service training institutes, and 103 departments and nine centres of re-training and in-service training of higher and post-secondary professional education teachers. Training also takes place at six centres of in-service and professional training of executives and specialists of educational institutions affiliated to the Ministry of Education, nine institutes and 13 branches of teacher re-training and in-service training institutes.

In 1999, 18,400 teachers trained at these institutions. Among them were 14,600 (79.1%) higher education teachers and 3,800 (20.8%) post-secondary professional education teachers from educational institutions affiliated to the Ministry of Education.

At the Ekaterinburg Professional Pedagogic University, the leaders believe that, to raise the standing of teachers and instructors of Initial vocational education and training, we must invoke legislation to increase their salaries and give them high quality pre-service and in-service training. If they do not have already have it, we must provide all teachers and instructors with basic or sector training from regional budgets at state expense. We must also develop some incentives to stimulate professional pedagogic education personnel and realise their professional and psychological potential.

System of Professional-Pedagogic Education

Some 55 colleges offer professional-pedagogic education, instructing teachers in practical training. And 60 higher educational institutions train specialists to teach certain subjects *and* instruct in practical training.

At Ekaterinburg, the professional pedagogic university and the Volzhsky engineering pedagogic institute both specialise in instruction for Initial vocational education and training. Every vocational education and training teacher can instruct in 12-15 sector-related occupations. Higher professional-pedagogic education offers training in over 60 sector specialisations, and secondary professional-pedagogic education offers over 18 courses that cover mass Initial vocational education and training occupations. In all, professional pedagogic education covers training in several hundred occupations.

Every year, some 15,000 specialists – about 60% of the annual requirement - graduate from professional pedagogic education higher education institutions. As a result, these specialists are now gradually taking over as teachers and instructors at Initial vocational education and training institutions. During the past 12 years, the number of these instructors grew five times; teachers, 6.5 times; and administrators, 11 times.⁴⁴

However, we still have no effective way to support and promote these people. There are several reasons for this: lack of certification for young specialists who gain practical experience from vocational education and training institutions; professional pedagogical occupations lack standing; and personnel have no proper legal and social protection. Also, there is no interaction between the vocational education and training system and the professional pedagogic education system. To be effective, this must apply to the specialists required by the former and to the qualifications acquired by graduates of the latter.

44 Appendix 7.

5. Anticipation of skills needs and standards

5.1 Skills needs and standards

State Standards of initial and secondary vocational education and training

The State Education Standards for Initial and secondary vocational education and training emerged from two programmes: “Research and Methodological Support of the System of Education” and “The State Standard in the System of Continuing Education”. For the first time ever, vocational education and training standards came into focus, and these comprise the first generation of standards. We are now assessing the results of these standards and weighing up their strengths and weaknesses so that we can develop a second generation of standards more relevant to labour market requirements. To this end, the new Agreement between the Ministry of Labour and the Ministry of Education may help to bridge the gap between vocational and occupational standards, or needs for qualifications as stated by the labour market. Previously, the Ministry of Education usually developed vocational standards, and co-ordinated them only with the Ministry of Labour. As a result, their development outstripped that of standards for vocational education and training.

To correct this, the Ministry of Labour is developing:

- a new way of classifying occupations based on international experience of regulating the labour market;
- a new way of classifying occupations in 24 groups;
- a system of occupational standards for three core sectors of the economy that between them employ 1.2 million people;
- a step-by-step guide to developing occupational standards for different sectors.

The vocational education and training standard consists of federal and regional components with the latter covering the regional socio-economic aspects of training workers and specialists. Ministry of Education officials put the co-relation of the federal and regional components at 85% to 15%. In the regions, the proportion is often 70-75% to 25-30%.

The State Education Standard combines the compulsory minimum of curriculum content, the maximum volume of the students’ workload, and requirements to the attainment of graduate level.

Initial vocational education and training

- ➔ The occupational-qualification structure of training workers and specialists has changed to match shifts in the labour market. These changes reflect the restructured economy and the growth of the tertiary sector. They also allow for the development, along with relevant occupational skills, of more general and/ or transferable core skills;
- ➔ There are new standards for all the occupations on the new “List of Occupations and Specialisations” which comprises 292 Initial vocational education and training occupations, most of them integrated. The new standards introduce, alongside the traditional term “occupation”, the term “specialisation”. This reflects the two-stage hierarchy of the occupational labour division. It also embraces over 50 occupations in the insurance, office-work, business, and social services sectors.

The Standard is based on the concepts “qualification” and “qualification structure”. These “measure the worker’s performance against requirements set by employers”. Each occupation is linked to a specific stage of qualification with the status of occupational qualification based on performance analysis.

The Standard includes a model curriculum, reflecting core content components. Its occupational aspect is represented by the occupational characteristics and the federal content component.

The federal component of the Initial Voluntary Education and Training state standard for each occupation was formulated by institutions affiliated to the Ministry of Education. This component encompasses the content of work, or activities required by this occupation – in other words, the qualifications required by the Ministry of Labour. It also includes issues such as the stage of qualification (complexity of mastering the occupation) and the period of training. The Ministry of Education drafts standards, which then go to the relevant ministries for their comments, and to the Initial vocational education and training Department of the Ministry of Education for expert examination. After that, the draft, complete with amendments from the sector ministry and educational experts, goes to the Ministry of Education for final approval.

Secondary vocational education and training

There are standards for all occupations at basic and advanced level.

In 1999, following state requirements, the state secondary vocational education and training standard at advanced level meets the minimum content and attainment levels demanded of graduates in 10 new secondary vocational education and training occupations. We must have continuity at both levels of vocational education and training. To this end, the Ministry of Education refined and confirmed the two levels alongside a methodology to develop secondary curricula based on initial vocational education and training within the same occupational areas. These initiatives came on stream in early 2000. The Ministry also homogenised certification for courses and set up centralised database “secondary vocational education and training Standard” for 80 occupations.

This standard reflects the basic and advanced levels of this type of education and introduces a new system for qualifications whereby graduates receive a state document with further confirmation that they have completed their advanced training.

The Standard provides for electives or subjects chosen by students that absorb 5-10% of theoretical instruction. It also sets aside about 4% of the basic curriculum for subjects selected at the discretion of the educational institution and for variable forms of final state certification.

As for responsibilities, the Ministry of Education was in charge of developing over 100 vocational standards. Other standards were developed by 33 different sector/profile ministries and their methodological units. The work itself was carried out by groups working with social partners who comprised employers from the sectors in question. Social partners also joined the groups of experts that reviewed draft standards. To co-ordinate the development of standards, we set up an Inter-departmental Expert Council. This process also involved various research and public bodies such as associations of secondary vocational education and training institutions that training specialist for certain sectors and councils of principals of secondary vocational education and training institutions.

Primary results of setting standards for vocational education and training

The regions have now embarked on ways of adapting occupations and specialisations to the needs of employers. Over the past few years, in several regions, education methodological associations and representatives of employers' associations of employers have analysed persistent traits in employer needs. This work was often inspired by international projects. These included a pilot project on vocational education and training Reform in the North West Region, the British Council vocational education and training project in Omsk and North Novgorod. At the same time, educational institutions have acquired the right to initiate changes in specialisations and introduce new ones.

However, as these brief overviews show, on the federal level there is no clear evidence that social partners are directly concerned with the development of standards for Initial vocational education and training. As for secondary vocational education and training, the ministries dominate the social partners and they, in turn, are slow to insist on playing a more active role.

So, our biggest current challenge is to find ways of involving social partners and put them into practice. To find them, we may well invoke international experience. We will also ensure that all stakeholders of standardisation have access to crucial information and gain more first-hand experience through workshops and conferences.

5.2 Curriculum development

Model curricula to ease the setting of standards, provide for:

- Extended basic training. NB: this approach may change as the new Education Strategy calls for a stronger vocational element and for the "differentiated learning of general subjects". However, many oppose this approach. The debate continues.
- More humanities and general occupational disciplines. Previous, the stress was on specialised disciplines that absorbed 60% of the curricula.
- The development of skills and knowledge that apply to a wider range of activities. These would give continuity to different levels of education and promote more diverse education and training.

Initial vocational education and training is 80% theory and 20% practice. In secondary vocational education and training, the share is 50-50%.

The core curriculum comprises two compulsory components - humanities and socio-economic disciplines (basic economics, philosophy, political science, foreign languages and physical training), and mathematical and natural science disciplines. The curriculum also contains subjects related to both general occupations and more specialised subjects. The former are the same for all occupational groups.

The advanced level curriculum is different because it offers at least one extra year's training. This includes a deeper approach to practical training and/or broader theoretical and /or practical training in certain disciplines of instruction and/or groups of disciplines.

While they refer to the model curricula and stay consistent with the State Education Standard, educational institutions can develop their own educational content.

We now have in draft form a curriculum of secondary general education and initial vocational education and training. However, given the shift towards vocational instruction, we doubt if it will be carried out.

5.3 *Research*

There are numerous federal, sector, regional and inter-regional institutions in Russia. And they all support research into continuing educational reform.

The Ministry of Education and the Russian Academy of Education represent the Federal institutions. Those linked to the Ministry of Education are: the Research Institute of Higher Education (the section related to secondary vocational education and training), the Institute of vocational education and training Development, the Research and Methodological Centre of the Problems of Quality of Training Specialists, the Research and Methodological Centre of secondary vocational education and training and the Urals State Professional-Pedagogic University.

For its research, the Ministry follows the format of programmes and projects as implemented by its affiliates and the Russian Academy of Education and its affiliates.

It follows that, within the Federal Programme of the Development of Education, several initiatives have gone ahead. These include "Research into Problems of Improving the Economic Mechanism of Education" and "Research and Development of State Education Standards of Continuing Education", "Research Support of the Development of the Education System" and "The State Standard of Continuing Education".

In 1998-2000, the research institutions linked to the Ministry of Education frequently researched Initial and secondary vocational education and training under the above programmes. For example, the Institute of vocational education and training Development created state education standards for 257 occupations on the Federal List of Occupations and Specialisations of Initial vocational education and training for 1997; likewise, for 60 occupations on the updated List. The Research and Methodological Centre of Secondary Vocational Education carried out several projects within two programmes: "Research Support of the Development of the Education System" and "The State Education Standard of Continuing Education".

The Russian Academy of Education is very active in research. The Academy has a Department of Basic vocational education and training, a vocational education and training Council that deals with

pedagogic aspects of vocational education. It also has five branches (North-western, Southern, Siberian, Volga and Central)⁴⁵, 19 research institutes and a number of pilot sites that include 64 Initial vocational education and training institutions.

As well as its own initiatives, the Academy carries out research for the Ministry of Education. For example, within the Federal Programme “The State Education Standard of Continuing Education”, the Academy developed the federal component of educational content along with a list of integrated occupations of the ecological profile. The Academy’s own initiatives include two that deal with vocational education and training: “Prospects of vocational education and training Development” and “Information and Communication Technologies in the Continuing Education System”.

However, quantity and variety do not guarantee the quality and effectiveness of these research projects. The Ministry of Education and the Russian Academy of Education often duplicate each other’s efforts. Out of six Ministry of Education research institutes, four are pursuing themes identical with those carried out by the Russian Academy of Education, and two are very similar. This lack of coordination has wasted 2.6 million roubles from the Federal budget.⁴⁶

Both organisations are not sufficiently concerned about the quality of education. There are two centres devoted to this issue - one linked to the Ministry; the other, to the Academy - but they develop quality assessment tools only for special and higher education. Moreover, the Charter of the Russian Academy of Education and the Ministry Regulations make no provision for acting on the results of research. In fact, there is no institution in Russia that makes a practical response to the outcomes of research funded by the Federal budget.⁴⁷

On the sector level, 13 research divisions of the Ministry of Labour and Social Development deal with practical issues. These include the training needs of businesses, women and the labour market, legislation for flexible employment, labour market and unemployment and social partnership within vocational education and training.

There are numerous bodies that represent the regional and inter-regional levels. They include regional branches of the Russian Academy of Education and Institutes for the Development of Education. The latter are traditional in-service training institutions mostly dealing with the content of education and methods of teaching and, recently, with quality control and economics of education. There are research and methodological centres, again traditional institutions that largely cover methodological issues, pedagogic technologies and other priorities of regional education. There are also Training and Methodological Associations. These are committed to new practices. They analyse, and make forecasts concerning, the local labour market. They also evolve ways of setting standards and, funded by regional budgets, they develop variations of those standards to match local needs. And, finally, there are other organisations that examine vocational education and training problems as issues of economic and labour market development. Educational institutions, especially colleges, carry out more and more research projects.

45 The Russian Academy of Education’s regional branches coordinate the affiliated research institutes. Apart from this, the Central Branch develops programmes of educational development for oblasts; the Southern Branch researches problems of cultural integration and issues related to education, research space and new pedagogic technologies; and the Volga Branch develops new pedagogic technologies, and disseminates best teaching and management practices. The Siberian branch covers the integration research policies in the region.

46 According to data from the inspection carried out by the Russian Federation Checking Chamber in 1999.

47 The Federal Budget funds both the Ministry of Education and the Russian Academy of Education. However, this funding covers only the researchers’ wages bill and the upkeep of the institutions. It does not extend to capital repairs or international projects. In 1998, the Russian Academy of Education received only 59.1% of its share. Research in the Ministry of Education is funded from the budget of the Federal Programme of the Development of Education. Both the Russian Academy of Education and the Ministry may raise funds. However, over the past two years, fund-raising has been very slack. This was because the regional education administration bodies - regular customers of both the Russian Academy of Education and the Ministry - did not have the resources to commission research.

In summary, standards setting and regionalisation have made research slow to address practical issues.

Furthermore, lack of co-ordination and failure to pool information have spawned a proliferation of research institutions and projects; hence, duplication of effort and immense waste of funds. All too often, research follows the traditional pattern by ignoring the end-users' practical needs. As a result, it is deservedly neglected by its target audience.

It follows that we must:

- streamline and co-ordinate research into vocational education and training;
- ensure research institutes share information and experience between themselves and pass it on to end-users;
- reconsider the need for so many research institutions;
- identify customers' needs, and give customer access to research results and thereby render research more practical.

The most urgent research priorities are:

- scenarios for vocational education and training;
- new ways to decentralise governance, economics and funding;
- interplay between vocational and occupational standards and the involvement of business in training;
- getting young people onto the labour market, giving them access to vocational education and training and preventing their social exclusion;
- new methodologies and updating of education;
- quality assurance, educational and labour market statistics, methods of labour market analysis and forecasting.

Role of the National Observatory

The National Observatory acts as a pool of information for all those involved in research projects. It also gives key Russian players the results of major western research projects, and promotes the exchange of "domestic" information. At the heart of these processes lies the National Observatory's web site. For those with limited access to the Internet, there are journals, publications, reports and workshops.

In the past three years, the National Observatory and the European Training Foundation have set up discussions on key issues such as vocational standards, models of vocational education and training financing, vocational education and training and the labour market, vocational education and training research and social partnership. As a result, the key figures in vocational education and training are far more aware of the need to forge closer links between vocational education and training and the labour market. That way, they can exploit forecasts of economic development and work with social partners to resolve issues and plan the development of vocational education and training.

As a follow-up measure, the National Observatory covers the above issues on its web site with a regular stream of analytic material and workshop reviews. And when asked for specific information, the Observatory consults both federal and regional educators.

The workshops and discussions run by the National Observatory with the help of European Training Foundation stimulated a grasp of the above issues that has, in turn, informed new vocational education and training developments. For all that, current policies clearly lack any concept of ways to implement these developments.

Hence, our need for international organisations to help us to develop ways to implement a market-driven form of vocational education and training that applies to Russia. We also need more workshops to help leading figures in vocational education and training absorb successful western practices.

This latter issue is particularly important now that the new Education Strategy is in play. As we have seen, this strategy does not have the practical resources to realise its highly ambitious aims. An international workshop might well help us to see how best to proceed.

Annexes

Annex 1.

Key economic data for the period immediately after the financial crisis

- ➔ In 1998, year on year, industrial output fell in September by 14.5%; in October, by 11%; and in November, by 9%.
- ➔ Investments and foreign trade turnover shrunk.
- ➔ Gross Domestic Product fell by 5%.
- ➔ Inflation soared to 80-100%.
- ➔ Tens of thousands of small and medium-sized businesses and entrepreneurial companies closed down.
- ➔ Businesses stopped en masse.
- ➔ Unemployment rocketed in 12 regions. In many cities, it became chronic with 20 million entering and leaving the economy.
- ➔ Banks were either temporarily paralysed or ceased operation. Deposits were frozen or lost, and bank settlement mechanisms were ruined.
- ➔ By the end of 1998, the national debt reached about \$750 billion, about 25% of the Gross Domestic Product.
- ➔ 1999 results pointed to a qualitative change in the economy.

Post-crisis, there were several positive trends. These included import substitution, exports, less bartering, internal demand and growth. Furthermore, in the second half of 1998, a number of sectors compensated for their previous slump in production. Generally, after the crisis financial resources flowed towards business and away from the state and the people.

In 1999, the implementation of the Federal Budget marked a major breakthrough. This featured a high degree of outturn on the revenue and expenditure sections and, in real terms, reduced Federal budget arrears - mostly due to a 1.75 times growth in the industrial producers' prices index⁴⁸.

Manufacturing sectors speeded up growth and the economy realigned towards production based on better processing. This resulted in a new structure for industrial production.

48 The data of the Russian Federation State Committee on Statistics cited from "Materials of the Economic Expert Group at the Russian Federation Ministry of Finance (Department of Macroeconomic Policy)", February 10th 2000, and article by E.Akshaeva in the *Economic Review*, no. 21, 1999

Reduced relative costs and more competition resulted in profit. And that, in turn, led to qualitative changes in business finance. For the first time in 10 years, about half the businesses made profits; and, between January and September 2000, profits rose 9.3 times year on year. There were slightly fewer unprofitable enterprises. Monetary working assets and settlements rose, and commodity output went up from 42.2% to 45.7%.

From August on, the inflation rate was moderate (1.2%-1.5% a month) as against an annual rate of 37% for 1999.

In 1999, investments in fixed assets rose by 4.5% in 1999. This was due to the business's own resources and direct foreign investment in the Russian economy: investments in non-ferrous metallurgy rose by a third while those in machine-building and metal working went up by 28%; and those in chemical, petrochemical and food industries, by 28%. Investments in production assets also increased.

In 1999, direct foreign investments rose by 60%. This was mostly due to consumer goods manufacturers making new investments. There were also investments in the automobile industry and heavy machine building.⁴⁹

There were other improvements. Wage arrears went down and pension arrears were fully redeemed. And, after the second quarter, wages, salaries, pensions and stipends in all sectors were paid on time.

With businesses offering more work, the unemployment rate went down and more jobs were on offer. In fact, over nine months in 1999 demand for new employees doubled.

The prevailing thrust of our exports generated a stable currency and the payments to service our foreign debt. Our trade surplus rose to \$US33.4 billion compared to a target of \$US21.5 billion.

The withdrawal of capital slowed down; the stock market slowly returned to life; and, post-crisis, the privatisation of businesses resumed. In 1999, 697 enterprises were privatised.

Other key results: a rise in public consumption and incipient growth in the real expendable income of the population.

49 Ford announced a \$US150 million investment in the automobile plant in St Petersburg; Renault, a \$US 100 million investment in truck and engine manufacture; Caterpillar, \$US 50 million in local bulldozer and excavator production. Direct foreign investments grew by a third in metallurgy; by 28% in machine-building and metal processing; by 17.7% in petrochemical, chemical and food industries, and by 28% in transport. (Data from the Economist Intelligence Unit, *Russia Economy: Business Outlook*, December 29th 1999).

Macro-economic outcomes for 1998⁵⁰

	1998	% of Gross Domestic Product	% to 1997
Gross Domestic Product	2,686.4 billion roubles		95.4
Volume of industrial output	1,681 billion roubles		
Industrial production index			95
Agricultural output	302.4 billion roubles		88
Consolidated budget	686,808 billion roubles	28,7	92,3
Consolidated budget expenditure	842,093 billion roubles	31,2	89,7
Consolidated budget deficit	155,926 billion roubles	5,7	75
Returns to social non-budgetary funds	239.414 billion roubles	8,9	96,4
Average annual employment in the economy	57.9 million people		98,5
Total number of unemployed by the year end	8.9 million people		
Registered unemployment	1.929 million people		
Wage arrears	About 20.9 billion roubles		

Major macro-economic results for 1999⁵¹

- ➔ Unchanged level of consolidated budget.
- ➔ According to the preliminary estimate of the Federal Treasury, Federal budget expenses in 1999 amounted to 15.1% of Gross Domestic Product while budget implementation expenses amounted to 11.72%.
- ➔ Budget revenue amounted 13.4% of Gross Domestic Product (3.8% growth on 1998).

50 Data of the Russian Federation State Statistics Committee. "Social Policy and the Living Standards of the Population in Russia", 1999. M., 1999, 445 pages.

51 Data of the Russian Federation State Statistics Committee. Cited from «*Information-analytical bulletin N° 20*», December 1999. (Analysis of the current economic situation. Major macro-economic tendencies in 1999 and prospects of for economic development in 2000).

According to the Russian Federation Ministry of Finance, the Federal budget deficit amounted to 1.4% of Gross Domestic Product, and the primary profit - 2,2% of the GDP.⁵²

Figure 1.1: Revenue in % to GDP

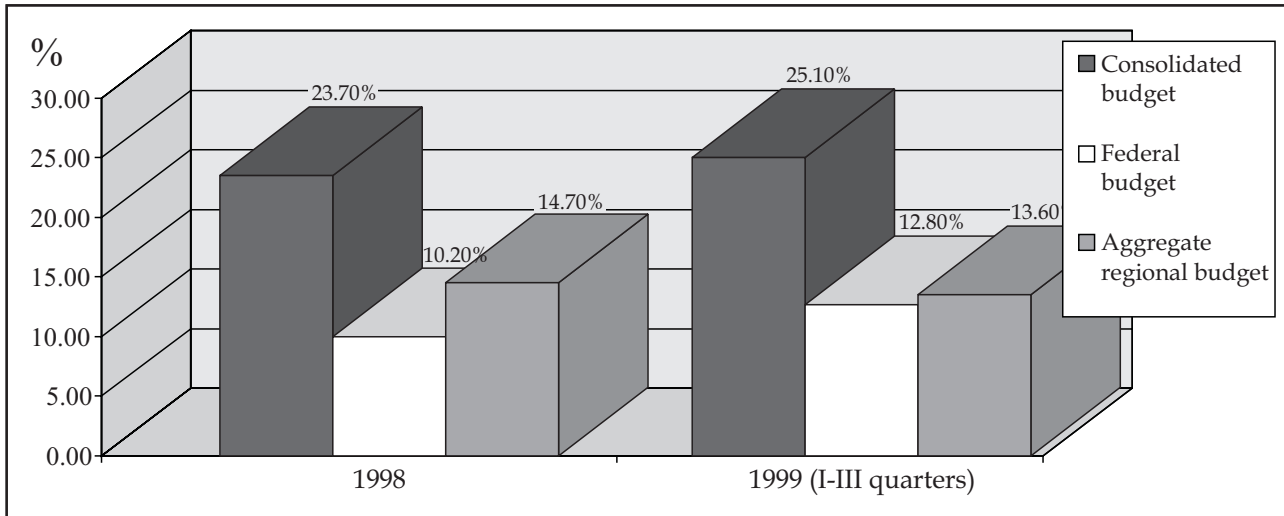
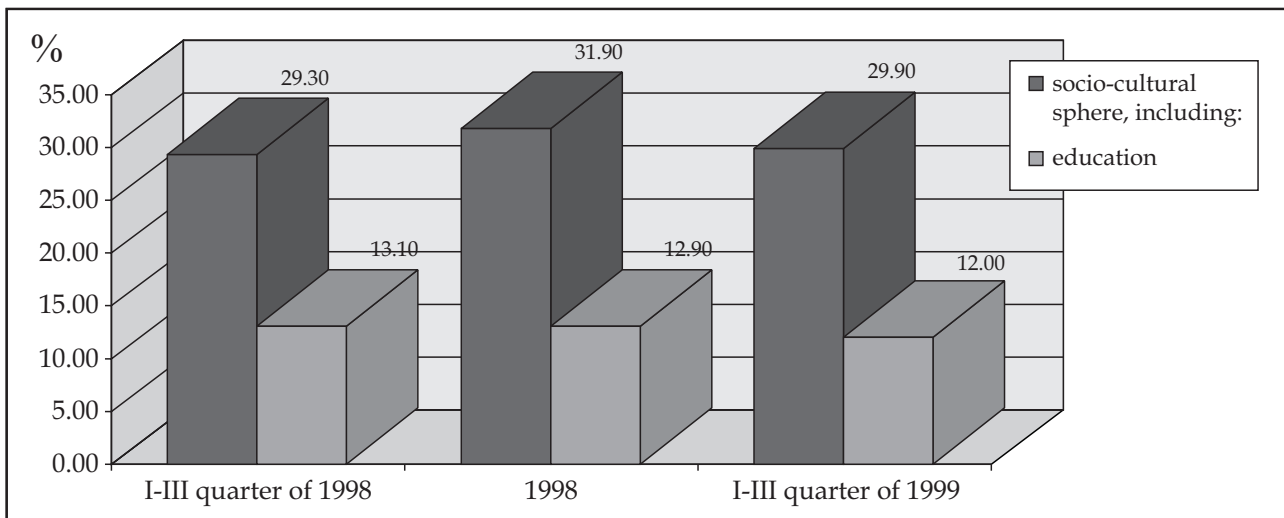


Figure 1.2: Structure of the consolidated budget (in %)



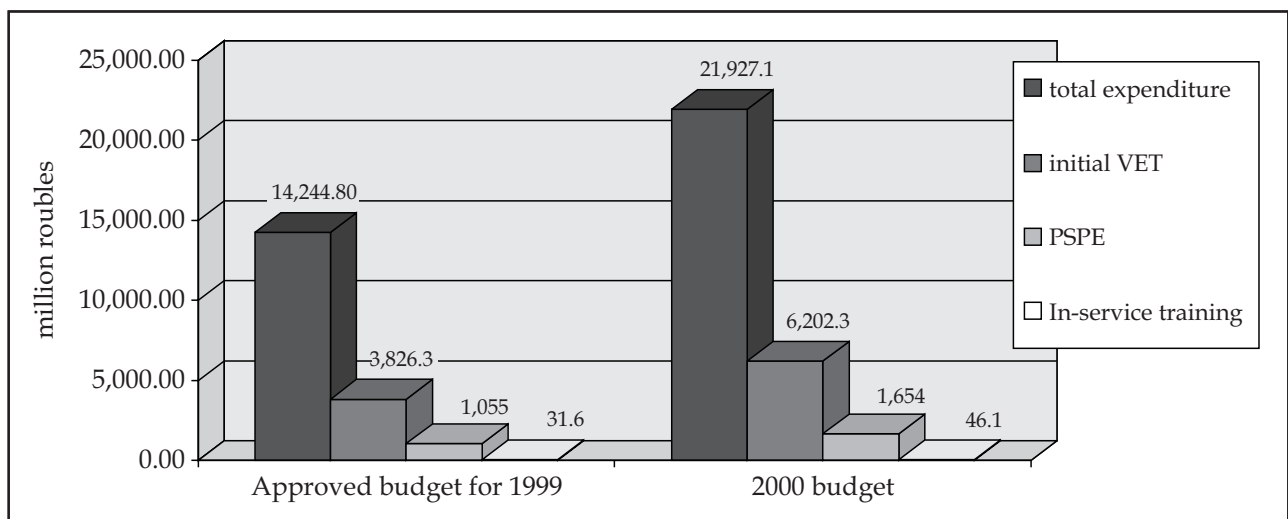
52 Cited from the Materials of the Economic Expert Group of the Russian Federation Ministry of Finance (Department of Macroeconomic Policy, February 10, 2000).

Federal budget education expenditure

Outlay on education from Gross Domestic Product and the Federal budget.

	1998	1999	2000
Gross Domestic Product (billion roubles)	2.840	4.000	5.100
Federal budget expenditure, including (billion roubles):	499.9	575.1	655.1
■ Education (billion roubles)	17.3	20.9	32.1
■ % to Gross Domestic Product	0.61%	0.52%	0.63%
■ % to budget expenditure	3.45%	3.63%	3.75%

Figure 1.3: Financing of vocational education and training, PSPE and supplementary education



Annex 2.

Demographic situation in Russia⁵³

(The complete Goskomstat data for 1999 data are not available)

	1998	1999
Population (beginning of the year) thousand	147.300	145.600
Men (million people)	68.8	68.6
Women (million people)	77.9	77.7
Births (thousand people)	1,283.292	
Deaths (thousand people)	1,988.744	
National increase of the population	- 702.452	
Per 1 000 people		
births	8.8	8.4
deaths	13.6	17.7
Natural increase	- 4.8	- 9.9
Death rate in employable age (per 100,000 people of respective age group)	611.5	
Marriages per 1,000 people	5.8	
Divorces per 1,000 people	3.4	
Demographic load	731	711
Including people under employable age	370	355
over employable age	361	356

* The average density of those of employable age in the total population amounts to 58.5%. The Far Eastern region registered the highest figure, 63.4%, while the Central-Black lands region registered the lowest, 55.8%.

* The estimated average life expectancy is 67.02 years; men, 61.3, women, 72.93. The lowest figures were registered in the East Siberian region (64.05) and the Far Eastern region (65.19).

Annex 3.

Major socio-demographic characteristics of employment in the new private sector as compared to the traditional sector (household polls) as percentages

	Traditional	New private
Socio-qualification status:		
Executives	6	12
Highly qualified specialists	21	13
Medium qualified specialists: administrators	20	14
Employees, including those in the service sector	9	26
Qualified workers	26	24
Medium-level and low qualified workers	18	10
Level of education:		
Below core general	8	5
General secondary	22	23
Post-secondary professional education	41	40
Incomplete higher	3	6
Higher	27	25

Distribution of employed population by employment status in 1998 (sample survey, October 1998, %):

Employed in economy, including:	Total	Men	Women
Hired labour	95.4	94.5	96.3
Not hired	4.6	5.4	3.7
Among them:			
Employers	1.2	1.4	0.9
Self-employed	2.9	3.3	2.5
Members of manufacturing cooperatives	0.5	0.6	0.3

Annex 4.

Overview of social partnership

In Russia, collective agreements were traditionally concluded at all businesses, and sector agreements were settled between trade unions and ministries.

As of now, the number of collective agreements at businesses has dropped - on average, they are made at 17% of enterprises - and they are typical of state and municipal enterprises. Territorial agreements at the city and oblast level are becoming common practice.

General Agreements are concluded between the All-Russian Trade Union Associations, All-Russian Associations of Employers and the Russian Federation Government. Now that the Russian Federation Government has approved its implementation plan the General Agreement for 1999-2000 is up and running. So far, however, these agreements have proved ineffective, and are little more than gestures of intent.

Some Russian Federation regions have adopted the law "On Social Partnership" to control labour relations. And some Russian Federation Subjects are using legislation to regulate certain aspects of social partnership and labour relations. For instance, "On Job Quotas" in Moscow; "On the Registration of Collective Agreements" in the Republics of Marij-El and Komy, Moscow, the Ivanovo, Samara and Saratov oblasts; "On Collective Agreements" in Moscow, the Republics of Tatarstan, Bashkortastan, Komy, Marij-El, Primorsky kray, Kurgan, North Novgorod, Samara, Saratov and Sverdlovsk oblasts.

Social partnership is emerging slowly for a number of reasons. First, fully-fledged employer associations are being formed only in the regions. Second, there are not enough ways to enforce undertakings. Third, there are numerous unresolved socio-economic problems and, last, the shortcomings of the labour market. Effective businesses largely focus on profits, not on training workers and employees. The latter reflects over-supply of workers and a shortfall in the employers' vision.

Small and medium-sized organisations and businesses, struggling to stay afloat, do not get involved with vocational education and training and secondary vocational education and training institutions.

Annex 5.

Categories of unemployed registered with State Employment agencies in 1998

Figure 5.1: Unemployment in 1998 - 1999

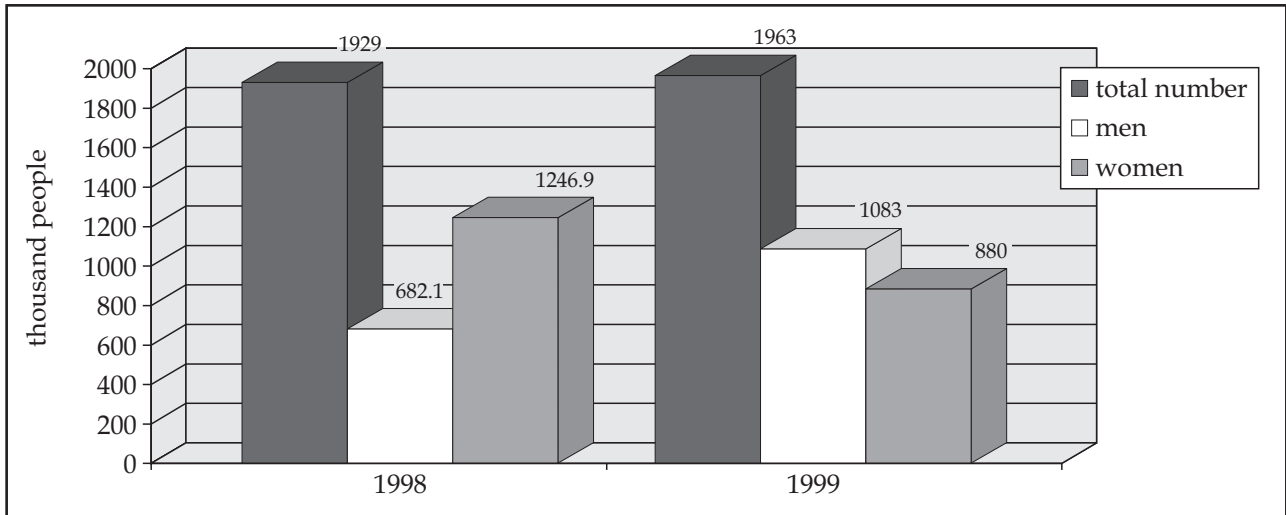


Figure 5.2: Unemployment 1997/98/99

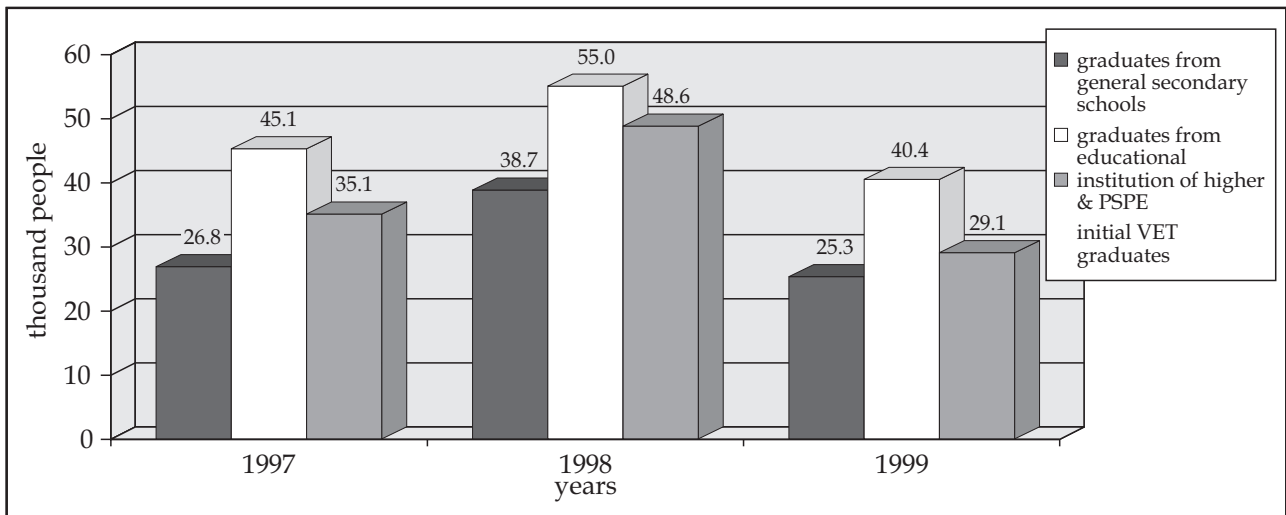


Figure 5.3: Educational level of the unemployed in 1998

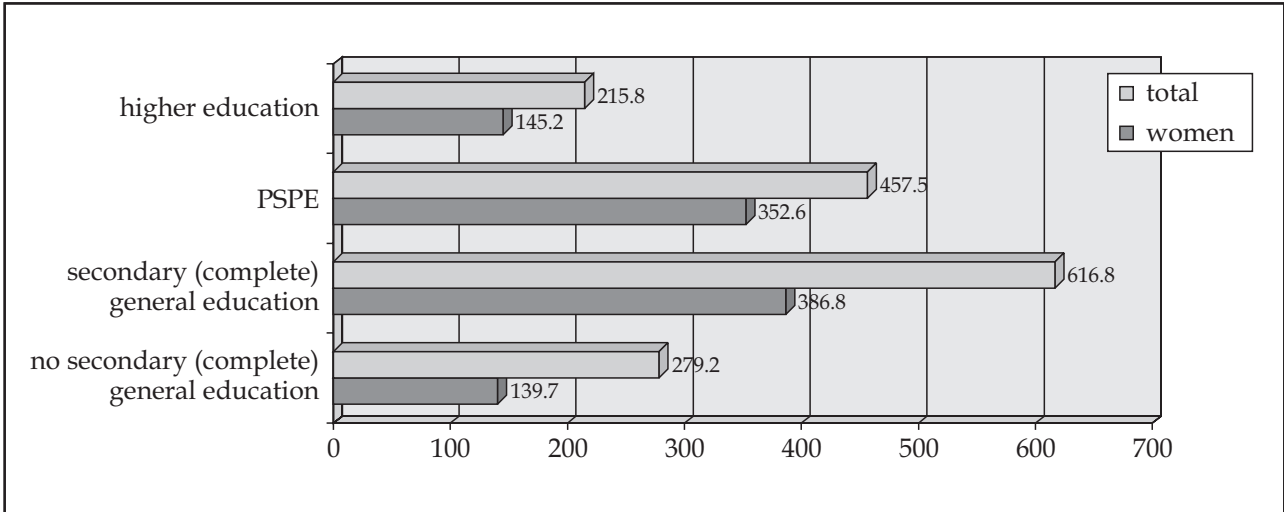
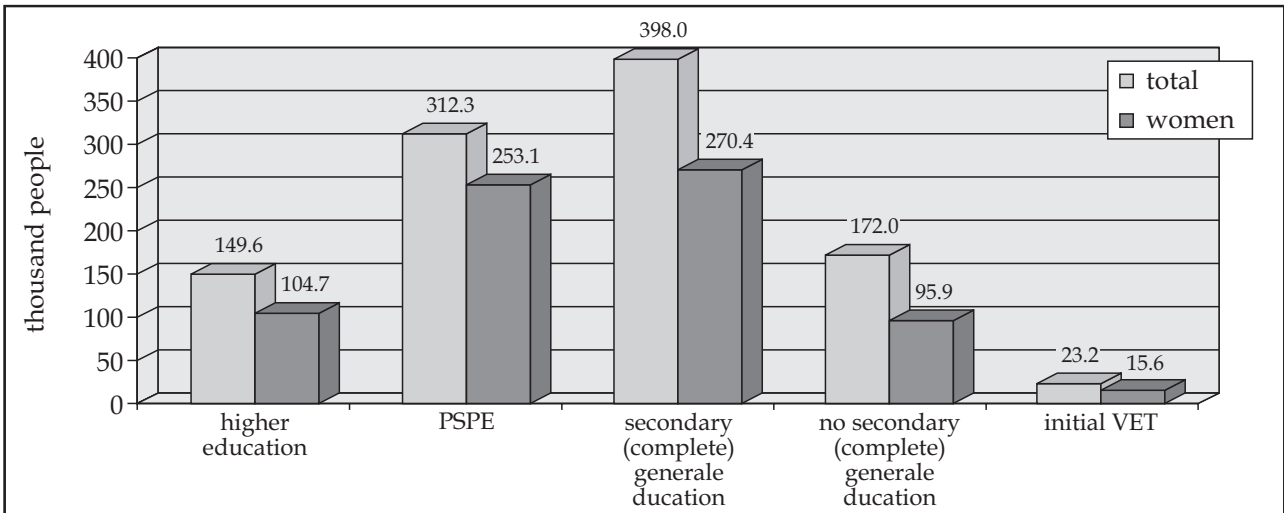


Figure 5.4: Educational level of the unemployed in 1999



Annex 6.

Examples of contradictions between legal norms regulating relations in education

1. The Law “On Education” of the Republic of Tatarstan asserts the right of state administration bodies to set the educational qualifications of educators and to list occupations and specialities for training - although these issues are in the jurisdiction of the Federation.
2. The Cabinet of Ministers of Tatarstan adopted a Decree “On Licensing and Accreditation of Educational Institutions in the Republic of Tatarstan”. Again, these issues fall within the jurisdiction of the Russian Federation.
3. Some regions - amongst them, Republic of Tatarstan, Vladimir oblast and the cities of Tver, Perm, Novosibirsk, Cheljabinsk – have issued rules on providing educational services. These rules contradict the Federal Law, namely Article 71 of the Russian Federation Constitution. This is because the Law “On Education” did not specify at what level of authority the legal regulation of contracts concerning paid educational services should take place. So the Law “On Education” must be changed to refer all such issues to the jurisdiction of the Russian Federation.
4. The Law “On Education” of the Republic of Komy contradicts the Russian Federation Law “On Education” because it allows the Republic’s Supreme State Power and Administration bodies to control issues within Federal jurisdiction. These include approval of state education standards and the development and approval of standard regulations concerning types of educational institution within regional affiliation. The Republic of Bashkortastan used the Law “On Education” to assume authority over various matters. These included approval of standard regulations that apply to educational institutions, certification of certain teachers in state and municipal educational institutions and their minimum salary rates.
5. Contrary to Federal legislation, laws of the Subjects of the Federation often contain provisions that limit citizens’ rights and the rights of educational institutions. These mostly concern the curtailment of social benefits and guarantees.
6. Certain articles of the Russian Federation “Law on Education” contradict the Federal Constitution. Thus, Article 43 guarantees “access for everyone to free post-secondary professional education”, while Article 5 of the Law “On Education” guarantees this right subject to competition and only for those who gain Post-secondary professional education first time round.
7. There are also cases where local self-governments imposed norm-setting acts on institutions of state affiliation.
8. Under the Russian Federation Law “On the Protection of Consumers’ Rights”, the Government must approve the procedures that determine the provision of certain services to consumers. The bye-laws of Russian Federation Subjects either ignore this law, or respect it only in part.
9. Federal and regional legal norms clash when Russian Federation Subjects exceed their jurisdiction thereby undermining the main principles of federal legislation.

Annex 7.

Major vocational education and training statistics

Figure 7.1: Distribution of initial VET and SVET institutions among the RF regions

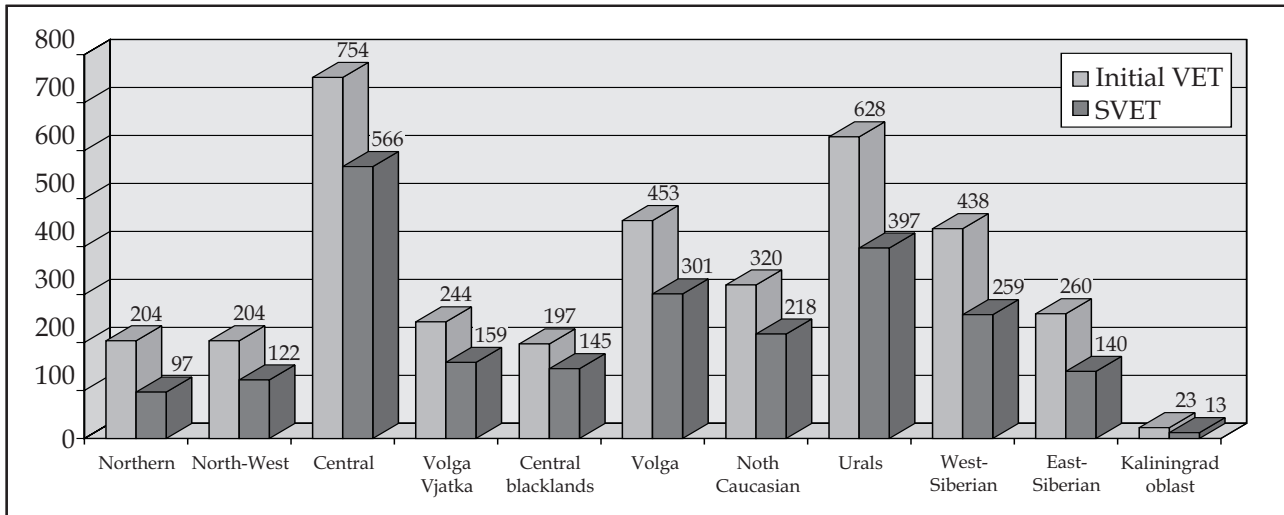


Figure 7.2: Estimated distribution of graduates of core general schools between initial VET and SVET institutions up to 2010 (thousand people)

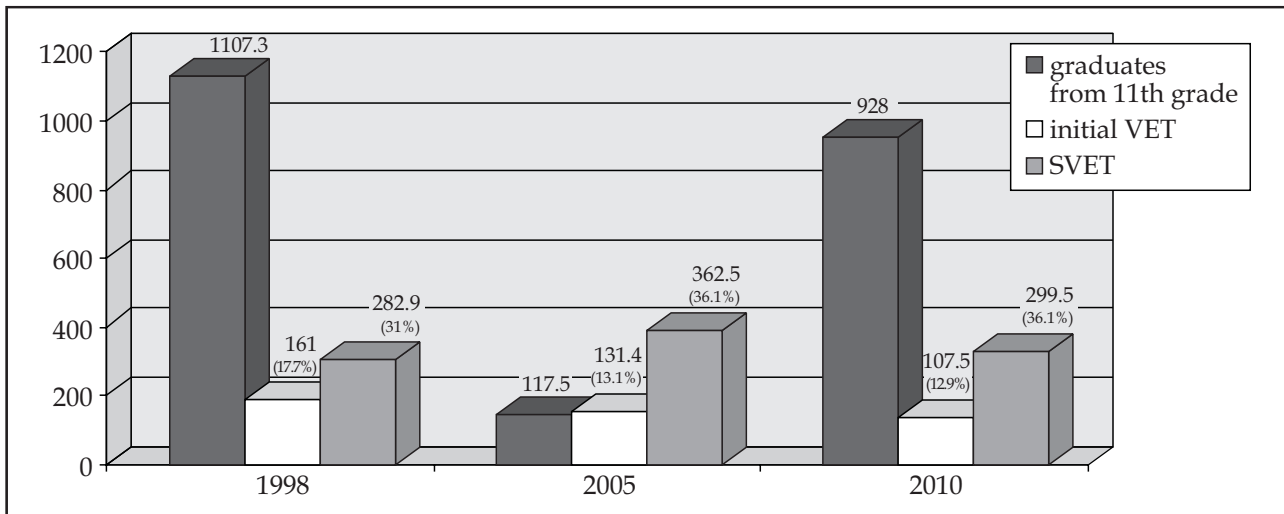


Figure 7.3: Forecast of enrolment in SVET and IVET of general school leavers

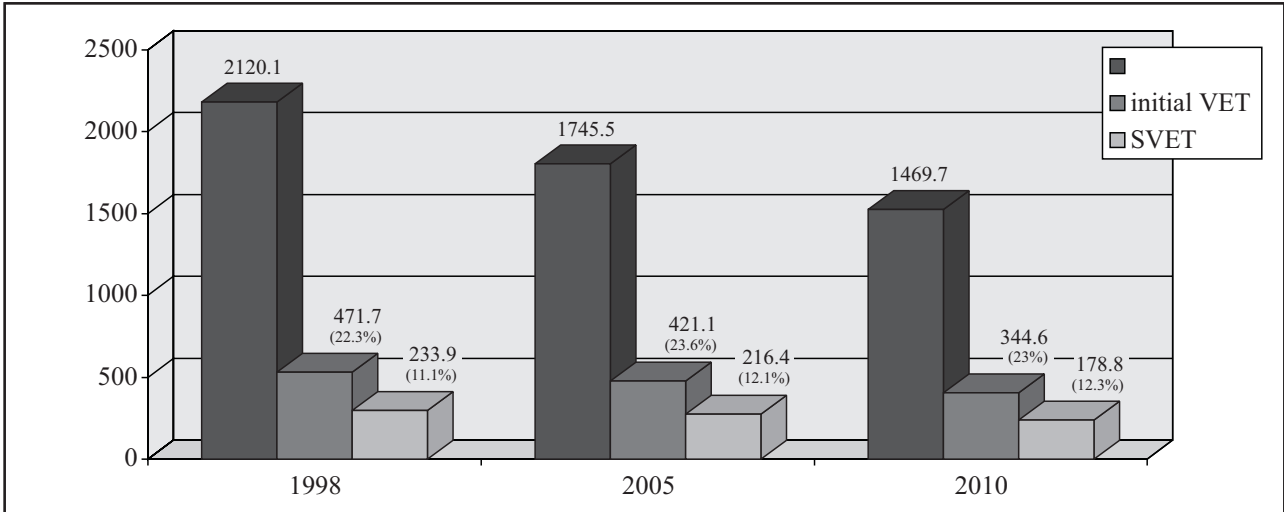


Figure 7.4: Estimated enrolment in state educational institutions

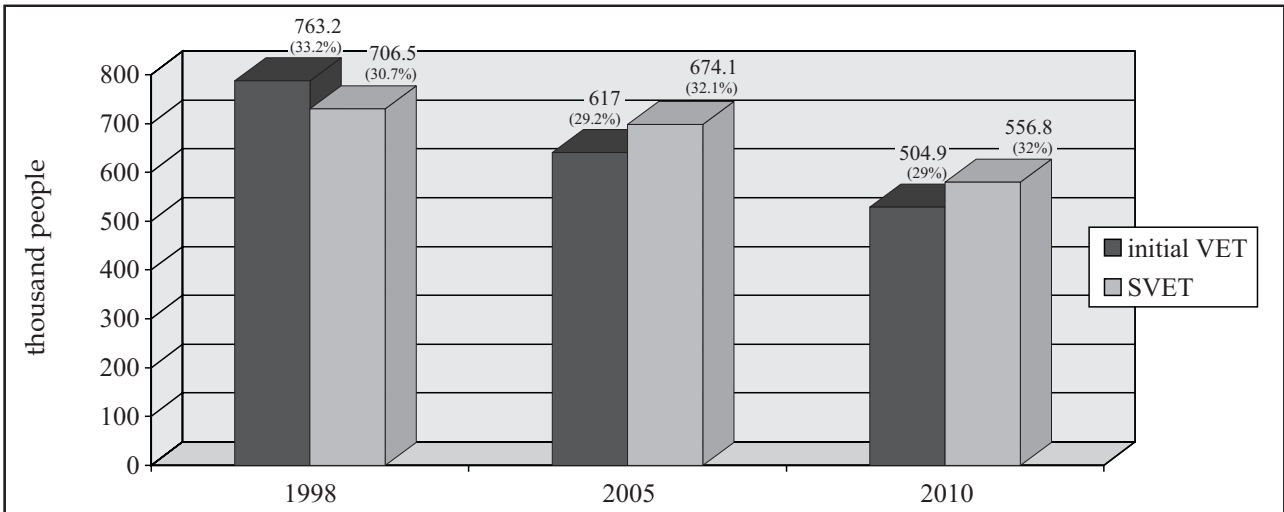
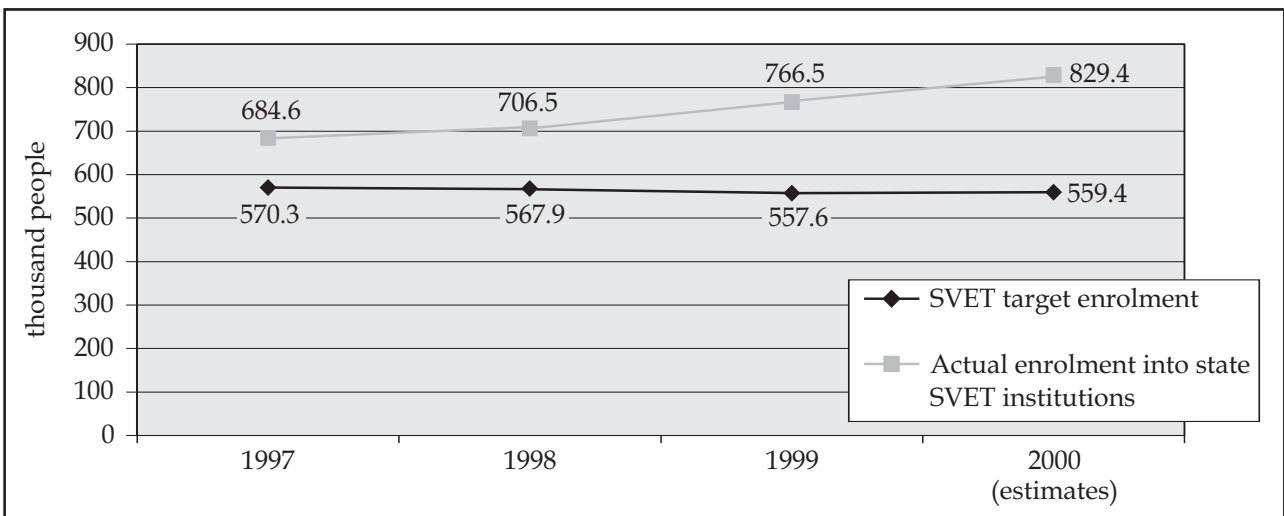


Figure 7.5: Enrolment in state SVET institutions



Enrolment in state Secondary vocational education and training institutions in integrated occupation profiles (thousand people)

	1998		1999		2000	
	Thousand people	% of total	Thousand people	% of total	Thousand people	% of total
Total	706.5		766.5		559.4	
Law	52.4	7.4	64	8.4	23.4	4.2
Education	77.2	10.9	80.6	10.5	77.5	13.9
Medical	79.7	11.3	82.4	10.8	77	13.8
Culture and arts	24.1	3.4	24.7	3.2	23.1	4.1
Economics	191.2	27.1	206.6	26.4	111.3	19.9
Technical	240	33.9	269	35.2	200	35.8
Agricultural	39.4	5.6	39.8	5.2	44.5	7.9
Ecological	2.4	0.4	2.5	0.4	2.1	0.4

Annex 8.

Bilateral and multi-lateral donors' activities in vocational education and training

Vocational education and training projects account for much of the bilateral and multi-lateral donors' activities. They fall into several sub-categories. First, there are projects dealing with Vocational and Education Training reform models. These comprise large-scale model-setting projects that focus on related issues such as the governance of vocational education and training, economics, funding, principles of curricula design and legislation. Then, second, there are more specific projects that focus on particular aspects of vocational education and training reform. These aspects include testing ways of adapting vocational education and training to the labour market, new curricula and methodologies for training in specific occupations, management of institutions, and promotion of social dialogue. And, third, there are projects that deal with direct bilateral partnerships of educational institutions, or a partnership between a western agency and a vocational education and training institution in Russia.

The major contributors to vocational education and training projects are:

European Union/Tacis, European Training Foundation, United Nations Education Science and Cultural Organisation, the Netherlands, World Bank, British Council, ORT, KulturKontakt (Austria), Belgium, Denmark, Germany, Finland, International Labour Organisation.

The more ambitious multi-lateral projects include: "vocational education and training reform in the North-West of Russia", Delphi (Component III) and the vocational education and training project of the World Bank.

Smaller-scale projects are mostly bilateral. They largely take place in the North-Western region with much help from Finnish, Flemish and Danish donor agencies. The majority of direct partnership projects are carried out with German partners.

These projects, whether completed and still continuing, have done much to reform vocational education and training in Russia. However, they would have made more impact if the donors had co-ordinated their efforts in similar or related areas. That way, there would have been less duplication and more synergy – with information effectively shared and spread.

The geographic distribution of the projects is very uneven. Their incidence was high in the North-West and the Nizhny Novgorod region, but very low in other areas; indeed, some provinces have hardly benefited from international activities.

In February 2000, the Russian Ministry of Education worked out its priorities for international co-operation with various international donors. These mostly focused on rebuilding the education system; using a democratic approach, they embrace administrative, economic, and financial mechanics; curricula content, access to education and delivery of vocational education and training.

The conference followed an international meeting of Russian educators and western donors. Set up in 199 by the National Observatory, this aimed to stimulate activities on the part of donors.

The conference covered donor activities in Russian education, analysed key tendencies and also featured recommendations from the National Observatory.

The National Observatory has collected preliminary information on international projects and is now building a comprehensive database on international vocational education and training projects. It is also devising ways to reach out to Russian end-users.

The conference participants agreed that solid ways of disseminating information were essential. They also felt it was vital to establish ways of monitoring implementation and evaluating peers. And they appointed the National Observatory as the co-ordinating agency for vocational education and training projects.

Annex 9.

List of Acronyms and Abbreviations

RF - the Russian Federation

SSC - State Statistics Committee (Goscomstat)

IVET – Initial vocational education and training

SVET - Secondary vocational education and training

PPE – Professional Pedagogic Education

Annex 10.

Glossary of terms

1. **(State) Accreditation of Educational Institutions** - a procedure that assesses quality and control. It aims to confirm state status of an educational institution and to appraise the ways in which it carries out courses. It also checks whether the content and implementation of the courses produces graduates up to the State Education Standard. The Federal Education Administration bodies carry out the accreditation process on getting an application from the educational institution together with its certification document.
2. **Certification of Educational Institutions** - a quality assessment and control procedure, this checks whether the content, level and quality of graduate training is up to the State Education Standard.
3. **The State Education Standard** - the social norm of educational attainment, the Russian Federation Constitution developed this standard. Following Federal rules, it lays down the compulsory minimum content of key curricula, the student's maximum workload, and the attainments required of graduates.
4. **Supplementary professional education** - education in occupational sectors that continuously increases the spread of an individual's competencies.
5. **In-service training institutes** - educational institutions of supplementary professional education. These help professionals to develop specialised skills, extending their knowledge, preparing them for new roles. There are sector, inter-sector, and regional in-service training institutes; and, sometimes, sectors linked to higher educational institutions. Sector in-service institutes sometimes have the status or name of academies - but only when they are leading research and methodological centres of supplementary professional education in a certain sphere. These centres run courses for highly qualified staff. They undertake research and offer other in-service institutions help that ranges from consulting services to the analysis of methodologies and information.
6. **Integration of educational institutions** - diverse forms of interaction between institutions concerning administration, legal matters, resources and economics, and, sometimes, mergers between institutions to create local educational complexes of continuing education. Integration can be horizontal (merging educational institutions at the same level), or vertical (merging educational institutions at different levels).
7. **Qualification** - the vocational education and training State Education Standard, a key part of the overall Standard. This relates to the **level** of professional competence within a given grade: extent and quality of knowledge and skills, ability to plan work logically, capacity to adapt to change fast. **Grade** relates to the correlation of general education and vocational training; and, in the Professional Secondary Pedagogic Education State Education Standard, to the level of attainment and performance within an occupational training sector.
8. **Pedagogic (teacher training) schools** - a type of post-secondary professional institution.
9. **Vocational lyceum** - vocational education and training educational institution that implements integrated curricula of initial vocational and post-secondary professional education. This offers advanced qualifications for key jobs and the chance to obtain post-secondary professional education.

10. **Instructor (of practical training)** - a member of the pedagogic staff at institutions of initial vocational education and training. Such instructors also teach at post-secondary and supplementary professional institutions where they are responsible for carrying out practical training.
11. **Initial vocational education and training** - training for qualified workers and specialists usually based on core general education.
12. **Retraining** - in Russia this means acquiring new skills and knowledge in a sector related to the trainee's existing occupation or an entirely new sector. E.g. retraining the ex-military.
13. **List of occupations and specialisations - a classified list of occupations according to type and sector that** gives general parameters for instruction.
14. **Professional pedagogic education** - a category of post-secondary and higher professional education to train pedagogues, psychologists and administrative personnel for initial vocational education and post-secondary education.
15. **Regional component of the State Education Standard** - part of the State Education Standard developed in Subjects of the Russian Federation to match local educational needs.
16. **The Regional Standard of Initial Vocational Education** - a standard developed regionally. This at once defines and complements the Federal component in terms of the occupations and specialisations in the Federal List. It also helps to develop the Regional List of Occupations and Specialisations together with other relevant documents.
17. **Post-secondary professional education** - level of post-secondary education for middle-rank training specialists. It is based on the core general education and initial vocational education at secondary level.
18. **Vocational school** - an educational institution offering initial vocational education and training.
19. **College** - an advanced educational institution, or a part of a higher educational institution, devoted to carrying out advanced curricula for post-secondary professional education. Colleges also provide advanced qualifications for graduates.
20. **Budgetary sector of the economy** - comprises defence, education, culture and arts, health service, physical culture and sports, social security, science and research institutions, judicial and law enforcement bodies, state administration bodies, and housing and municipal institutions.
21. **State sector of the economy** - businesses in state ownership, including those in Federal ownership and in the ownership of the Subjects of the Federation, the Central Bank and other infrastructure institutions.
22. **Real sector of the economy** - the production sector.

Annex 11.

Major Organisations

Ministry of Education of the Russian Federation (MOE)

51, Lusinovskaya str.

113833 Moscow

Phone: +7 095 237 97 63

Fax: +7 095 924 69 89

E-mail: mail@ministry.ru

Web: <http://www.informika.ru>

Ministry of Labour & Social Development of the Russian Federation

1, Birjevaya ploshad,

103705 Moscow

Phone: +7 095 220 93 84

Fax: +7 095 230 24 07

Web: <http://www.cityline.ru/politika>

Research Institute for Higher Education (MOE)

1, 3-ya Kabelnaya str.

111024 Moscow

Phone: +7 095 273 48 19

Fax: +7 095 273 48 19

E-mail: ind@niivo.hetnet.ru

Russian Academy of Education (RAE)

8, Pogodinskaya str.

119905 Moscow

Phone: +7 095 246 06 01

Fax: +7 095 246 06 01

Research Methodological Centre of Post-Secondary Professional Education (MOE)

43, Volgogradsky prospekt

109316 Moscow

Phone: +7 095 173 87 61

Fax: +7 095 173 87 61

E-mail: nmcsपो@mail.ru

Research Institute of Post-Secondary Professional Education (RAE)

12, Isaeva str.

420039 Tatarstan, Kazan

Phone: +7 8432 42 63 24

Academy of In-service Training & Retraining of Educators (MOE)

8 building 2, Golovinskoye shosse

125212 Moscow

Phone: +7 095 459 19 81

Fax: +7 095 452 05 13

E-mail: apkro@redline.ru, ripc@redline.ru

Web: <http://www.redline.ru/ripc.html>

Institute of Adult Education (RAE)

8, Naberejnaya Kutuzova

191187 Saint-Petersburg

Phone: +7 812 272 52 61

Institute of vocational education and training development (MOE)

9, Tchernyakhovskogo str.

125319 Moscow

Phone: +7 095 152 45 31

Fax: +7 095 152 45 31

E-mail: smir@irpo.ru

Web: <http://www.irpo.ru>

Institute of Vocational & Technical Education (RAE)

2, Tchernyakhovskogo str.

191119, Saint-Petersburg

Phone: +7 812 112 24 06/164 11 94

Urals State Professional-Pedagogic University (MOE)

11, Mashinostroitelei str.

620012 Ekaterinburg

Phone: +7 3432 31 04 36

Fax: +7 3432 31 94 63

E-mail: Gennadi.Romantsev@usvpu.ru

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Annex 13.

List of experts contributed to the report

1. Prof. Eugenyi Boutko	Head of Initial Vocational Education Department, Ministry of Education
2. Vera Grinko, Ph.D	Deputy Head of Initial Vocational Education Department, Ministry of Education
3. Peter Anisimov, Ph.D	Head of Secondary Vocational Education Department, Ministry of Education
4. Nina Yarochenko, Ph.D	Deputy Head of Secondary Vocational Education Department, Ministry of Education
5. Prof. Karl Kyazimov	Deputy Head of Department of Human Resource Development, Ministry of Labour
6. Prof. Gennady Romantsev	Rector of Ural State Vocational Pedagogical University
7. Prof. Valentin Baidenko	Head of the Department Research Centre of Quality of Training Specialists
8. Anna Mouravyova, Ph.D	Expert of Russian Public Policy Foundation
9. Olga Oleynikova, Ph.D	Team leader, National Observatory of the Russian Federation