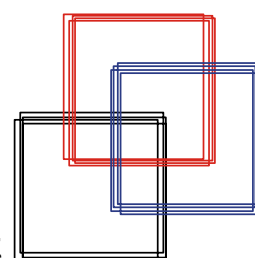




# Labour market transitions of young women and men in Eastern Europe and Central Asia

Sara Elder, Valentina Barcucci,  
Yonca Gurbuzer, Yves Perardel  
and Marco Principi

March 2015



**Work4Youth Publication Series No. 28**

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and Marco Principi

**International Labour Office • Geneva**

March 2015

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## Preface

Youth is a crucial time of life when young people start realizing their aspirations, assuming their economic independence and finding their place in society. The global jobs crisis has exacerbated the vulnerability of young people in terms of: (i) higher unemployment, (ii) lower quality jobs for those who find work, (iii) greater labour market inequalities among different groups of young people, (iv) longer and more insecure school-to-work transitions, and (v) increased detachment from the labour market.

In June 2012, the International Labour Conference of the ILO resolved to take urgent action to tackle the unprecedented youth employment crisis through a multi-pronged approach geared towards pro-employment growth and decent job creation. The resolution “The youth employment crisis: A call for action” contains a set of conclusions that constitute a blueprint for shaping national strategies for youth employment.<sup>1</sup> It calls for increased coherence of policies and action on youth employment across the multilateral system. In parallel, the UN Secretary-General highlighted youth as one of the five generational imperatives to be addressed through the mobilization of all the human, financial and political resources available to the United Nations (UN). As part of this agenda, the UN has developed a System-wide Action Plan on Youth, with youth employment as one of the main priorities, to strengthen youth programmes across the UN system.

The ILO supports governments and social partners in designing and implementing integrated employment policy responses. As part of this work, the ILO seeks to enhance the capacity of national and local-level institutions to undertake evidence-based analysis that feeds social dialogue and the policy-making process. To assist member States in building a knowledge base on youth employment, the ILO has designed the “school-to-work transition survey” (SWTS). The current report, which presents the results of the survey in six countries in Eastern Europe and Central Asia (Armenia, Kyrgyzstan, Republic of Moldova, Russian Federation, the former Yugoslav Republic of Macedonia and Ukraine), is a product of a partnership between the ILO and The MasterCard Foundation. The Work4Youth project entails collaboration with statistical partners and policy-makers of 28 low- and middle-income countries to undertake the SWTS and assist governments and the social partners in the use of the data for effective policy design and implementation.

It is not an easy time to be a young person in the labour market today. The hope is that, with leadership from the UN system, with the commitment of governments, trade unions and employers’ organizations and through the active participation of donors such as The MasterCard Foundation, the international community can provide the effective assistance needed to help young women and men make a good start in the world of work. If we can get this right, it will positively affect young people’s professional and personal success in all future stages of life.

Azita Berar Awad  
Director  
Employment Policy Department

Heinz Koller  
Regional Director  
ILO Regional Office for Europe and  
Central Asia

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<sup>1</sup> The full text of the 2012 resolution “The youth employment crisis: A call for action” can be found on the ILO website at: [www.ilo.org/ilc/ILCSessions/101stSession/texts-adopted/WCMS\\_185950/lang--en/index.htm](http://www.ilo.org/ilc/ILCSessions/101stSession/texts-adopted/WCMS_185950/lang--en/index.htm).

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# 1. Introduction and main findings

## 1.1 Overview

In recent years, growth prospects in the Eastern Europe and Central Asia (EECA) region have been relatively weak, stemming from a slowdown of industrial production, a contraction of internal demand and high dependency on exports and on remittances to and from the European Union (EU) and the Russian Federation. Stagnant growth does not bode well for the well-educated young people hoping to enter the labour market each year. After long periods of unemployment, in most countries those youth with a high level of education can eventually expect to attain a stable job, although not necessarily a job that is well paid, that matches their level of qualifications or that offers the benefits of formal employment. The less-educated, in contrast, face extremely long transition periods, and correspondingly long periods of dependence on families or the State.

The lack of prospects for quality jobs, despite high levels of education in the region, create the risk of frustration among youth, which can culminate in political unrest and external migration. For these reasons, political attention has been focused on the situation of youth labour markets in the EECA region and around the world.

To assist governments in their current efforts to place youth employment at the heart of political agendas and to provide information for the design and monitoring of effective policy responses, the ILO has developed its school-to-work transition survey (SWTS), a household survey of young people aged 15–29. The SWTS was implemented in 2012–13 in four countries in the Central and Eastern European region – Armenia, the Republic of Moldova, the former Yugoslav Republic of Macedonia and Ukraine – and two countries in Central Asia – Kyrgyzstan and the Russian Federation. This analytical report summarizes the survey results in the six countries and highlights the main areas of policy concern.

The indicators resulting from the surveys conducted in the six countries in the region and analysed in this report aim to provide a much more detailed picture of the challenges facing youth in a part of the world where unemployment rates are among the highest globally. Obviously, high unemployment of young people remains a matter of concern, but it is equally important to consider the quality of work that is offered to them. Do jobs in the region guarantee the necessary income and security that would enable young people to progress towards independence, particularly in material and financial terms, in their adult lives? The strength of outward migration in the region would suggest that national economies are not able to provide the types of jobs that many young people expect. The report focuses heavily on issues of quality of employment and also draws attention to the path and duration of the labour market transitions of young people, while drawing some conclusions about the characteristics or experiences that can help to achieve a smoother transition.

The report is intended for the use of policy-makers and social partners involved in the implementation of national youth-related policies and programmes, as well as for international and non-governmental organizations involved in the development of responses at the regional level.

## 1.2 Structure of the report

Section 2 of the report presents the objectives and methodology of the SWTS and examines certain aspects of the social and economic context of the labour market in the Eastern Europe–Central Asia region. Section 3 then outlines the results of the survey in the five countries, focusing on the individual, household and educational characteristics of youth before turning to the main labour market indicators in section 4. Section 5 presents an in-depth overview of youth employment, including details on conditions of work, and section 6 focuses on the characteristics of unemployed youth. Section 7 presents the classification of the stages of the school-to-work transition and examines the characteristics that lead to better integration in the job market, especially in terms of obtaining a stable and/or satisfactory job. The section also deals with the duration of the transition for young men and women and traces the various experiences they have had in or outside the job market during their transition. Finally, section 8 outlines certain general policy implications in areas of youth employment interventions.

## 1.3 Main findings

*Education results are strong in the region; educational access is nearly universal and levels of attainment are high ...*

Universal education is well established in the six countries. A majority of youth between the ages of 15 and 29 had already finished their studies (54.4 per cent as an average of the six countries), and nearly all of the remainder were continuing their investment in education (42.3 per cent). Very few youth in the region leave school before completion – the share of early school leavers was highest in Kyrgyzstan at 4.3 per cent.

Educational attainment is also high among the six countries. On average, 35.0 per cent of surveyed youth completed their education at the secondary level and 29.7 per cent with a university or postgraduate degree. Another 28 per cent (six-country average) participated in technical vocational training.

*... but stagnation in job creation results in missed opportunities; educational investments are not fully translated into the productive utilization of human capital.*

Youth unemployment rates in the region are mixed in terms of degrees. The youth unemployment rates generated by the surveys were among the world's highest in Armenia and FYR Macedonia at 30.2 and 43.3 per cent, respectively. In comparison, rates in the Republic of Moldova (14.1 per cent), Russian Federation (11.7 per cent) and Ukraine (16.8 per cent) look moderate, although still above the global average of 12.6 per cent in 2013 (except for the Russian Federation).

In Armenia, FYR Macedonia and Ukraine, youth unemployment is not just a problem of volume but also one of duration. More than half (52.3 per cent) of the youth looking for work in Armenia were engaged in their job search for a period of one year or longer. The proportion of long-term unemployed in FYR Macedonia was as high as 76.9 per cent. Consequences in terms of skills erosion, financial loss and damaged self-esteem among the long-term unemployed are well documented. Equally clear is the impetus that high unemployment rates give to external migration, as more and more youth leave their countries to find better employment opportunities elsewhere. The Russian Federation is primarily a receiving country, which creates problems of its own, but the remaining countries see a significant outflow of migrants every year. Educated youth constitute a large share of migrants, meaning that the benefits of their educational investment will accrue to the economic output of another country.

Underutilization of youth labour is defined in this report as the sum of the non-utilized labour potential – unemployed and inactive non-students – with the underutilized potential of young workers in precarious situations – the self-employed plus workers on temporary contracts of less than one year in duration. The average share of youth underutilization among the six countries totalled 39.4 per cent, with national rates ranging from a low 24.5 per cent in the Russian Federation to 55.3 per cent in Kyrgyzstan (driven by high shares in irregular employment). Underutilization affects between one-quarter and one-half of the youth populations in the surveyed countries, thus raising questions on how the region can better capitalize on the well-educated labour base to tap their full economic potential.

***Technical vocational education and training (TVET) systems are also well-established in the region, with robust participation of youth in most countries.***

The popularity of vocational education in most of the countries is impressive. On average (six countries), 28.2 per cent of youth with completed education in the region had participated in the TVET system. Shares ran as high as 42.9 per cent in FYR Macedonia and 40.2 per cent in the Russian Federation. Armenia, on the other hand, had only 9.9 per cent of young graduates from vocational programmes (secondary or post-secondary).

In terms of the labour market outcomes of youth with technical training compared to those who followed the academic route, the results are mixed. Only in the Russian Federation is an advantage seen for the technically trained youth in terms of finding work. In the other countries, the unemployment rates were lowest for youth with university degrees (except for Armenia, where youth with secondary level education have the lowest rate). The wage potential of the TVET graduate also lags behind the university graduates, although the gaps are not large, and in Ukraine youth with technical training had the highest average wage. Finally, the university-trained youth are also those most likely to complete their labour market transitions to stable employment and within a shorter time period. A common conclusion from the countries studied, therefore, is that:

***Investing in university education pays off in terms of better job prospects and faster labour market transitions.***

A higher level of education offers at least a chance of obtaining one of the few good jobs available. Results show that unemployment in the region is more skewed towards the less skilled than the highly skilled and that the young person with primary level education spent, on average, four times longer in completing their labour market transition than the university graduate.

Yet, for the higher skilled youth to find work that satisfactorily matches their level of qualifications still remains a challenge. Overeducation, a situation in which a worker holds a job that requires skills below their level of education or training, is another area of concern in the region. On average, in the six countries, overeducation impacted two in ten young workers (21.7 per cent). The consequence of overeducation is that the young worker is likely to earn less than they otherwise could have and that their productive potential is not maximized. There is also the danger that the youth who finally accepts a job for which they are overqualified – settling after a long transition period (averaging three months longer than youth settling in jobs which match their qualifications among university graduates, see section 7.3.3) – will find themselves stuck in that position. Another consequence is the crowding out of youth at the bottom of the educational pyramid. The less-educated youth find themselves at the back of the queue even for those jobs for which they are best qualified.

***The youth labour market in the region is influenced by gender issues.***

Results from the six countries showed significant wage gaps among young workers. In Armenia, the Russian Federation and Ukraine, young men could earn at least one-third more than young women. And these gaps exist despite the higher shares of young women than men gaining a university education in all the countries, which should be a guarantee of higher wage gains, as discussed in the previous paragraph.

At the same time, the results showed that young men had the clear advantage in completing their labour market transition to stable employment. Young women, on the other hand, still show a strong tendency to withdraw from the labour market in order to raise children and tend to the household. Male labour force participation rates were consistently at least 10 percentage points higher than female rates. The largest gap was found in Kyrgyzstan, with a male labour force participation rate of 69.9 per cent compared to 52.4 per cent for young women. On the other hand, at least for the six-country average, there was no gender gap in the youth unemployment rate (20.0 per cent for young men and 19.9 per cent for women).

***Most young workers in the region benefit from a standard employment relationship, with a written contract and access to basic entitlements, although exceptions do exist.***

Working conditions in the region – as elsewhere – leave scope for improvement. Two in ten young paid workers were working without a written contract and the same proportion were engaged on limited duration contracts, most of less than one year in duration (figures are the six-country averages). While the region does better than others in terms of provision of entitlements for employees (paid annual and sick leave, for example), coverage remains far from universal. Long working hours are also a concern, with one-third of young workers in Armenia and Ukraine working more than 50 hours per week. Less than ideal working conditions impact on the well-being and productivity of young workers. On average, in the six countries, as many as one in three young workers expressed a desire to leave their current job.

***Informal employment is the standard condition among youth in the Eastern Europe–Central Asia region, as elsewhere.***

While only 28.6 per cent of young workers in the Republic of Moldova fell into the category of informal employment, the share was around 50 per cent for the majority of the countries and as high as 79.5 per cent in Kyrgyzstan.

***Young people are attracted by the idea of entrepreneurship, but do not follow through when making employment decisions.***

Wage and salaried employment dominates in the six countries. The six-country average showed 73.0 per cent of young workers in paid employment.<sup>2</sup> In the Russian Federation, nine in ten young workers worked as paid employees. Self-employment among youth is rare (averaging 10.9 per cent, employers plus own-account workers). These results are not surprising – low shares of self-employment are common in more developed economies – except for the discord with the results of what current students and unemployed youth stated they expected of their future employment. More than one-quarter of young students (28 per cent, six-country average) and unemployed youth (30 per cent, six-country average) expressed a desire to work for themselves. One cannot help but

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<sup>2</sup> Excluding Kyrgyzstan as the only one of the countries to have less than half of workers in the wage and salaried category (40.1 per cent), a five-country average increases to 79.0 per cent.

wonder at which point this entrepreneurial zeal gets lost in the respective countries, and why.

***Youth in the region show an untenable expectation for work in the public sector.***

In most of the countries, the primary aspiration of a majority of unemployed youth is to work in the public sector. In FYR Macedonia, as many as 50.7 per cent of unemployed youth were hoping to gain employment in the public sector. This is an understandable desire, given the security associated with government work, but untenable in view of the very limited scope for job creation in the public sector. Young students also expressed an unrealistic expectation for employment in the public sector. In Armenia, Kyrgyzstan and FYR Macedonia more than half of current students expressed a desire to work in the government or public sector in the future. Private sector employment is clearly regarded by most young students as a second-best option in all the countries. In fact, in all the countries surveyed more young students hoped to work for themselves (running their own business or farm) than to work for a private company.

***Kyrgyzstan is an outlier in labour market characteristics throughout the report.***

In July 2014, a revision of the World Bank income classifications moved Kyrgyzstan out of the category of low-income countries into the grouping of lower middle income countries, thus putting it in the company of Armenia, the Republic of Moldova and Ukraine.<sup>3</sup> In terms of labour market characteristics and the situation facing youth, however, Kyrgyzstan remains distinct from the other countries examined: it was the only one of the six countries where the majority share of young workers was engaged without pay in a family establishment or farm (41.9 per cent contributing family workers); the country with the lowest share of young employees receiving core entitlements (only 36.2 per cent, for example, received paid sick leave); the only country to report higher average wages among young workers with secondary education compared to those with tertiary education; the country with the highest rate of informal employment (79.5 per cent). Many of these labour market characteristics stem from an important difference in the structure of the economies, namely the continuing strength of the agricultural sector in Kyrgyzstan. As many as 46.6 per cent of young workers in the country were still engaged in the agricultural sector, with higher shares among young women than young men. In fact, the scarcity of regular, paid jobs in the Kyrgyz economy and the strong agricultural base are features common to most low-income countries (ILO, 2013a, chapter 4).

***Most youth rely on informal networks when searching for jobs.***

Informal networks, asking relatives and friends about employment possibilities, remains the principal means of seeking work among youth in the countries studied. Shares of unemployed youth using this method ranged from 59.1 per cent in Ukraine to 89.3 per cent in FYR Macedonia. Public employment services are better regarded in this region than in the other countries surveyed (see Elder, 2014 and Elder and Koné, 2014), yet the attraction of their services for the jobseeker varied by country. As few as 5.0 per cent of unemployed youth in the Republic of Moldova said that they had registered with the public employment services, but the share was as high as 66.0 per cent in FYR Macedonia.

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<sup>3</sup> According to the World Bank income groupings (July 2014 revision), Armenia, Kyrgyzstan, the Republic of Moldova and Ukraine are lower middle-income countries, FYR Macedonia is an upper middle-income country and the Russian Federation is a high-income country. See <http://data.worldbank.org/news/2015-country-classifications>.



*Young men, youth living in urban areas, those coming from wealthier households, with completed higher education and having parents with higher education have the advantage in terms of completing the labour market transition to stable and/or satisfactory employment.*

On average in the six countries, 27.2 per cent of the youth population had completed their transition to a stable job and another 10.6 had transitioned to satisfactory self-employment or temporary employment. Variations were wide across countries, however. As few as 21.5 per cent of youth in FYR Macedonia had completed the transition compared to 53.4 per cent in the Russian Federation.

The lengths of transitions from education to stable or satisfactory employment proved to be relatively long in the region. The average transition length of the six countries was 21.8 months, or nearly two years. This figure, however, includes those youth who transitioned directly to their stable or satisfactory job. Excluding the direct transitions (the majority in most countries), the lengths of transition become extremely long; on average, youth who did not move directly to their post, spent 40.8 months in a period of transition.

Socio-economic characteristics, such as the education level of parents, household wealth and the education level of the youth, influence the time that a young person will spend in transition, and it is an inescapable fact that the advantages accruing to youth from wealthier and more educated households continue into their own educational outcomes and subsequent labour market prospects. The survey results confirm that youth with more highly educated parents and from higher income households make faster transitions to stable and/or satisfactory employment. The young person with a university degree transitioned, on average, four times faster than the youth with primary level education. Participation in an internship or apprenticeship programme also reduced the length of transition. Finally, lengths of transition are also influenced by the occupations attained. Youth transitioning to higher skilled occupations, requiring higher education levels, completed their transitions significantly more quickly than those youth who moved to less highly skilled occupations. The length of transition was longest, on average, for young plant and machine operators, i.e. those transitions ending in manual professions.

## **2. School-to-work transition survey in Eastern Europe and Central Asia**

### **2.1 Survey objectives and methodology**

Countries in EECA tend to have strong institutions in place for generating labour market statistics, although funding of programmes and ensuring adequate capacity for labour market analysis remain areas of concern. Of the six countries examined in this report, only Armenia does not have a regular labour force survey from which annual (or more frequent) information on basic labour market indicators for the youth population can be extracted. However, detailed age-disaggregated information is rarely made available, with the consequence that it can be difficult to obtain detailed information about the conditions of youth employment and the labour market transition that young people undertake. At the same time, the issue of improving the transition for young people has become a policy priority for a growing number of countries. In response to this obvious information gap, the ILO has developed a framework for understanding the labour market transitions of youth, based on the SWTS. The detailed household survey covering 15–29-year-olds (see box 1) is applied at the national level to generate information on the current labour market situation, the history of economic activities and the perceptions and aspirations of youth.

### Box 1. Definition of youth

While in many contexts, a youth is defined as a person aged between 15 and 24, for the purpose of the SWTS and related reports, the upper age limit is extended to 29. This recognizes the fact that some young people remain in education beyond the age of 24, and allows the opportunity to capture more information on the post-graduation employment experiences of young people.

Funding for the surveys came from the Work4Youth partnership between the ILO Youth Employment Programme and The MasterCard Foundation (see box 2). The partnership supports the SWTS in 28 target countries, and data from the first round of surveys were made available throughout 2013. A second series of SWTSs will be conducted in 2014–15 in most of the 28 countries surveyed. National reports summarizing survey results as well as the data itself (in both raw and tabulated form) are available on the W4Y website.<sup>4</sup> For the region, the following three national reports are currently printed while the remainder (Kyrgyzstan, Republic of Moldova and Russian Federation) are expected for later 2015:

- Sara Elder, Blagica Novkovska and Violeta Krsteva, *Labour market transitions of young women and men in the former Yugoslav Republic of Macedonia*, Work4Youth Publication Series No. 1, July 2013 (ILO).
- Ella Libanova, Aleksandr Cymbal, Larysa Lisogor, Iryna Marchenko and Oleg Iarosh, *Labour market transitions of young women and men in Ukraine*, Work4Youth Publication Series No. 11, May 2014 (ILO).
- Nicolas Serrière, *Labour market transitions of young women and men in Armenia*, Work4Youth Publication Series No. 21, October 2014 (ILO).

### Box 2. Work4Youth: An ILO project in partnership with The MasterCard Foundation

The Work4Youth (W4Y) project is a partnership between the ILO Youth Employment Programme and The MasterCard Foundation. The project has a budget of US\$14.6 million and will run for five years to mid-2016. Its aim is to “promot[e] decent work opportunities for young men and women through knowledge and action”. The immediate objective of the partnership is to produce more and better labour market information specific to youth in developing countries, focusing in particular on transition paths to the labour market. The assumption is that governments and social partners in the project’s 28 target countries will be better prepared to design effective policy and programme initiatives once armed with detailed information on:

- what young people expect in terms of transition paths and quality of work;
- what employers expect in terms of young applicants;
- what issues prevent the two sides – supply and demand – from matching; and
- what policies and programmes can have a real impact.

Work4Youth target areas and countries:

*Asia and the Pacific:* Bangladesh, Cambodia, Nepal, Samoa, Viet Nam

*Eastern Europe and Central Asia:* Armenia, Kyrgyzstan, Republic of Moldova, Russian Federation, the former Yugoslav Republic of Macedonia, Ukraine

*Latin America and the Caribbean:* Brazil, Colombia, El Salvador, Jamaica, Peru

*Middle East and North Africa:* Egypt, Jordan, Occupied Palestinian Territory, Tunisia

*Sub-Saharan Africa:* Benin, Liberia, Madagascar, Malawi, Togo, Uganda, United Republic of Tanzania, Zambia

<sup>4</sup> The ILO Work4Youth website is: [www.ilo.org/w4y](http://www.ilo.org/w4y). National reports are currently available for Armenia, Bangladesh, Benin, Cambodia, Jamaica, Liberia, Malawi, the Occupied Palestinian Territory, Peru, Samoa, the former Yugoslav Republic of Macedonia, Togo, Ukraine and Zambia. Raw data sets for all 28 countries are also available on the W4Y website. The SWTS tabulated data is available from the ILOSTAT database (youthSTATS tab) at [www.ilo.org/ilostat](http://www.ilo.org/ilostat).

The SWTS was implemented by the national statistical organization in Armenia, Kyrgyzstan, the Republic of Moldova, the Russian Federation and the former Yugoslav Republic of Macedonia (table 2.1). Only in Ukraine was the survey conducted by a private institution – the Ukrainian Center for Social Reforms – due to the unavailability of the State Statistics Service. The average sample size was 4,300 persons aged 15–29, with the smallest sample (1,158 youth) in the Republic of Moldova and the largest (3,930 youth) in Kyrgyzstan. The SWTS was conducted in 2012 in three countries (Armenia, FYR Macedonia and the Russian Federation), in 2013 in three countries (Kyrgyzstan, the Republic of Moldova and Ukraine). Data are nationally representative and national weights have been applied in all countries, except the Russian Federation, where the survey covered 11 (of 46) provinces. The seasonality of the surveys should be taken into consideration when attempting cross-country comparisons.

**Table 2.1 Source information: SWTS in EECA countries**

Country	Implementation partner	Sample size (number of youth)	Geographic coverage	Reference period
Armenia	National Statistical Service of the Republic of Armenia	3 216	National	October–November 2012
Kyrgyzstan	National Statistical Commission of the Kyrgyz Republic	3 930	National	July–September 2013
FYR Macedonia	State Statistical Office of the Republic of Macedonia	2 544	National	July–September 2012
Moldova, Republic of	National Bureau of Statistics of the Republic of Moldova	1 158	National	January–March 2013
Russian Federation	Russian Federal State Statistics Service	3 890	11 provinces (of 46)	July 2012
Ukraine	Ukrainian Center for Social Reforms	3 526	National	February 2013

## 2.2 Socio-economic context

### 2.2.1 Economic growth

The EECA region registered an average growth rate of 4.0 per cent from 2000 to 2009 (World Bank, 2014a).<sup>5</sup> There was a sharp contraction of 6.6 percentage points in the gross domestic product (GDP) growth rate in 2009 during the period of the global economic crisis, but the region recovered fairly quickly and attained growth rates of 4.7 and 4.9 per cent in 2010 and 2011, respectively. Growth in the region proved sluggish again from 2012 (2.2 per cent in 2012 and 2.3 per cent in 2013). Despite the positive growth in the region, job creation within the economies has not kept pace. As a result, the region is marked by high unemployment.

Growth prospects for 2014 are weak due to the increasing political tensions in the region, which are likely to have an economic impact on the neighbouring countries as well

<sup>5</sup> The estimates include 31 countries of three sub-regions: Central and Eastern Europe (Albania, Bosnia and Herzegovina, Bulgaria, Georgia, Hungary, Kosovo, FYR Macedonia, Montenegro, Romania and Serbia); Commonwealth of Independent States (Armenia, Azerbaijan, Belarus, Kazakhstan, Kyrgyzstan, Republic of Moldova, Tajikistan, Turkmenistan, Ukraine and Uzbekistan); and high-income countries (Croatia, Czech Republic, Estonia, Latvia, Lithuania, Poland, Russian Federation, Slovenia and Slovak Republic).

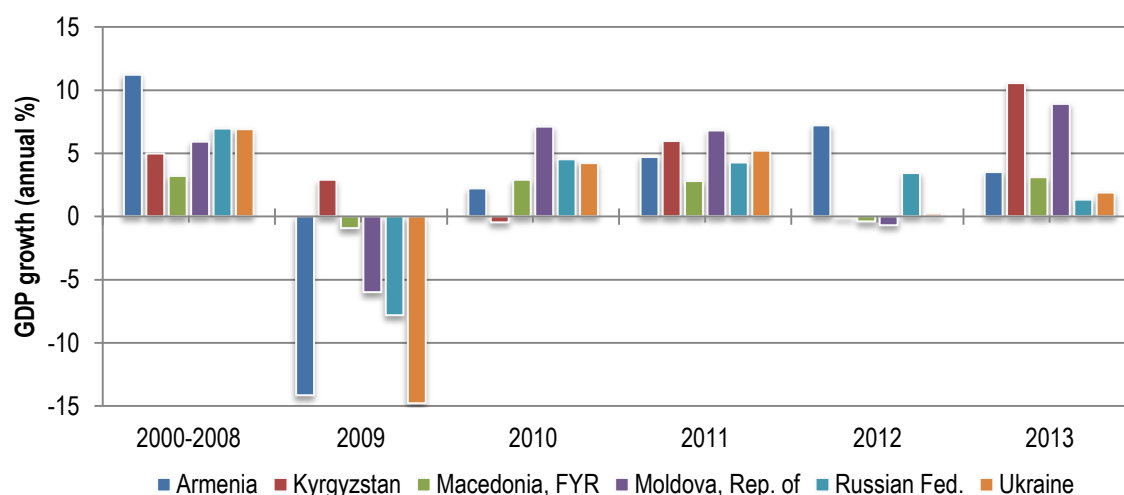
as on the EU. Main economic factors of concern in the region are the slowdown of industrial production, the contraction of internal demand and the high dependency on exports and on remittances into and out of the EU and the Russian Federation.

Exports to the EU and the Russian Federation play a major role in the economies of the region. In 2013, Armenia, Kyrgyzstan and the Republic of Moldova depended on Russian demand for more than 60 per cent of non-oil commodity exports, while net exports to the EU contributed considerably to economic growth in FYR Macedonia, despite a contraction of internal demand (World Bank, 2014a). Recovery in the EU has been a crucial factor in driving growth in the region, through both trade and direct investment.

Remittances to developing countries in the EECA region accounted for about US\$43 billion and are estimated to grow by 26 per cent to reach US\$54 billion in 2016. The Russian Federation is the largest source of the largest share of remittances sent to the EECA region. Remittances are particularly important in the economies of Armenia, Kyrgyzstan and the Republic of Moldova: in 2013 they accounted for 21, 13 and 25 per cent of GDP, respectively (World Bank, 2014b). On average, the level of remittances recorded a growth rate of 20 to 25 per cent, except in Ukraine where it dropped from the equivalent of US\$900 million in 2012 to almost zero in 2013.

Among the six countries examined in this report, Armenia, the Russian Federation and Ukraine were the faster growing economies for the period 2000–2008 but were also the countries most severely affected by the economic crisis (figure 2.1). Recovery started as early as 2010 but, as with the regional trend, slowed again from 2013. Industrial production has been shrinking in all the surveyed countries, while the services sector has shown constant growth since 2005. Its contribution to GDP ranges from 46.6 per cent in Armenia to 68.7 per cent in the Republic of Moldova.<sup>6</sup> Agriculture also plays an important role in the economies of Armenia and Kyrgyzstan, contributing 21.9 and 19.7 per cent, respectively, to GDP in 2012.

**Figure 2.1 Average GDP growth, 2000–2008, and annual GDP growth, 2009–2013**



Source: World Bank, World Development Indicators, 2014.

<sup>6</sup> Value added data is taken from World Bank, World Development Indicators, 2014.

## 2.2.2 Demographics

The six countries in the region are characterized by shrinking shares of youth (15–29) in the total population (table 2.2). In terms of raw numbers, the youth populations are also expected to decline between 2015 and 2030 in the Republic of Moldova, Russian Federation and Ukraine while populations in Armenia and FYR Macedonia should show little change. Only Kyrgyzstan is expected to experience a significant growth in the population in the near future, which is likely to create additional strains on an economy with limited job growth.

**Table 2.2 Share of youth (15–29) in total population and youth population, 2000–2030**

Country	% of total population						
	2000	2005	2010	2015*	2020*	2025*	2030*
Armenia	23.8	27.0	27.2	24.2	20.2	19.0	19.3
Kyrgyzstan	27.7	29.6	31.3	29.1	24.4	22.6	24.4
Macedonia, FYR	23.5	23.8	23.3	21.5	19.2	17.2	16.4
Moldova, Rep. of	23.4	25.8	26.3	23.2	18.0	16.2	17.1
Russian Fed.	22.9	24.6	23.2	19.8	16.4	16.1	17.9
Ukraine	22.0	23.2	22.4	19.3	15.5	15.2	16.6

Country	Thousands of people						
	2000	2005	2010	2015*	2020*	2025*	2030*
Armenia	3 076	3 014	2 964	2 990	2 988	2 990	2 970
Kyrgyzstan	4 955	5 044	5 334	5 707	6 165	6 554	6 872
Macedonia, FYR	2 054	2 089	2 099	2 109	2 107	2 095	2 068
Moldova, Rep. of	4 108	3 766	3 573	3 438	3 322	3 207	3 064
Russian Fed.	146 762	143 936	143 617	142 098	140 010	136 965	133 554
Ukraine	49 059	47 136	46 051	44 646	43 162	41 558	39 843

Note: \* = projected figures.

Source: United Nations Population Division, World Population Prospects database.

The region is characterized by both immigration and emigration processes. The International Organization for Migration (IOM) estimated that about 29.9 million immigrants, corresponding to 8.4 per cent of the population, live in the region. The emigrant population is estimated to be 24.6 million and accounts for 16.7 per cent of the total population. Two main migration flows emerged in the region since the transition from the Soviet Union: flows from the Commonwealth of Independent States (CIS) to the Russian Federation and flows from Central and Eastern Europe to Western Europe (World Bank, 2014b). About 90 per cent of the international migrants from the region moved within this sub-region.

## 2.2.3 Labour market

The regional labour market is characterized by low labour force participation rates and high unemployment rates.<sup>7</sup> Employment growth prospects are low and it is estimated that about 900,000 new jobs, corresponding to an overall increase of 0.6 per cent in the regional employment rate, will be created by 2018 (ILO, 2014a). The regional unemployment rate, after reaching a peak of 9.9 per cent in 2009, returned to pre-crisis

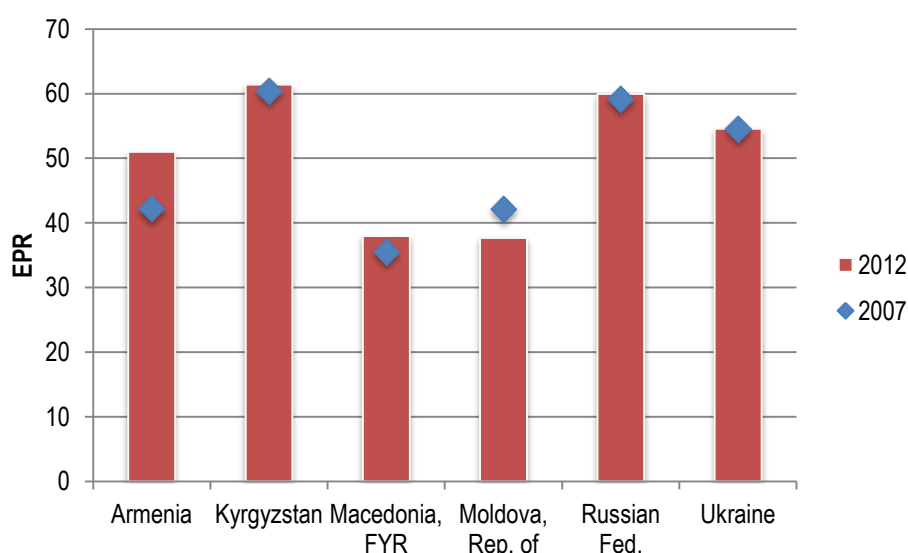
<sup>7</sup> The region in this section refers to the region of Central and South-Eastern Europe (non-EU) and CIS countries, as defined in the *ILO Global Employment Trends* series. For a list of countries, see ILO, 2013a, Annex G.

levels of 8.2 per cent only in 2013. The impact of the global economic crisis on the regional labour market was estimated as an increase of 1.8 percentage points in the unemployment rate, corresponding to more than 2 million jobs lost in the region in 2009 alone.

The labour market situation for more vulnerable groups of the population, such as youth and women, presents major challenges in the region. In 2013, the share of employed youth in the youth population was only 33.1 per cent, while the youth unemployment rate was estimated at 17.5 per cent. Gender disparities are also evident: the labour force is composed of 44.8 per cent women but the regional employment-to-population ratio (EPR) of women was only 46.4 per cent compared to 64.5 per cent for men.

Among surveyed countries, FYR Macedonia and the Republic of Moldova registered the lowest EPRs, with less than 40 per cent of the population employed in 2012 (figure 2.2). The Central Asian countries registered higher employment rates, ranging from 51 per cent in Armenia to 61.7 per cent in Kyrgyzstan. Although there has been a constant increase in the levels of employment since 2000, EPRs remained stable, except for Armenia and the Republic of Moldova. Armenia registered a sharp increase in the EPR between 2007 and 2012. The Republic of Moldova, despite its comparatively low level of unemployment, recorded a significant decline in EPR over the same period.

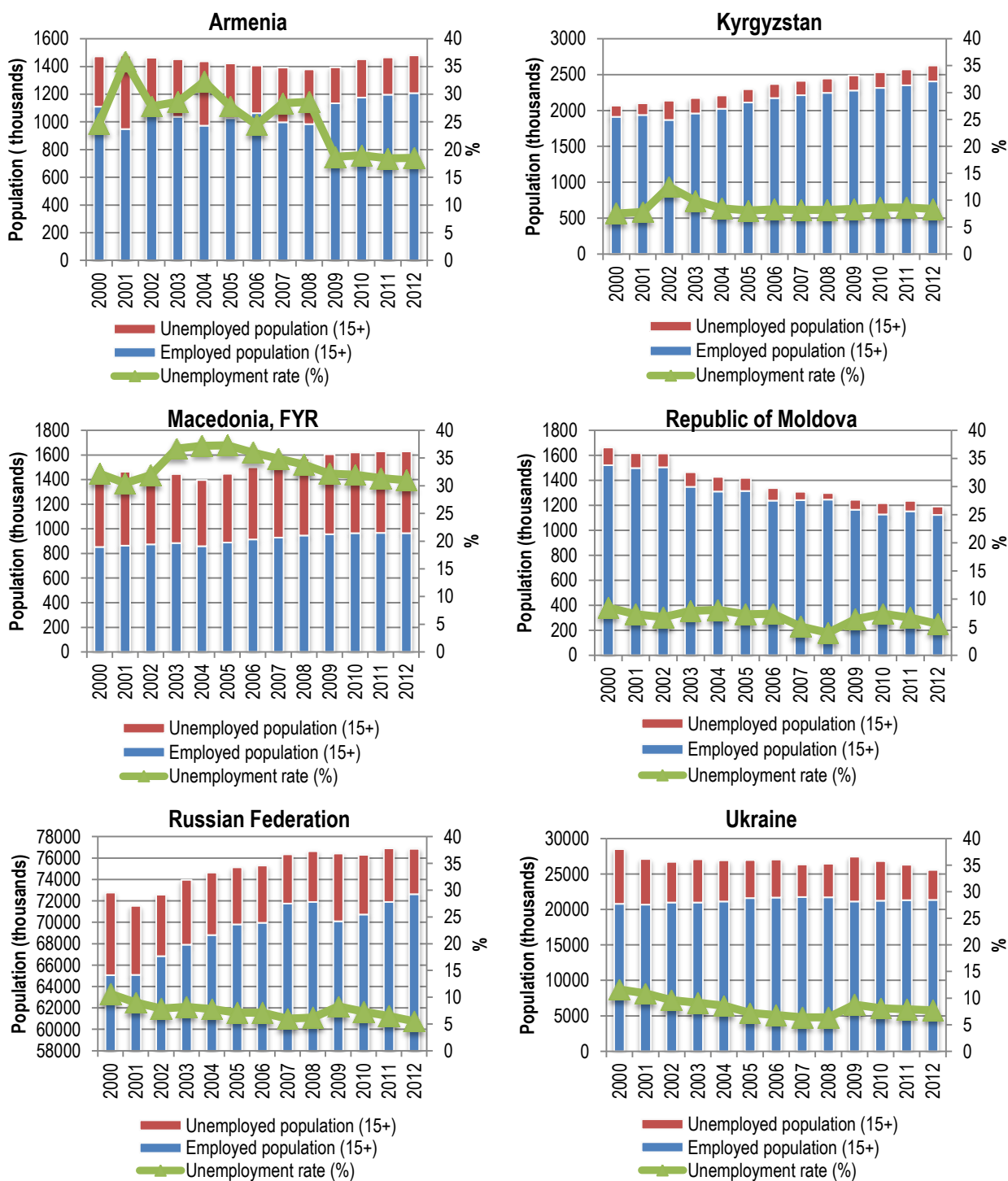
**Figure 2.2 Employment-to-population ratio (15+), 2007 and 2012**



Source: ILO Global Employment Trends 2014 datasets (available at: [http://www.ilo.org/global/research/global-reports/global-employment-trends/2014/WCMS\\_234879/lang-en/index.htm](http://www.ilo.org/global/research/global-reports/global-employment-trends/2014/WCMS_234879/lang-en/index.htm)).

At the country level, Armenia and FYR Macedonia registered the highest unemployment rates, at 18.5 and 31.0 per cent, respectively, in 2012. The unemployment rates and employed and unemployed populations of the 15+ age group are given in figure 2.3. Without going into detail in an assessment of the general labour markets of the region, it is important to note the diversity between the countries. The unemployment rate is stubborn and extremely high in Armenia and FYR Macedonia. In the Russian Federation, in contrast, unemployment is low and employment seems to be steadily increasing. In Kyrgyzstan and the Republic of Moldova, we see high levels of employment and low unemployment but with declining volumes in the latter country. Finally, Ukraine shows very little change over the period 2000–2012, in terms of either volume of the employed or unemployed or in the unemployment rate.

Figure 2.3 Selected labour market indicators, 2000–2012



Source: ILO Global Employment Trends 2014 datasets (available at: [http://www.ilo.org/global/research/global-reports/global-employment-trends/2014/WCMS\\_234879/lang-en/index.htm](http://www.ilo.org/global/research/global-reports/global-employment-trends/2014/WCMS_234879/lang-en/index.htm)).

### 3. Characteristics of youth in Eastern Europe and Central Asia

#### 3.1 Socio-economic characteristics of youth

##### 3.1.1 Individual characteristics of youth

Results of the SWTSs show a slight predominance of females over males in the region. The imbalance is particularly noticeable in Armenia and the Republic of Moldova, where over 55 per cent of the sample is composed of young women (table 3.1). This finding is consistent with the large number of young men emigrating from the two countries, as well as from Kyrgyzstan. Seasonal migration, particularly towards the Russian Federation and other CIS countries, is also significant among the surveyed countries. In Armenia, it was estimated that during the period 2002–08, between 14.2 and 17.9 per cent of the working-age population left Armenia (World Bank, 2013a).

On average, the smallest age group is composed of young people aged 15 to 19, which constitutes a major difference between this region and other regions where the SWTS was conducted.<sup>8</sup> It highlights the fact that societies in the region are ageing. Significant differences, however, remain among the six countries: only 26.2 per cent of young Russians were aged 15 to 19 whereas the share was as high as 39.7 per cent in Kyrgyzstan. The urban youth population outnumbers the rural youth population in all countries except Kyrgyzstan and Republic of Moldova. In Armenia, the Russian Federation and Ukraine the urban bias is particularly strong.

**Table 3.1 Youth by sex, age group, area of residence and marital status (%)**

Characteristic	Armenia	Kyrgyzstan	Macedonia, FYR	Moldova, Rep. of	Russian Fed.	Ukraine	Average
<b>Sex</b>							
Male	44.2	47.6	51.8	44.8	49.7	51.1	48.2
Female	55.8	52.4	48.2	55.2	50.3	48.9	51.8
<b>Age group</b>							
15–19	34.7	39.7	32.0	30.6	26.2	26.9	31.7
20–24	35.8	31.7	35.1	32.8	37.1	35.6	34.7
25–29	29.5	28.6	33.0	36.6	36.7	37.6	33.7
<b>Area of residence</b>							
Urban	80.0	34.5	54.4	45.1	70.6	69.8	59.0
Rural	20.0	65.5	45.6	54.9	29.5	30.2	41.0
<b>Marital status</b>							
Single	73.4	61.8	79.4	66.2	67.8	63.2	68.6
Engaged	1.3	1.9	2.0	–	4.2	2.6	2.4
Married	23.7	32.9	17.9	31.9	23.8	30.4	26.8
Divorced	1.6	3.2	0.6	1.9	4.0	3.8	2.5
Widowed	0.1	0.2	0	0.0	0.2	0.1	0.1

Note: Averages are unweighted.

Source: SWTSs, 2012–13 (see table 2.1 for reference period by country).

<sup>8</sup> Two additional regional reports exist to date: a summation of eight SWTS datasets in sub-Saharan Africa (Elder and Koné, 2014) and another on the six SWTS countries in Asia and the Pacific (Elder, 2014).

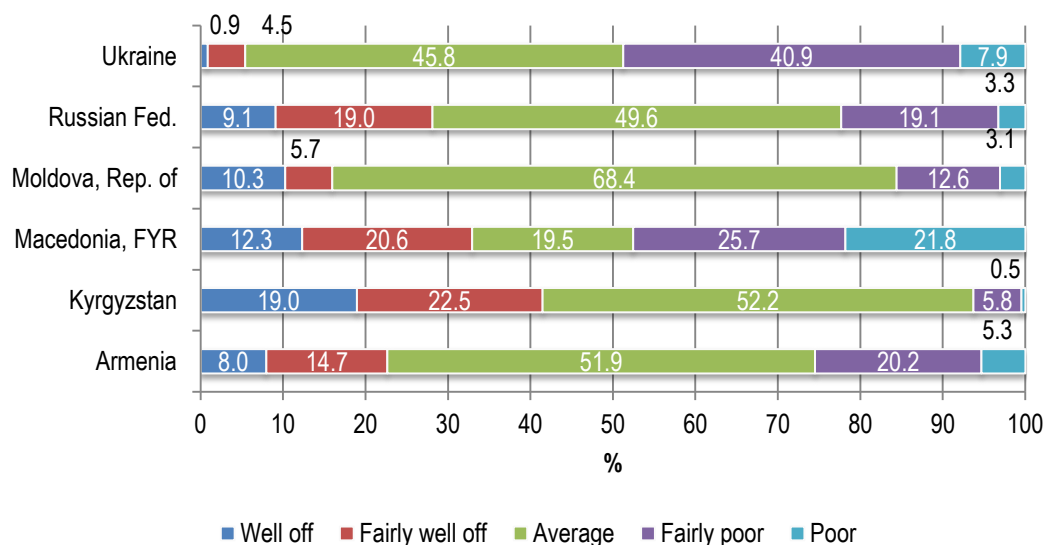


Almost seven in ten youth among the six countries remained single (68.6 per cent, on average); the highest share was in FYR Macedonia at 79.4 per cent and the lowest (61.8 per cent) in Kyrgyzstan. Young women in the region were more likely to be married than young men; on average, married women comprised 33.4 per cent of the female youth population in the six countries, while the share of married men was only 19.4 per cent (Annex II, table A.1).<sup>9</sup> Early marriages among young women are still fairly common in the region; among the five countries with data, at least one-quarter of young married women married between the ages of 15 and 19 (Annex II, table A.2). The share was as high as 47.5 per cent in Kyrgyzstan. (Annex II, table A.2). For young married men, in contrast, at most 13.7 per cent in FYR Macedonia married before the age of 20.

### 3.1.2 Household characteristics

One in four young respondents in the six countries surveyed saw themselves as living in a poor or fairly poor household (27.7 per cent). This compares to 47.9 per cent who considered that they had an average household income and 24.4 per cent who felt they were living in well-off households (figure 3.1).<sup>10</sup> If the results are taken at face value, FYR Macedonia and Ukraine emerge as the countries with the highest share of young people living in poverty (respectively, 47.5 and 48.8 per cent in poor or fairly poor households). This finding is at variance with the World Bank classification of countries by income grouping, in which FYR Macedonia is placed among the upper middle-income countries, above the lower middle-income Armenia, Kyrgyzstan, Republic of Moldova and Ukraine, which could make for an interesting study of how wealth and (in)equality is perceived by youth. Interestingly, it was in the lower middle-income country of Kyrgyzstan that the largest share of youth considered their household to be well off (19.0 per cent). In all countries a higher perception of income deprivation existed in rural than urban areas (Annex II, table A.3).

**Figure 3.1 Youth by level of perceived household financial situation**



Note: Household income level is based on the perception of the young respondents.  
Source: SWTSs, 2012–13 (see table 2.1 for reference period by country).

<sup>9</sup> Throughout the report, averages are unweighted and only presented where the national variations are not excessively wide.

<sup>10</sup> Household income levels were self-reported in the SWTS according to the categorization shown in figure 3.1.

## 3.2 Educational attainment

### 3.2.1 Access to education

Education remains the core element in human resource development and in improving the young people's prospects of acquiring decent jobs and, in this regard, the countries in the region are thriving. Universal education is well-established in all six countries. A majority of youth between the ages of 15 and 29 had already finished their studies (54.4 per cent being the six-country average), and nearly all of the remainder were continuing their investment in education (42.3 per cent) (table 3.2). Very few youth in the region leave school before completion; the highest share of early leavers standing at 4.3 per cent in Kyrgyzstan.

**Table 3.2 Youth population by educational status (%)**

Educational status	Armenia	Kyrgyzstan	Macedonia, FYR	Moldova, Rep. of	Russian Fed.	Ukraine	Average
Never attended school	0.3	0.6	0.9	0.5	–	–	0.4
Left before graduation or completion of school	1.9	4.3	2.7	3.4	2.8	2.3	2.9
Currently attending school	45.3	41.1	47.0	42.9	36.0	41.6	42.3
Completed education	52.5	54.0	49.5	53.3	61.1	56.1	54.4

Note: – = Insignificant response rate. Averages are unweighted.

Source: SWTSs, 2012–13 (see table 2.1 for reference period by country).

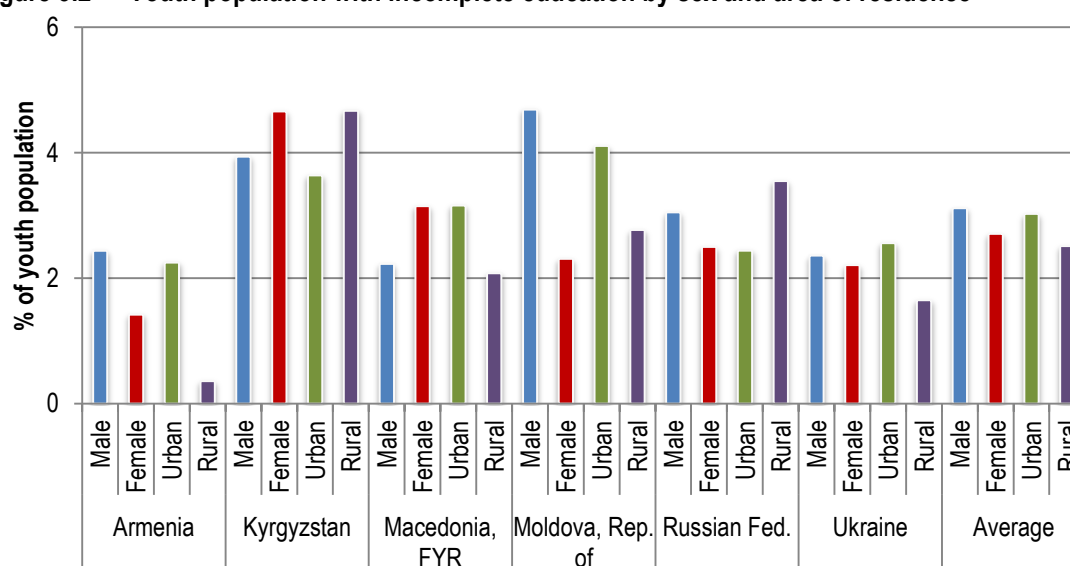
Gender and urban/rural differences with regard to non-completion of education are shown in figure 3.2. First, it is important to point out again that early school leaving is extremely rare among youth in the region. In terms of disparity between the sexes, in general differences are not sizeable and the disadvantaged vary by country. In Armenia, the Republic of Moldova, the Russian Federation and Ukraine, young men fell slightly behind women in terms of their education completion rate, while in FYR Macedonia and Kyrgyzstan, the young women were those more likely to leave school early. Where dropping out of school early is more likely to happen is also mixed across the countries. The incidence of early schooling leaving was higher in urban than rural areas in Armenia, FYR Macedonia, the Republic of Moldova and Ukraine. This leaves only Kyrgyzstan and the Russian Federation where youth in rural areas were those most likely to leave school before completion (bearing in mind that, at most, this figure is just 4.7 per cent of rural youth in Kyrgyzstan).

Asked why they left school before completion (results shown in table 3.3), respondents in the six countries cited a mix of economic reasons –the inability to cover school fees or the need to work to contribute to the household income (ranging from 14.5 per cent in Kyrgyzstan to 50.3 per cent in Armenia) – and a general lack of interest in education (from 8.5 per cent in Armenia to 36.9 per cent in FYR Macedonia). A sizable share of early school leavers also stated that they left to start working, a reason that could reflect either economic reasons or a lack of interest in academia, or both.

It is notable that Kyrgyzstan and the Republic of Moldova were the only two out of the six countries to report a share of non-completion of nearly 5 per cent. Among young men in the two countries, it would appear that the attraction of making money by working is the strongest motivation to leave school before completion, but in the Republic of Moldova another important factor was the failure of examinations (cited by 24.2 per cent of young men). Economic reasons for leaving school were also important among young female Moldavians, while female youth in Kyrgyzstan were more likely to cite a lack of interest. For both countries (and the others as well), there is still a tendency for some

young women to leave school in order to get married and take care of the household. Shares of young men who leave school for the same reasons are nominal.

**Figure 3.2 Youth population with incomplete education by sex and area of residence**



Note: Averages are unweighted.

Source: SWTSS, 2012–13 (see table 2.1 for reference period by country).

**Table 3.3 Youth who left school before completion by reason and sex (%)**

Country	Sex	Failed examinations	Lack of interest in education	To start working	To get married	Parents refused consent to continue	Economic reasons	No school nearby	Other
Armenia	Total	7.0	8.5	7.1	18.2	0.8	50.3	0.0	8.2
	Male	12.1	14.7	12.2	0.0	0.0	59.3	0.0	1.6
	Female	0.0	0.0	0.1	42.9	1.8	38.1	0.0	17.2
Kyrgyzstan	Total	0.2	30.8	18.0	16.0	9.8	14.5	1.8	9.0
	Male	0.0	20.4	36.7	0.0	1.8	21.5	4.2	15.4
	Female	0.4	38.8	3.6	28.2	15.9	9.1	0.0	4.0
Macedonia, FYR	Total	5.9	36.9	8.6	11.9	1.9	32.7	0	2.2
	Male	9.0	46.0	1.5	3.7	4.5	35.3	0	0
	Female	3.5	29.9	14.0	18.1	0	30.7	0	3.8
Moldova, Rep. of	Total	17.6	17.5	26.7	6.6	0	16.6	0	15.0
	Male	24.2	20.6	38.0	3.2	0	8.8	0	5.2
	Female	6.8	12.3	8.0	12.2	0	29.4	0	31.3
Russian Fed.	Total	6.3	27.9	17.7	9.6	0	25.3	1.1	12.1
	Male	10.3	29.6	21.0	6.9	0	26.1	0	6.2
	Female	1.4	25.8	13.7	13.0	0	24.3	2.5	19.5
Ukraine	Total	10.6	16.3	22.7	16.6	0	25.6	0	8.3
	Male	14.8	23.4	30.1	3.4	0	21.8	0	6.6
	Female	5.9	8.3	14.5	31.3	0	29.8	0	10.3
Average	Total	7.9	23.0	16.8	13.1	2.1	27.5	0.5	9.1
	Male	11.7	25.8	23.3	2.9	1.1	28.8	0.7	5.8
	Female	3.0	19.2	9.0	24.3	2.9	26.9	0.4	14.3

Note: In the Republic of Moldova, the "other" category includes illness, disability and family responsibilities. Averages are unweighted.

Source: SWTSS, 2012–13 (see table 2.1 for reference period by country).

### 3.2.2 Completed educational attainment

Near-universal access to educational is an asset of the region and an important legacy of the Soviet system. Levels of educational attainment across the six countries surveyed are also impressive, with shares of tertiary graduates (non-vocational) ranging from one-fifth (19.4 per cent in Kyrgyzstan and 21.2 per cent in FYR Macedonia) to more than two-fifths in Ukraine (43.9 per cent) (table 3.4). Completion at the secondary level, general and vocational combined, remains the most likely outcome for youth in Armenia, Kyrgyzstan, FYR Macedonia and the Republic of Moldova. In the Russian Federation and Ukraine, a majority of youth went on to tertiary education, either at university or at post-secondary vocational level. The data showed non-negligible shares of youth who completed their education at the primary level in FYR Macedonia and Kyrgyzstan only (22.2 and 14.9 per cent, respectively).

**Table 3.4 Youth by highest level of completed education (%)**

Completed education level	Armenia	Kyrgyzstan	Macedonia, FYR	Moldova, Rep. of	Russian Fed.	Ukraine
Less than primary (including no schooling)	0.7	1.3	3.5	0.9	0.9	0
Primary	0.2	14.9	22.2	1.7	7.3	1.7
Secondary vocational	6.3	6.0	42.9	15.6	17.3	6.8
Secondary general	55.6	51.1	10.2	46.4	20.1	26.4
Post-secondary vocational	3.6	7.3	–	7.0	22.9	21.2
University and postgraduate studies	33.7	19.4	21.2	28.5	31.7	43.9

Note: Only youth with completed education are considered. The post-secondary vocational category is not available for FYR Macedonia. See Annex III for a mapping of national education levels to the SWTS equivalent.

Source: SWTSs, 2012–13 (see table 2.1 for reference period by country).

The technical vocational education and training (TVET) system continues to show its popularity among youth in the region, which makes the region unique among developing regions.<sup>11</sup> On average (six countries), 28.2 per cent of youth with completed education in the region had participated in the TVET system and shares ran as high as 42.9 per cent in FYR Macedonia and 40.2 per cent in the Russian Federation. Armenia is the “odd one out” in this regard, with only 9.9 per cent of youth having graduated from vocational programmes (secondary or post-secondary).<sup>12</sup>

In the six countries and consistent with global trends, young men were more likely than young women to graduate from vocational training programmes. Young women, in contrast, are more likely to follow the general, academic route, with higher shares of young women than young men completing their university or postgraduate studies in each of the six countries (Annex II, table A.4).

### 3.2.3 Current students

The SWTS includes questions on fields of study and future job expectations of current students which help to gauge the possibilities of their future labour market

<sup>11</sup> See Elder (2014) and Elder and Koné (2014) for comparative indicators on countries in Asia and the Pacific and sub-Saharan Africa.

<sup>12</sup> Until recently, education reform in Armenia has ignored the technical and vocational education and training system. In the past few years, however, efforts have been made to reform TVET and improve its incorporation into the national education framework. For details, see the UNESCO-UNEVOC TVET Database at:

<http://www.unevoc.unesco.org/go.php?q=World+TVET+Database&ct=ARM>.

integration. Current students in the four countries with available data (the Kyrgyzstan and Moldovan questionnaires did not include the question) showed a tendency to concentrate their studies in areas of social sciences, humanities, sciences and engineering (table 3.5). Engineering, manufacturing and construction was the preferred focus of 28.2 per cent of students in Ukraine, possibly reflecting the strength of the post-secondary vocational system in the country. In FYR Macedonia, social sciences took the largest share (39.0 per cent), while in Armenia and the Russian Federation a slight preference was shown for science, mathematics and computing. There was also a significant share of young students focusing on health and welfare (from 10 to 12 per cent in the four countries).

**Table 3.5 Current students by preferred field of study, desired future occupation and place of work (%)**

Field of study, desired occupation and place of work	Armenia	Kyrgyzstan	Macedonia, FYR	Moldova, Rep. of	Russian Fed.	Ukraine
<b>Preferred field of study</b>						
General programmes	10.7	–	9.6	–	4.5	2.9
Education	3.9	–	7.5	–	10.1	0
Humanities and arts	18.4	–	6.0	–	8.3	12.0
Social sciences, business and law	19.4	–	39.0	–	18.8	24.4
Science, mathematics and computing	20.7	–	9.2	–	21.3	2.1
Engineering, manufacturing and construction	6.1	–	11.8	–	11.6	28.2
Agriculture and veterinary studies	4.0	–	2.1	–	4.6	3.8
Health and welfare	12.4	–	11.0	–	12.2	10.0
Services	3.9	–	3.7	–	5.7	4.9
Other	0.5	–	0	–	2.7	11.8
Total	100		100		100	100
<b>Desired occupation</b>						
Legislators, senior officials and managers	6.6	1.1	2.8	8.4	8.8	–
Professionals	67.3	76.6	80.9	42.9	70.5	–
Technicians and associate professionals	15.0	9.8	7.3	8.0	10.2	–
Clerks	2.3	0.7	1.4	0.4	0.1	–
Service workers, shop and market sales workers	4.3	2.1	4.3	11.3	2.7	–
Skilled agricultural and fishery workers	0.2	0.3	0.2	0.7	0.5	–
Craft and related trades workers	1.4	4.1	0.8	10.5	3.6	–
Plant and machine operators and assemblers	0.6	0.3	0.7	3.5	1.0	–
Elementary occupations	2.4	0	1.1	13.8	2.4	–
Armed forces	0	5.0	0.6	0.4	0.1	–
Total	100	100	100	100	100	
<b>Desired place of work</b>						
Myself (own business/farm)	25.9	14.3	23.6	27.0	36.7	42.4
Work for the government/public sector	45.5	64.9	60.2	28.2	33.5	23.0
Work for a private company	16.8	12.7	12.7	19.0	15.6	22.0
Work for an international organization	9.3	5.9	2.2	11.8	5.1	5.3
Work for non-profit organization	0	0	0	3.2	0	0
Work for family business/farm	2.4	0	1.2	6.7	6.9	5.9
Do not wish to work	0.0	2.1	0.1	4.1	2.2	1.4
Total	100	100	100	100	100	100

Note: – = Not applicable (response not elicited in questionnaire).

Source: SWTSs, 2012–13 (see table 2.1 for reference period by country).

Most current students in the five countries (Ukraine excluded) hope to eventually obtain a professional job. This occupation was favoured by more than two-thirds of students in Armenia, FYR Macedonia, Kyrgyzstan and the Russian Federation and by 42.9 per cent of students in the Republic of Moldova (table 3.5). Very few students showed a desire for future work in agriculture or for the occupations most closely associated with work in retail (service workers, shop and market sales workers) or the manufacturing sector (plant and machine operators and craft and related trades workers).

In terms of where current students want to work, in Armenia, FYR Macedonia and Kyrgyzstan there are large shares of students who hope to gain work in the government or public sector (45.5, 60.2 and 64.9 per cent, respectively). The attraction of the public sector is due to three factors: status, security and benefits. Unfortunately, it is unrealistic to think that the public sector will have the capacity to absorb the totality of emerging young graduates. Private sector employment is clearly regarded by most young students as a second-best option in all the countries. At most, 22.0 per cent of young Ukrainian students showed a preference for private sector work in the future. In fact, in all the countries more young students hoped to work for themselves (running their own business or farm) than to work for a private company.

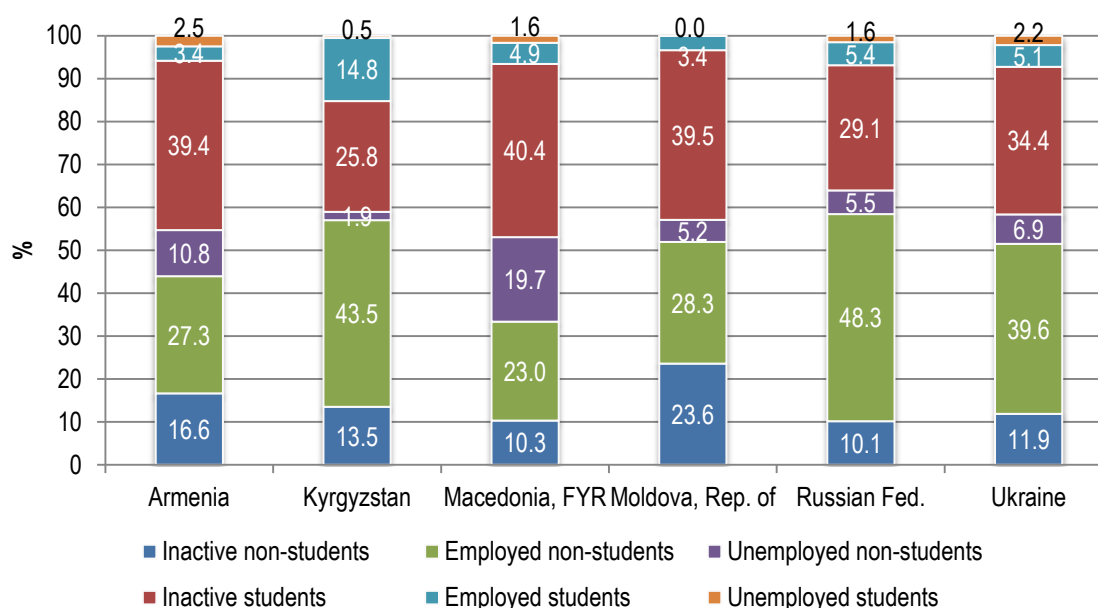
### **3.3 Preparation for the labour market transition**

Analysis of the current labour market and educational status of young people in the EECA region shows a slight tendency towards economic activity among the youth population, although results are mixed across countries (figure 3.3). In Armenia, FYR Macedonia and the Republic of Moldova, the inactive youth population is greater than the share of youth in the labour force (though in the case of FYR Macedonia the margin is slight at 50.7 per cent inactive compared to 49.3 per cent economically active (unemployed plus employed)). Since the labour market status of youth will be discussed in more detail in the following section, the aim of this section is to point out that very few youth work or look for work while studying. Kyrgyzstan has a 14.8 per cent share of working students, but in the remaining countries shares are below 5 per cent. In this regard, the region differs from many North American and Latin American countries in which a combination of work and study is much more common among youth.<sup>13</sup>

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<sup>13</sup> See, for example, SWTS results in Peru and Brazil, respectively, at Ferrer Guevara, 2014 and Venturi and Torini, 2014.

**Figure 3.3 Youth by current labour market and educational status**



Source: SWTSs, 2012–13 (see table 2.1 for reference period by country).

**Table 4.1 Key youth labour market indicators – traditional distribution by country and sex (%)**

Sex	Country	Youth population			Youth labour force participation rate	Youth unemployment rate*	Youth employment rate*
		Employed	Unemployed	Inactive			
Total	Armenia	30.7	13.3	56.1	43.9	30.2	69.8
	Kyrgyzstan	58.3	2.4	39.3	60.7	4.0	96.0
	Macedonia, FYR	27.9	21.3	50.7	49.3	43.3	56.7
	Moldova, Rep. of	31.7	5.2	63.1	36.9	14.1	85.9
	Russian Fed.	53.6	7.1	39.3	60.7	11.7	88.3
	Ukraine	44.7	9.0	46.2	53.8	16.8	83.2
	Average		41.2	9.7	49.1	50.9	20.0
Male	Armenia	39.9	13.0	47.0	53.0	24.6	75.4
	Kyrgyzstan	67.2	2.7	30.1	69.9	3.9	96.1
	Macedonia, FYR	30.7	24.5	44.8	55.2	44.4	55.6
	Moldova, Rep. of	35.5	8.0	56.6	43.5	18.3	81.7
	Russian Fed.	58.7	7.7	33.6	66.4	11.7	88.3
	Ukraine	50.5	10.5	39.1	60.9	17.2	82.8
	Average		47.1	11.1	41.9	58.1	20.0
Female	Armenia	23.3	13.5	63.2	36.8	36.6	63.4
	Kyrgyzstan	50.2	2.1	47.7	52.4	4.1	95.9
	Macedonia, FYR	25.0	17.9	57.1	42.9	41.8	58.2
	Moldova, Rep. of	28.6	2.9	68.5	31.6	9.3	90.7
	Russian Fed.	48.7	6.4	44.9	55.1	11.7	88.3
	Ukraine	38.8	7.5	53.7	46.3	16.2	83.8
	Average		35.8	8.4	55.8	44.2	19.9

Note: \* The unemployment and employment rates are shares of the youth labour force. See box 3 for an explanation of results for Kyrgyzstan. Averages are unweighted.

Source: SWTSs, 2012–13 (see table 2.1 for reference period by country).

## 4. Current economic activity status of youth

The traditional classification of current activity status has three categories: employed, unemployed or inactive. The employed and unemployed are added together to form the total labour force. The key labour market indicators of youth, based on the traditional distribution and abiding by international standard concepts, are presented for the Eastern European and Central Asian countries in table 4.1.

The youth labour force participation rate as an average of the six countries is just over 50 per cent (50.9 per cent). The inverse then is an average youth inactivity rate of 49.1 per cent. In Kyrgyzstan and the Russian Federation, four out of ten youth were inactive (39.3 per cent). On the other hand, almost two-thirds of young Moldovans remained inactive at the time of the survey (63.1 per cent). If the differences are far from being negligible, it should be noted that in all countries surveyed, the number of inactive remains high in comparison to countries outside the region.<sup>14</sup> This is mainly due to a significant share of students among the inactive (table 4.2).

Important differences are found among the countries in terms of employment and unemployment rates. In Kyrgyzstan, the Republic of Moldova and the Russian Federation, the vast majority of youth in the labour force were working. While the youth unemployment rates in all six countries, with the exception of Kyrgyzstan (see box 3) can be considered high in comparison to the global average of 13.1 per cent in 2013 (15–24 age group, see ILO, 2014a), the rates are especially alarming in Armenia and FYR Macedonia, standing at 30.2 and 43.3 per cent, respectively. This means that in FYR Macedonia only 27.9 per cent of youth is making a contribution to the country's economic output (the youth EPR).

### Box 3. Why is youth unemployment so low in the SWTS-Kyrgyzstan 2013 data?

The SWTS in Kyrgyzstan was implemented by the National Statistical Commission (NSC) between July and September 2013. Upon review of the resulting dataset, the Work4Youth Team and the NSC were immediately struck by the low unemployment number and rate. At 4.0 per cent, the youth unemployment rate looks inconsistent with other results from the region and, worse, is well below the annual youth unemployment rate generated from the quarterly labour force survey (LFS) of 2013 (at 11.4 per cent).

After closer investigation, however, a reasonable explanation of the differences can be given. First, there is a seasonal effect. The SWTS results are much closer to the third quarter results of the 2013 LFS (8.6 per cent) than the annualized average of the four quarters. The unemployment rates in the country are consistently lower in the third quarter of every year. Second, the NSC noted that the LFS gathers information on the de facto population, meaning all members of a household, regardless of their current residence. In other words, data generated from the LFS relate to both the national Kyrgyz population and the Kyrgyz population currently living outside the country. On the contrary, the SWTS gathered information on the de jure population, meaning the youth residing at the sampled households at the time of the survey. With many young Kyrgyz living abroad to work or look for work, the different population counts can have a significant impact on the resulting indicators. To conclude, as the purpose of the SWTS is less to generate official statistics on the youth population, especially when a regular national survey exists, and more to generate additional details on the conditions of work and youth labour market transitions, it is suggested that the SWTS-generated youth unemployment rate be viewed with caution in the case of Kyrgyzstan. For official purposes, policy-makers should make use of the LFS rates of 8.6 per cent (third quarter 2013) or 11.4 per cent (annual 2013).

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<sup>14</sup> Using the SWTS results, we can make the comparison to the average youth inactivity rates of six Asian-Pacific countries (48.5 per cent; Elder, 2014) and eight sub-Saharan African countries (40.3 per cent; Elder and Koné, 2014), or alternatively can look at the results of the ILO Global Employment Trends datasets (available at: [http://www.ilo.org/global/research/global-reports/global-employment-trends/2014/WCMS\\_234879/lang-en/index.htm](http://www.ilo.org/global/research/global-reports/global-employment-trends/2014/WCMS_234879/lang-en/index.htm)). From the ILO regional groupings, we can calculate a regional youth inactivity rate (for the 15–24 age group) for Central and South-Eastern Europe (non-EU) and CIS countries of 59.5 per cent in 2013. This is higher than the global average of 52.6 per cent and the highest among all regions.



There is a clear gender gap in all countries regarding the key labour market indicators. The male labour force participation rate is consistently at least 10 percentage points higher than the female rate. The largest gap is found in Kyrgyzstan, with a male labour force participation rate of 69.9 per cent compared to 52.4 per cent for young women. On the other hand, at least for the six-country average, there is no gender gap in the youth unemployment rate (20.0 per cent for young men and 19.9 per cent for women). At the country level, however, there is a clear disadvantage shown for young women in finding employment in Armenia (with an unemployment rate of 36.6 per cent compared to 24.6 per cent for men). In contrast, in the Republic of Moldova, the disadvantage rests with young men, where the unemployment rate is double that of young women (18.3 and 9.3 per cent, respectively). Within the framework of the SWTS analyses, the ILO proposes a more detailed classification of youth employment to reflect areas of underutilization and the quality of employment.<sup>15</sup> In table 4.2, the youth populations are classified into four main categories (with a further subdivision of inactive youth) as follows:

- (1) *regular employment*, defined as wage and salaried workers (employees) holding a contract of greater than 12 months' duration, plus self-employed youth with employees (employers); this category can be considered as the ideal employment arrangement, although section 5.3.1 below demonstrates that even having a "regular" job is not a guarantee of good-quality employment;
- (2) *irregular employment*, defined as wage and salaried workers (employees) holding a contract of limited duration, i.e. set to terminate within 12 months, self-employed youth with no employees (own-account workers) and contributing family workers; young people in this category almost certainly fall outside the framework of standard employment relationships;
- (3) *unemployed (relaxed definition)*, defined as persons currently without work and available to take up work in the week prior to the reference period;
- (4) *inactive youth*, which is further divided into two sub-categories: those who are inactive and in school ("inactive students") and those who are inactive and not in school ("inactive non-students"). The inactive students are considered to be investing in their education in order to emerge better equipped for their future labour market experience. Hence, this can tentatively be judged as a "positive" category (notwithstanding issues of skills mismatch, as discussed in section 5.3.6). The inactive non-students have chosen to be outside the labour force for reasons other than schooling (to engage in household duties or care for children, for example) and they may or may not have the intention to (re)enter the labour market in the future (although further SWTS data analyses show that a majority of inactive non-students do state an intention to join the labour market in the future in most countries). Those who say they intend to work in the future have some degree of labour market attachment and should thus be considered in the classification of labour (under)utilization.

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<sup>15</sup> The SWTS analytical framework was designed with an eye on the current efforts to adapt the international framework of statistics on the economically active population. The International Conference of Labour Statisticians (ICLS), held in Geneva in October 2013, adopted the "Resolution concerning statistics of work, employment and labour underutilization". The Resolution provides guidelines on a wider set of measures than previously defined internationally, aiming specifically to enable better statistical measurement of participation of all persons in all forms of work and in all sectors of the economy while also enabling measurement of areas of labour underutilization. The results of the revised definitions will significantly alter future indicators on employment. See ICLS, 2013.

**Table 4.2 Key youth labour market indicators – alternative distribution by country and sex (%)**

Country	Youth population					Youth labour force participation rate (relaxed)	Youth unemployment rate (relaxed)	Youth labour underutilization rate
	In regular employment	In irregular employment	Unemployed (relaxed)	Inactive students	Inactive non-students			
<b>Total</b>								
Armenia	20.6	10.1	16.8	37.1	15.4	47.5	35.4	42.3
Kyrgyzstan	19.6	38.7	4.3	25.1	12.3	62.6	6.9	55.3
Macedonia, FYR	14.5	13.5	24.5	39.3	8.3	52.4	46.7	46.2
Moldova, Rep.	22.9	8.8	5.8	39.5	23.0	37.5	15.4	37.6
Russian Fed.	46.6	6.0	10.2	27.8	8.3	63.8	16.0	24.5
Ukraine	37.3	7.4	12.2	32.5	10.6	56.9	21.4	30.2
Average	26.9	14.1	12.3	33.6	13.0	53.4	23.6	39.4
<b>Male</b>								
Armenia	25.7	14.2	15.2	39.4	5.5	55.1	27.6	34.9
Kyrgyzstan	25.4	41.8	4.5	24.1	4.3	71.7	6.3	50.5
Macedonia, FYR	14.4	16.3	28.4	38.4	2.5	59.1	48.0	47.2
Moldova, Rep.	23.1	12.4	8.9	41.9	13.6	44.4	20.1	34.9
Russian Fed.	49.9	7.6	10.2	27.5	3.6	68.9	14.9	21.5
Ukraine	41.0	9.5	13.5	32.4	3.6	64.0	21.1	26.6
Average	29.9	17.0	13.5	34.0	5.5	60.5	23.0	35.9
<b>Female</b>								
Armenia	16.5	6.8	18.1	35.3	23.3	41.4	43.7	48.1
Kyrgyzstan	14.3	35.9	4.1	26.1	19.5	54.4	7.6	59.6
Macedonia, FYR	14.5	10.4	20.2	40.3	14.5	45.2	44.7	45.2
Moldova, Rep.	22.7	5.9	3.2	37.6	30.6	31.8	10.1	39.7
Russian Fed.	43.3	4.4	10.1	28.2	12.9	58.8	17.2	27.6
Ukraine	33.4	5.3	10.8	32.5	17.9	49.6	21.7	34.1
Average	24.1	11.5	11.1	33.3	19.8	46.9	24.2	42.4

Note: 1.2 per cent of the population could not be classified in the Russian Federation. In Ukraine, those who have no information on the duration of contract are classified as being in irregular employment. See box 3 for an explanation of results for Kyrgyzstan. Averages are unweighted.

Source: SWTSs, 2012–13 (see table 2.1 for reference period by country).

Overall, employment among youth in the six EECA countries was “regular”, meaning work for pay with a contract of at least one year. Kyrgyzstan was the only country of the six with a higher share of youth engaged in irregular than regular employment (38.7 and 19.6 per cent, respectively) and irregular employment as the most likely activity status.<sup>16</sup> In the Russian Federation and Ukraine, the largest share of the youth population was engaged in regular employment (46.6 and 37.3 per cent, respectively), while in the remaining three countries – Armenia, FYR Macedonia and the Republic of Moldova, most youth were still inactive and in school. The lowest share of regular employment – 14.5 per cent – can be observed in FYR Macedonia, but it is important to bear in mind the low overall share of youth in employment in the country and the high share of unemployment.

<sup>16</sup> It is interesting that Kyrgyzstan, which was only recently moved from the World Bank’s low-income country grouping to lower middle-income (July 2014 revisions), corresponds to a common characteristic of other low-income countries, which is the scarcity of regular, paid jobs in the economy. See ILO, 2013a, Chapter 4.

In all the countries except FYR Macedonia, young men were more likely than young women to be in regular employment. The largest gender gap in attaining regular employment is seen in Kyrgyzstan. In the six countries, young women comprised a higher share of the inactive non-student category than young men, and in Kyrgyzstan, FYR Macedonia, the Russian Federation and Ukraine young women also comprised a lower share of the inactive student category.

Unemployment measured according to the relaxed definition<sup>17</sup> yields slightly higher numbers than when the strict definition is applied in both the share of the youth population and the share of the labour force (i.e. the unemployment rate). The countries' average youth unemployment rate (relaxed definition) was 23.6 per cent compared to the strict rate of 20.0 per cent.

The youth labour underutilization rate is a measure that aims to capture some elements of the youth population that indicate an underutilization of economic potential, either because the person works in a non-standard employment arrangement, is unemployed or is neither in the labour force nor in education or training. Combining the shares of youth in irregular employment, unemployment (relaxed definition) and inactive non-students as a percentage of the youth population, the countries' average youth labour underutilization rate totalled 39.4 per cent. On average, the female–male gap exceeded 6 percentage points in the youth labour underutilization rates. In Armenia, the gap was over 13 percentage points while FYR Macedonia was the only country where the underutilization rate of young men exceeded that of young women, although the gap was not large.

The shares of the youth population classified as neither in employment nor in education or training (NEETs) were high in Armenia, FYR Macedonia and the Republic of Moldova (27.4, 30.0 and 28.8 per cent, respectively) (table 4.3). The average NEET rate among the six countries was 22.7 per cent.<sup>18</sup> Each of the six countries shows a strong gender gap. On average, the female NEET rate was 12 percentage points higher than the male rate, and when one looks at the categories of the NEETs separately, it is easy to understand why. Young women qualify as NEETs principally because they are inactive non-students (the exception here is FYR Macedonia, where young women are evenly spread between the two subcategories). Young men, in contrast, are more evenly spread between numbers of unemployed non-students and inactive non-students, but clearly their shares in the latter category fall well below those of young women (6.6 per cent of young men, on average, were inactive non-students compared to 21.4 per cent of young women). Because of the ambiguity in the indicator and the diverse policy responses required by the different subgroups – whether coping with unemployed youth or youth looking after the household (as are the majority of the inactive non-students) – the NEET indicator should be consistently disaggregated by subgroup and by sex.

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<sup>17</sup> Young people in economies with widespread informal sectors are frequently without work and available to work but are not actively engaging in a job search, for example by registering at an employment centre or applying for advertised vacancies. Relaxing the active job search criterion in the unemployment definition can have a significant impact on results in middle-income economies and is therefore the preferred measure in the SWTS analyses. See Annex I for more detailed definitions of statistical concepts.

<sup>18</sup> For comparative purposes, it is interesting to note that NEET rates in the EECA region come out higher than in most European countries (ILO, 2013a, table 10c).

**Table 4.3 Youth population neither in employment nor in education or training (NEETs) by sex (%)**

Country	Total			Male			Female		
	NEET rate	of which:		NEET rate	of which:		NEET rate	of which:	
		Unemployed non-students	Inactive non-students		Unemployed non-students	Inactive non-students		Unemployed non-students	Inactive non-students
Armenia	27.4	10.8	16.6	15.9	10.2	5.7	36.5	11.2	25.3
Kyrgyzstan	15.4	1.9	13.5	7.5	2.1	5.4	22.7	1.8	20.9
Macedonia, FYR	30.0	19.7	10.3	28.0	23.0	5.0	32.2	16.1	16.1
Moldova, Rep. of	28.8	5.2	23.6	22.6	8.0	14.6	33.8	2.9	30.9
Russian Fed.	15.6	5.5	10.1	10.6	6.1	4.5	20.5	5.0	15.5
Ukraine	18.7	6.9	11.9	12.7	8.3	4.4	25.0	5.4	19.6
Average	22.7	8.3	14.3	16.2	9.6	6.6	28.4	7.1	21.4

Note: Averages are unweighted.

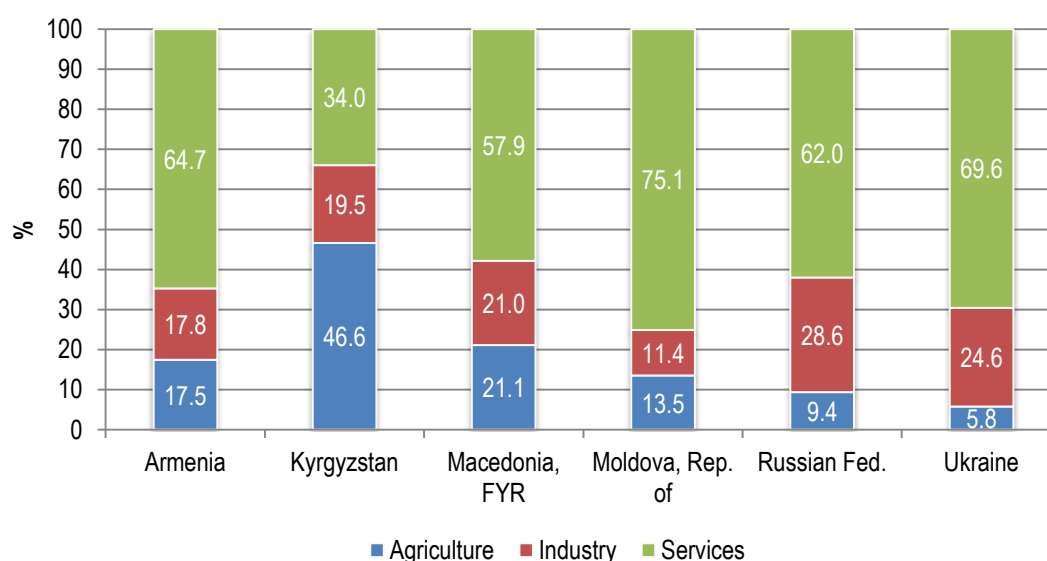
Source: SWTSS, 2012–13 (see table 2.1 for reference period by country).

## 5. Characteristics of employed youth

### 5.1 Youth employment by sector

The breakdown of young workers by sector of activity shows that more than half of young workers were engaged in the services sector in all countries except Kyrgyzstan, where agriculture remained the most important sector (figure 5.1). In the Republic of Moldova, as many as three-quarters (75.1 per cent) of young workers were employed in services. Employment in industry ranged from 11.4 per cent of young workers in the Republic of Moldova to 28.6 per cent in the Russian Federation. Except in FYR Macedonia and Kyrgyzstan, agriculture is now a minor sector employing less than one-quarter of the young workers. In Ukraine, agricultural employment among youth reached only 5.8 per cent of the total compared to 46.6 per cent in Kyrgyzstan.

**Figure 5.1 Employed youth by aggregate sector**



Source: SWTSS, 2012–13 (see table 2.1 for reference period by country).

An examination of the branches of activities at the more detailed (International Standard Industrial Classification, 1-digit) level shows that, in four countries, the dominant sector of employment for youth is wholesale and retail trade (table 5.1). The third sector largest sector in terms of youth employment in most countries, with an average share of 11.5 per cent, was manufacturing. This sector remains particularly strong in the Russian Federation (15.9 per cent), FYR Macedonia (14.5 per cent) and Ukraine (11.7 per cent). Public administration also served as a significant sector of employment in Armenia (10.8 per cent) and construction remained strong in Kyrgyzstan (10.4 per cent).

**Table 5.1 Youth employment by detailed 1-digit sector (%)**

Sector	Armenia	Kyrgyzstan	Macedonia, FYR	Moldova, Rep. of	Russian Fed.	Ukraine	Average
Agriculture, forestry and fishing	17.5	46.5	21.1	13.8	9.4	5.8	19.0
Mining	0.9	0.5	0.4	0	1.6	2.2	1.0
Manufacturing	8.9	8.1	14.5	9.6	15.9	11.7	11.5
Electricity, gas, steam	1.3	0.3	0	0.8	2.6	1.8	1.1
Construction	6.1	10.4	5.5	6.9	8.5	8.4	7.6
Wholesale and retail trade	19.2	13.5	17.2	25.3	22.3	20.1	19.6
Transport	3.7	2.7	3.3	6.1	7.6	7.2	5.1
Accommodation	1.7	3.4	7.5	5.4	3.0	2.6	3.9
Information and communications	5.5	2.1	2.7	0.8	0	4.2	2.6
Financial activities	3.3	1.3	2.3	1.5	2.2	3.1	2.3
Real estate	0.1	0	0	0.3	6.6	0.4	1.2
Professional scientific activities	1.1	0.4	2.7	0	0	4.5	1.4
Administrative and support activities	0.7	0.7	1.9	3.1	0	3.3	1.6
Public administration	10.8	2.7	0.0	9.2	7.1	5.1	5.8
Education	9.2	3.4	5.9	8.0	6.5	8.9	7.0
Health and social work	2.5	2.0	9.0	2.3	4.6	5.7	4.3
Arts and entertainment	1.6	0.3	1.9	0.0	0.0	1.2	0.8
Other services	4.8	0.9	1.3	6.0	2.1	3.3	3.1
Private households	0.5	0.7	2.2	0.2	0	0.3	0.6

Note: Sectors with less than 2 per cent of the total in all countries are not shown. These include water supply and extra-territorial activities. Averages are unweighted.

Source: SWTSs, 2012–13 (see table 2.1 for reference period by country).

Annex II, table A.5 shows the detailed (1-digit sector) distribution of youth employment by sex. Two sectors show significant gaps: not surprisingly, the construction sector remains a male domain, accounting for an average of 12.7 per cent of total male employment compared to 1.3 per cent for young women. In contrast, the education sector remains predominantly female: 12.6 per cent of young women worked in education (six-country average) compared to 2.3 per cent of young men. Manufacturing is another sector exhibiting significant disparities in most countries, absorbing a larger share of male workers than female workers. There were, however, two exceptions – Kyrgyzstan and the Republic of Moldova.

Besides the education sector, an important sector in absorbing female workers is health and social work. Young women in the region are also more likely than young men to work in agriculture, forestry and fishing (15.7 percentage points difference in Kyrgyzstan) and in wholesale and retail trade (13.8 percentage points difference in the Russian Federation).

## 5.2 Youth employment by occupation

There are importance differences across the six countries in terms of the occupational distribution of young workers and, again, it is Kyrgyzstan which stands out as unique. The share of young workers in skilled agricultural work in Kyrgyzstan was 46.3 per cent, more than four times greater than the second highest share in that category in Armenia (at 10.4 per cent). In the other five countries, most young workers are engaged in professional work or as service and sales workers, although the rankings differ by country. If the level of professionals is a positive sign of the level of development and educational attainment in the region, it is important to bear in mind the high shares of youth remaining in elementary occupations, at least in Armenia, FYR Macedonia and the Republic of Moldova.<sup>19</sup> Viewed by sex, we note that young women have a higher likelihood than young men of gaining employment in the more highly skilled occupations while young men are more evenly distributed across the more technical occupations (Annex II, table A.6). A wider distribution of occupations can mean a greater variety of career choices for young men, which is one explanation behind the typically lower unemployment rates of young men compared to young women.

**Table 5.2 Youth employment by occupation (ISCO-08, %)**

Occupation	Armenia	Kyrgyzstan	Macedonia, FYR	Moldova, Rep. of	Russian Fed.	Ukraine
Legislators, senior officials and managers	8.6	1.0	0.6	5.3	4.7	8.3
Professionals	20.5	7.8	15.9	21.7	17.3	23.5
Technicians and associate professionals	9.7	4.0	9.7	11.6	13.1	8.4
Clerks	5.3	1.5	5.4	1.7	3.4	4.6
Service workers, shop and market sales workers	16.1	16.3	23.2	23.6	19.9	19.2
Skilled agricultural and fishery workers	10.4	46.3	4.5	0.6	6.6	2.0
Craft and related trades workers	12.1	15.2	11.0	10.5	16.2	17.1
Plant and machine operators and assemblers	3.2	4.0	7.2	4.2	9.0	8.9
Elementary occupations	11.8	3.7	22.0	19.7	10.0	7.4
Armed forces	2.3	0.3	0.5	1.2	0	0.7
Total	100	100	100	100	100	100

Source: SWTSs, 2012–13 (see table 2.1 for reference period by country).

## 5.3 Status in employment

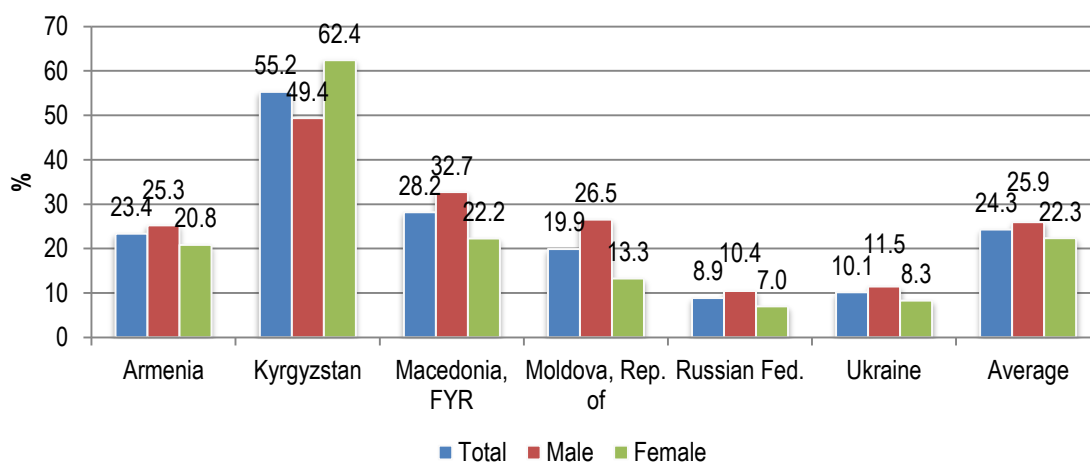
The categorization of status in employment is important because the different groups of workers face different economic risks. Wage and salaried workers, or employees, are attached to an institution and are more likely to receive a regular wage. They face relatively low economic risks compared to the self-employed and unpaid family workers. In general, a country with a high proportion of wage and salaried workers is likely to have

<sup>19</sup> The International Standard Classification of Occupations (ISCO-88) describes elementary occupations as those “which require the knowledge and experience necessary to perform mostly simple and routine tasks, involving the use of hand-held tools and in some cases considerable physical effort, and, with few exceptions, only limited personal initiative or judgment. The main tasks consist of selling goods in streets, door-keeping and property watching, as well as cleaning, washing, pressing, and working as labourers in the fields of mining, agriculture and fishing, construction and manufacturing”.

a strong(er) formal economy with effective labour market institutions. The self-employed, whether own-account workers, employers or contributing family workers, face relatively higher economic risks since their remuneration is dependent on the number of units sold or services rendered. Their incomes are subject to fluctuations and they do not have access to the entitlements made available to some wage and salaried workers.

Own-account workers and contributing family workers are combined in the classification of “vulnerable employment”. Figure 5.2 shows the shares of vulnerable employment among youth in the six countries. Kyrgyzstan again differed from the other countries in being the only one with a majority of youth (55.2 per cent) classified as being in vulnerable employment. The second highest vulnerable employment rate was much lower at 28.2 per cent in FYR Macedonia. The average vulnerable employment rate of youth in the countries surveyed was 24.0 per cent.

**Figure 5.2 Youth in vulnerable employment by sex**



Note: Averages are unweighted.

Source: SWTSs, 2012–13 (see table 2.1 for reference period by country).

An examination of youth by status in employment in table 5.3 shows strong similarities in the five countries without Kyrgyzstan. In all countries except Kyrgyzstan the largest share of young workers was wage and salaried workers (employees), reflecting the higher shares of employment in non-agricultural activities in these countries (see table 5.1). In the Russian Federation, more than nine out of ten working youth (90.6 per cent) were classified as employees. In Kyrgyzstan, the largest shares of young workers were contributing (unpaid) family workers (41.9 per cent), just ahead of the share of wage and salaried workers (40.1 per cent).<sup>20</sup> Own-account work as an income-generating undertaking was taken up by few youth in the region, a finding which clashes with the high numbers of current students in the countries who stated their hope to work for themselves in the future (see table 3.5). The share of own-account workers was highest in the Republic of Moldova at 18.0 per cent, lowest in FYR Macedonia at 6.3 per cent and averaging 9.8 per cent among the six countries.<sup>21</sup>

<sup>20</sup> The tendency for youth to remain in family establishments in Kyrgyzstan is confirmed in ETF, 2013.

<sup>21</sup> In comparison, the average share of own-account workers among youth in eight sub-Saharan African countries was much higher, at 41.9 per cent based on SWTS data (Elder and Koné, 2014).

While contributing family workers have almost disappeared in the Republic of Moldova, the Russian Federation and Ukraine (less than 3.5 per cent in these three countries), the status remained important in Kyrgyzstan (see above) but also in FYR Macedonia (21.9 per cent) and Armenia (16.9 per cent). Major gaps in terms of sex are found in Kyrgyzstan, where young men were more likely to be employees and young women contributing family workers. In the other countries, young women were more likely to be employees and men had a greater likelihood of being own-account workers.

**Table 5.3 Youth employment by status in employment and sex (%)**

Status	Armenia	Kyrgyzstan	Macedonia, FYR	Moldova, Rep. of	Russian Fed.	Ukraine	Average
<b>Total</b>							
Wage and salaried workers (employees)	74.9	40.1	66.7	80.1	90.6	85.7	73.0
Employers	1.7	0.4	0.9	0	0.6	3.0	1.1
Own-account workers	6.5	13.3	6.3	18.0	7.9	7.0	9.8
Members of producers' cooperatives	–	3.9	0	0	0	0.3	1.2
Contributing family workers	16.9	41.9	21.9	1.9	0.9	3.2	14.1
Not classifiable by status	–	0.4	4.2	–	–	0.9	1.8
Total	100	100	100	100	100	100	100
<b>Male</b>							
Wage and salaried workers (employees)	72.1	45.8	62.6	73.5	88.9	83.3	71.0
Employers	2.6	0.5	1.0	0	0.7	3.7	1.4
Own-account workers	7.9	15.7	9.3	24.6	9.0	8.6	12.5
Members of producers' cooperatives	–	3.6	0	0	0	0.4	1.2
Contributing family workers	17.3	33.6	23.4	2.0	1.4	2.8	13.1
Not classifiable by status	–	0.7	3.8	–	–	1.1	1.9
Total	100	100	100	100	100	100	100
<b>Female</b>							
Wage and salaried workers (employees)	78.7	33.1	72.2	86.7	92.5	88.9	75.4
Employers	0.5	0.3	0.7	0	0.5	2.2	0.7
Own-account workers	4.6	10.4	2.4	11.4	6.6	4.7	6.7
Members of producers' cooperatives	–	4.2	0	0	0	0	1.2
Contributing family workers	16.3	52.0	19.8	1.9	0.4	3.6	15.4
Not classifiable by status	–	–	4.8	–	–	0.7	2.7
Total	100	100	100	100	100	100	100

Note: – = insignificant response rate. Averages are unweighted.

Source: SWTSs, 2012–13 (see table 2.1 for reference period by country).

### **5.3.1 Wage and salaried employment (young employees)**

Wage and salaried employment may be considered ideal, but results from the SWTS show that even young workers in this status are not guaranteed secure employment. A significant minority of young paid employees in the six countries were in precarious situations in terms of their contract type and access to benefits. In Kyrgyzstan, only 54.9 per cent of young wage and salaried workers were employed on the basis of a written contract (table 5.4). The remaining half of paid workers was engaged under oral contracts. The other countries show better results in this regard – in FYR Macedonia and the Russian



Federation, more than nine out of ten young employees (respectively, 90.6 and 91.7 per cent) benefited from a written contract – but, on average, the share of young workers in the six countries engaged on an oral contract was 19.8 per cent.

The analysis of contract types shows that, in all countries, at least two-thirds of the employees have a contract with unlimited duration. There is no link between the share of written contracts and the duration of contract as, among the two countries with the highest share of written contracts, the Russian Federation had the highest share of unlimited contracts (92.5 per cent) whereas FYR Macedonia had the lowest share (69.2 per cent). FYR Macedonia was also the country to show the highest share of short-term (less than 12 months) contracts among those with limited durations. An analysis of the reasons behind the temporary nature of the contracts further reflects the insecurity of jobs for some young workers. A significant share of young workers on contracts of temporary duration were engaged in seasonal work (20.7 per cent, on average) or as a temporary replacement or substitute (10.3 per cent) (Annex II, table A.7).

**Table 5.4 Young wage and salaried workers by type of contract and duration (%)**

Country	Type of contract		Type of contract (by duration)		Duration of limited contract		
	Written	Oral	Unlimited	Limited	Less than 1 year	1 year to less than 3 years	More than 3 years
Armenia	75.2	24.9	74.9	25.1	50.4	36.1	13.5
Kyrgyzstan	54.9	45.1	80.4	19.6	52.2	29.1	18.7
Macedonia, FYR	90.6	9.4	69.2	30.8	77.0	15.0	8.0
Moldova, Rep. of	86.9	13.2	89.0	11.0	85.6	0.0	14.4
Russian Fed.	91.7	8.3	92.5	7.5	40.9	49.6	9.5
Ukraine	81.9	18.1	93.1	6.9	39.4	43.3	17.3
Average	80.2	19.8	83.2	16.8	58.2	28.3	13.6

Note: Averages are unweighted.

Source: SWTSS, 2012–13 (see table 2.1 for reference period by country).

An analysis of the access to entitlements associated with employment also reflected the precarious nature of some youth's work in the region. Even though they benefited from paid employment, a significant minority of the young wage and salaried workers did not receive additional benefits, such as paid annual leave, sick leave and health insurance. Major differences are found here across countries. Young wage and salaried workers in Kyrgyzstan were least likely (among the six countries) to be entitled to paid sick leave at 36.2 per cent (table 5.5). Armenia also shows some worrying results, with only 18.4 per cent of young employees entitled to medical insurance coverage. On the other hand, the system of entitlements is seen to be impressively strong in FYR Macedonia, the Republic of Moldova and the Russia Federation and coverage is also not bad for most benefits in Ukraine. At least six out of ten young paid workers have access to paid annual and sick leave in the four countries, and the same can be said for social security coverage in Armenia, FYR Macedonia, the Republic of Moldova and the Russia Federation.

**Table 5.5 Young wage and salaried workers by access to employment entitlements/benefits (multiple responses, %)**

Entitlement/benefit	Armenia	Kyrgyzstan	Macedonia, FYR	Moldova, Rep. of	Russian Fed.	Ukraine
Paid annual leave	62.6	41.8	79.7	86.9	87.4	64.3
Paid sick leave	56.3	36.2	74.7	85.4	84.7	65.7
Maternity/paternity leave	30.3	22.8	33.1	75.7	–	46.4
Medical insurance coverage	18.4	37.1	85.5	–	70.4	25.6
Social security	61.9	37.6	85.1	85.8	60.1	48.4
Pension/old age insurance	34.2	38.5	85.7	–	80.9	54.9
Severance/end-of-service payment	19.1	14.8	15.6	81.8	50.7	36.8

Note: – = Not applicable (response not included in questionnaire).

Source: SWTSs, 2012–13 (see table 2.1 for reference period by country).

### 5.3.2 Self-employment

While wage employment is now dominating in all countries but Kyrgyzstan, the shares of self-employment among youth in the six SWTS countries (combining employers, own-account workers and contributing family workers) are still significant at 55.7 per cent (Kyrgyzstan), 29.1 per cent (FYR Macedonia), 25.1 per cent (Armenia), 19.9 per cent (Republic of Moldova) 13.2 per cent (Ukraine) and 9.4 per cent (Russian Federation). Employers constituted a minor share of the category (at most 3.0 per cent of employed youth in Ukraine). The majority shares comprised own-account workers or contributing family workers, depending on the country (table 5.3).

Given the importance of contributing family work among youth in three of the countries (excluding the more industrialized countries of Republic of Moldova, Russian Federation and Ukraine, where shares were negligible), we investigate the motivation of youth within the category in table 5.6. In Armenia and Kyrgyzstan, most youth were driven to work in the family establishment by pressure from within the families themselves, while in FYR Macedonia the principal motivation was the inability to find paid employment (53.4 per cent). Also, 35.3 per cent of contributing family workers in Armenia cited the lack of paid jobs, indicating that unpaid family work is taken up as a second-best (or only) option. The share of youth who answered “learning the family business”, implying a more positive motivation for their status, was much smaller in the three countries, cited by, at most, 8.7 per cent of youth in Armenia.

**Table 5.6 Contributing family workers by motivation and sex (%)**

Motivation	Armenia	Kyrgyzstan	Macedonia, FYR
Could not find paid employment	35.3	6.1	53.4
Required by the family	54.2	76.2	43.5
Learning the family business	8.7	5.0	2.6
Other	1.8	12.8	0.5
Total	100	100	100

Source: SWTSs, 2012–13 (see table 2.1 for reference period by country).

Self-employment as an own-account worker or employer can be taken up voluntarily – for example, to earn a higher income or to gain independence – or involuntarily – due to the inability to find paid work or the requirements set by the family. In the five countries with available results, voluntary reasons for turning to self-employment outnumbered involuntary reasons, except in FYR Macedonia and the Republic of Moldova. In the remaining three countries, most self-employed youth saw it as a means of gaining independence or earning a higher income (table 5.7). In contrast, the inability to find paid work was the main reason given by 65.4 per cent of self-employed youth in FYR

Macedonia and 40.2 per cent in the Republic of Moldova. Only in Kyrgyzstan did a sizeable share of self-employed youth say that they were following the will of their family (48.3 per cent with multiple responses allowed).

**Table 5.7 Self-employed youth (employers and own-account workers) by reason for taking up self-employment (%)**

Motivation	Armenia	Kyrgyzstan	Macedonia, FYR	Moldova, Rep. of	Russian Fed.	Ukraine
Could not find paid employment	26.4	29.6	65.4	40.2	–	14.1
Greater independence	36.5	31.4	22.5	22.7	–	37.2
Flexibility in hours of work	6.2	25.6	0	6.4	–	13.6
Can earn higher income	25.6	32.9	7.4	16.1	–	29.3
Required by the family	4.4	48.3	4.7	14.6	–	5.2
Other	0.9	0	0	0	–	0.6
Total	100	n.a.	100	100	–	100

Note: Not available in the Russian Federation. In Kyrgyzstan, multiple responses were allowed so that the total exceeds 100 per cent.

Source: SWTSs, 2012–13 (see table 2.1 for reference period by country).

As in most of the SWTS countries, a majority of self-employed youth in the countries surveyed in EECA started their business using funds from family or friends or from their own savings (Annex II, table A.8). Between 7.7 per cent of self-employed youth in the Russian Federation and 25.8 per cent in Ukraine stated they did not need money to set themselves up in business, which hints at the small-scale and precarious nature of such enterprises. Very few received financial assistance from formal institutions, such as banks or microfinance institutions. At most, 8.2 per cent of self-employed workers in the Republic of Moldova had received funds from microfinance institutions and 8.9 per cent received a loan from a bank.

**Table 5.8 Self-employed youth by main challenge to doing business (%)**

Challenge	Armenia	Kyrgyzstan	Macedonia, FYR	Moldova, Rep. of	Russian Fed.	Ukraine
Insufficient financial resources	21.1	9.7	46.8	42.0	14.1	20.3
Insufficient quality of staff	–	1.3	–	0	3.8	6.2
Insufficient (personal) business expertise	7.3	11.5	4.7	5.6	14.4	2.4
Legal regulations	6.9	4.2	12.0	1.5	0	8.2
Shortages of raw materials (breakdowns in the supply chain)	8.1	2.3	1.2	0	0	0.9
Labour shortage	0.9	3.4	4.7	3.1	0	3.0
Political uncertainties	5.5	3.8	1.4	3.0	1.7	1.4
Limited access to technology	0.6	1.7	1.0	7.4	0	3.3
Inadequate product development	6.1	1.7	–	0.5	0	1.4
Competition in the market	31.3	20.7	22.2	33.4	60.4	47.3
No challenge	4.6	–	–	–	–	–
Other	7.8	39.5	5.9	3.4	5.6	5.6
Total	100	100	100	100	100	100

Note: – = Not applicable (response not included in questionnaire).

Source: SWTSs, 2012–13 (see table 2.1 for reference period by country).

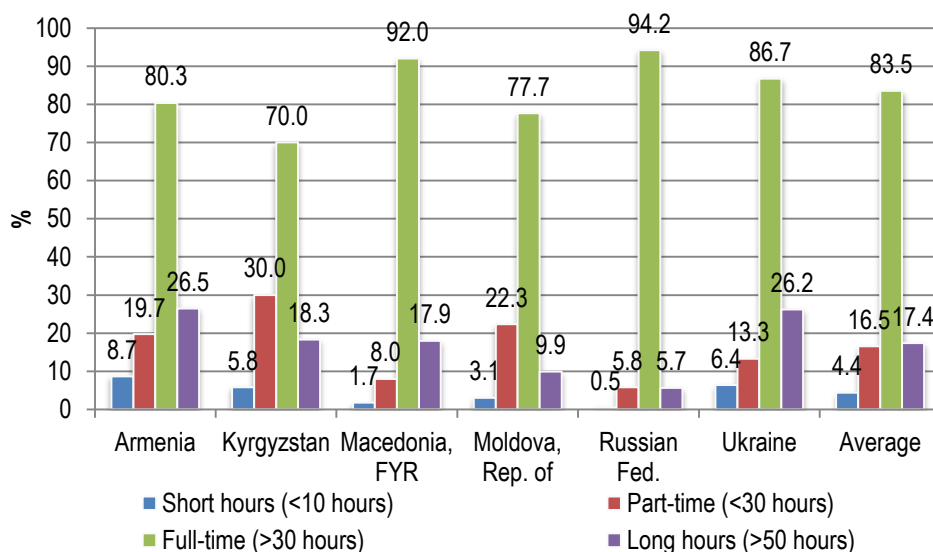
The low level of capital characterizing the activities of young self-employed workers is even more marked when the method of financing working capital is taken into consideration. When working capital was needed, it was generally provided by the meagre

savings of young people or through the support of their families (Annex II, table A.8). The theme of insufficient financial resources to fund entrepreneurship among youth is further identified in the principal challenges to doing business given by the self-employed workers. A lack of financial resources and competition in the market took either first or second place as the most frequently cited challenges listed in table 5.8. In Kyrgyzstan and the Russian Federation insufficient business expertise was also given as a primary obstacle by 11.5 and 14.4 per cent, respectively. Legal regulations can also pose a challenge to the entrepreneur.

### 5.3.3 Working hours

In the analysis of hours of work, the employed student populations are excluded since they would tend to bias the results towards short working time (although few youth actually combine work and study in the region; the share was, at most, 25.3 per cent of students in Armenia and only 12.0 per cent on average). In the region, the vast majority of non-student youth worked more than 30 hours per week (full time) (figure 5.3). The largest share of part-time work (less than 30 hours per week) was in Kyrgyzstan (30.0 per cent), followed by the Republic of Moldova at 22.3 per cent. Excessive hours – working more than 50 hours per week – was a phenomenon that impacted, on average, one-sixth (17.4 per cent) of employed youth, with the highest share of 26.5 per cent in Armenia. Long working hours can negatively impact the worker’s health and can increase the risk of accidents.

**Figure 5.3 Employed non-student youth by category of hours worked per week**

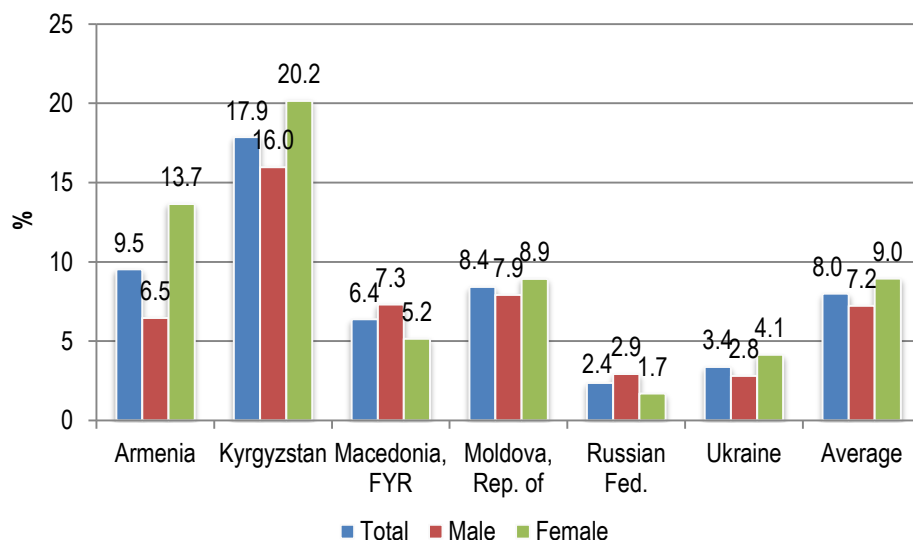


Note: Averages are unweighted.

Source: SWTSS, 2012–13 (see table 2.1 for reference period by country).

Few non-student youth worked short hours, defined as less than ten hours per week. The share was, at most, 8.7 per cent in Armenia. Part-time work can be positive when voluntary, offering youth the opportunity to combine work and household duties, for example. The share of young female workers in part-time employment was higher than that of male workers in all countries except Armenia and FYR Macedonia (Annex II, table A.9). However, when not voluntary, part-time work can be another expression of the underutilization of young workers. The average share of involuntary part-time workers among the total share of employed youth was 8.0 per cent (figure 5.4). The share of involuntary part-time workers is alarming in Kyrgyzstan, where it exceeded 20 per cent among Kyrgyz female youth. Many of those wishing to work a greater number of hours in the country are likely to be those working without pay on the family farm or enterprise.

**Figure 5.4 Involuntary part-time workers (share of total youth employment)**



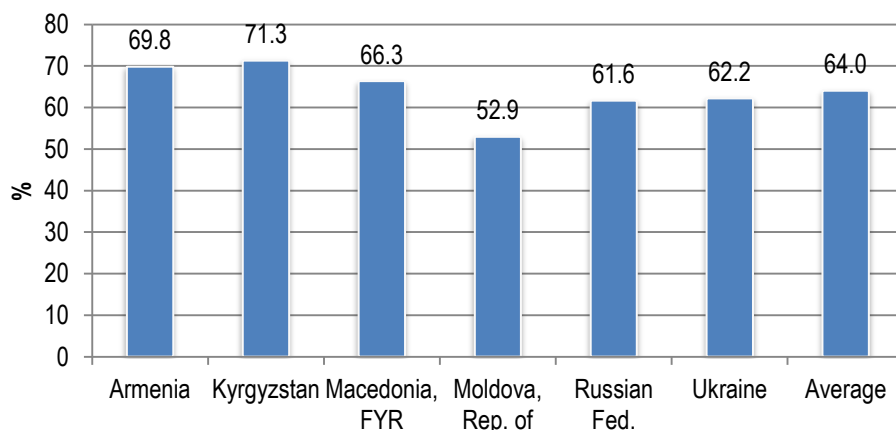
Note: Averages are unweighted.

Source: SWTSs, 2012–13 (see table 2.1 for reference period by country).

### 5.3.4 Wages

Inequality of wages is another area of concern for young workers. A majority of young workers<sup>22</sup> earned a monthly wage that was below the national average (of the data sets) in all the countries. Kyrgyzstan is the country that causes the greatest concern in terms of wage inequality; as many as 71.3 per cent of young workers earned wages below the sampled average. Armenia was not far behind at 69.8 per cent (figure 5.5). On average, 64.0 per cent of employed youth earned below-average wages. The share was lowest in the Republic of Moldova (52.9 per cent).

**Figure 5.5 Young workers (wage and salaried workers and own-account workers) earning below-average monthly wages**



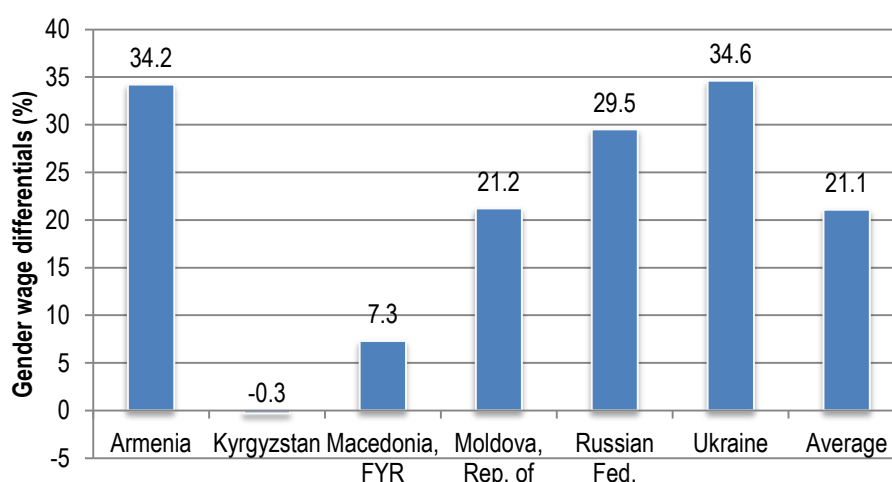
Note: Daily, monthly or other time-specific wages of employees and monthly earnings of own-account workers were converted into monthly rates for comparability. Contributing (unpaid) family workers are excluded from the calculation. In the Republic of Moldova, earnings of own-account workers were not available so data refer to wage and salaried workers alone. Averages are unweighted.

Source: SWTSs, 2012–13 (see table 2.1 for reference period by country).

<sup>22</sup> The calculation was only for wage and salaried workers and own-account workers.

The survey results indicate that young men earned more than young women as paid employees in each of the six EECA countries except Kyrgyzstan. On average, the wage premium of the young male wage and salaried worker<sup>23</sup> was 21.1 per cent above that of the female worker (figure 5.6). The gender wage differentials (calculated as the male average monthly wage minus the female average monthly wage divided by the male wage multiplied by 100) were greater than 30 per cent in Armenia and Ukraine (34.2 and 34.6 per cent, respectively). In these two countries – with the Russian Federation not far behind – the average male employee earns at least one-third more than the average female employee.

**Figure 5.6 Gender wage differentials among young wage and salaried workers**



Note: Gender wage differentials are calculated as the male average monthly wage minus the female average monthly wage divided by the male wage multiplied by 100. Averages are unweighted.

Source: SWTs, 2012–13 (see table 2.1 for reference period by country).

Finally, wages in terms of level of education achieved are examined to test the hypothesis that investing in education pays off in terms of higher earning potential. The results in table 5.9 show the indices of the six countries where the average wage of young employees with primary-level education or below is equal to 100. The conclusion is that higher levels of education do tend to result in a wage premium, but the correlation is not perfect. For all the countries, young paid employees with a university education earned more than employees with primary-level education or below. In FYR Macedonia and the Russian Federation, a young worker with a university or postgraduate degree earned, on average, more than 30 per cent more than the worker with primary-level education, and in the Republic of Moldova, the tertiary-level graduate could earn more than twice the wage of the least educated. However, in Armenia and Kyrgyzstan, the wage gains resulting from staying in school are much less pronounced. And in two countries – Kyrgyzstan and Ukraine – the young person who finished his or her education at the secondary level shows the potential to earn more than the young person with a tertiary-level degree.

<sup>23</sup> Because the shares of own-account workers are small in the region, results are shown for wage and salaried workers only.

**Table 5.9 Indices of nominal average monthly wages of young wage and salaried workers by level of completed education (wages of youth with primary level education or below = 100\*)**

Level of completed education	Armenia	Kyrgyzstan	Macedonia, FYR	Moldova, Rep. of	Russian Fed.	Ukraine
Primary or less	–	100.0	100.0	100.0	100.0	100.0
Secondary general	100.0	129.9	99.9	175.1	117.3	107.1
Secondary vocational	–	–	105.2	–	103.8	134.6
Post-secondary vocational	–	–	–	167.0	125.8	–
University and postgraduate studies	104.2	103.6	136.4	222.3	134.0	114.5

\* Except in the case of Armenia, where secondary general level = 100.

Note: – = insignificant response rate, except for FYR Macedonia post-secondary vocational level, which was not covered.

Source: SWTSS, 2012–13 (see table 2.1 for reference period by country).

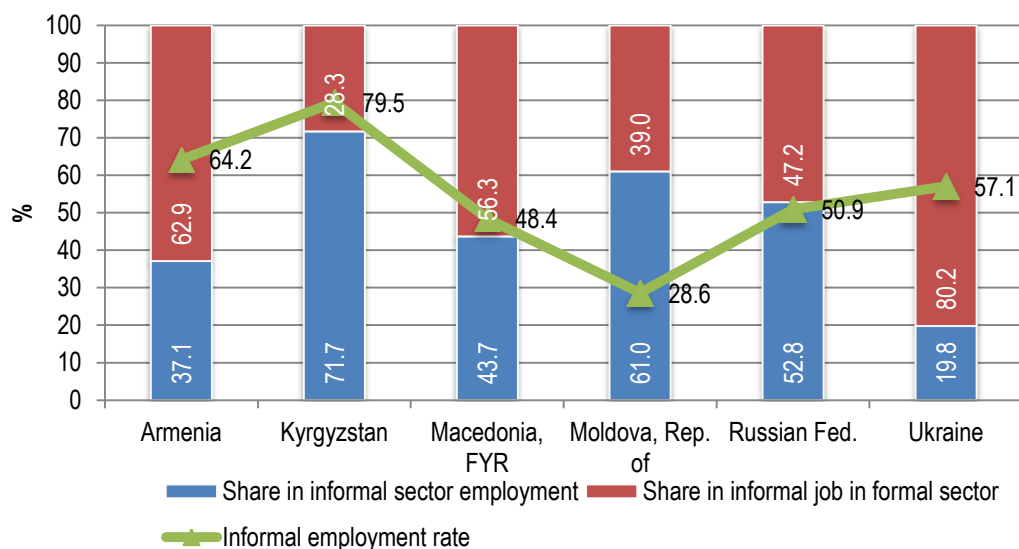
### 5.3.5 Informal employment

Informal employment<sup>24</sup> remains significant in all the countries of the region. While only 28.6 per cent of young workers in the Republic of Moldova fell into the category of informal employment (consistent with the high share of young workers benefiting from entitlements; table 5.5), the share was around 50 per cent for most of the countries and as high as 79.5 per cent in Kyrgyzstan (figure 5.7). Informal employment is made up of two categories: workers in the informal (unregistered) sector and paid employees holding informal jobs in the formal sector. The latter do earn a salary but do not receive the other benefits, such as social security contributions or paid annual or sick leave, that would normally be associated with a job in the formal sector. Given the relatively high shares of employees among youth in the region, it is not surprising to find that almost half of the informal youth are in informal jobs but in the formal sector. At most, 80.2 per cent of informally employed youth in Ukraine were engaged in an informal job in the formal sector. On the other hand, with a majority of self-employed in Kyrgyzstan, the share of youth in the informal sector prevails in the country (71.7 per cent).

Youth living in rural areas were much more likely to be engaged in informal employment than youth in urban areas (table 5.10). In all countries but Kyrgyzstan, young male workers were more likely to be in informal employment than young women. The largest gap (male-to-female) of 12 percentage points was among workers in FYR Macedonia.

<sup>24</sup> Informal employment is measured according to the guidelines recommended by the 17th International Conference of Labour Statisticians. The calculation applied here includes the following sub-categories of workers: (a) paid employees in “informal jobs”, i.e. jobs without a social security entitlement, paid annual leave or paid sick leave; (b) paid employees in an unregistered enterprise with size classification below five employees; (c) own-account workers in an unregistered enterprise with size classification below five employees; (d) employers in an unregistered enterprise with size classification below five employees; and (e) contributing family workers. Sub-categories (b) to (d) are used in the calculation of “employment in the informal sector”, sub-category (a) applies to “informal job in the formal sector” and sub-category (e) can fall within either grouping, dependent on the registration status of the enterprise that engages the contributing family worker.

**Figure 5.7 Youth informal employment rate, and shares of informal workers in the formal sector and workers in the informal sector**



Source: SWTSs, 2012–13 (see table 2.1 for reference period by country).

**Table 5.10 Youth informal employment rate by area of residence and sex (%)**

Country	Area of residence		Sex	
	Urban	Rural	Male	Female
Armenia	58.1	82.2	67.7	59.4
Kyrgyzstan	68.7	83.6	78.5	80.6
Macedonia, FYR	38.1	62.0	53.7	41.4
Moldova, Rep. of	19.6	41.2	33.3	23.8
Russian Fed.	45.3	64.4	51.9	49.7
Ukraine	56.5	58.8	58.1	55.7
Average	47.7	65.4	57.2	51.8

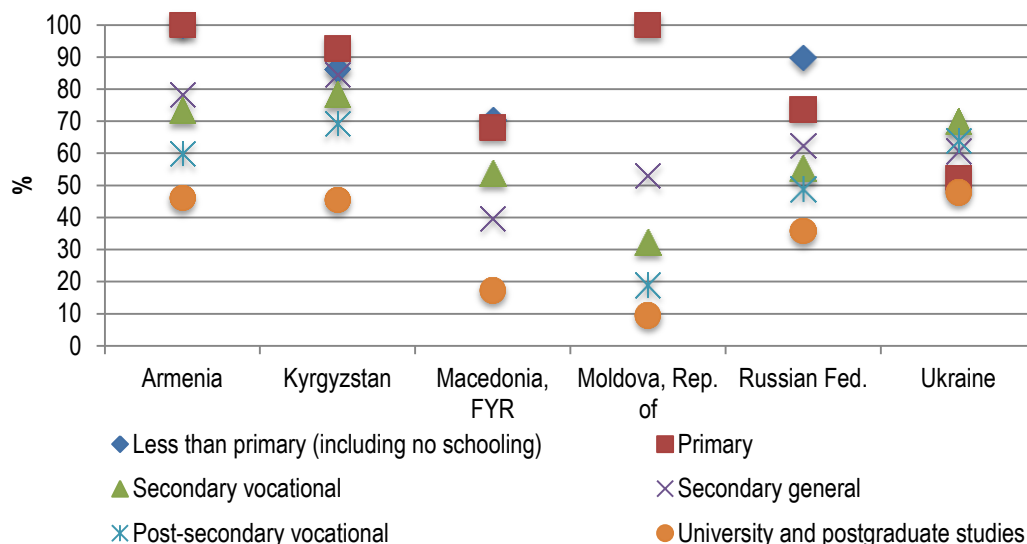
Note: Averages are unweighted.

Source: SWTSs, 2012–13 (see table 2.1 for reference period by country).

Figure 5.8 represents informality by level of educational attainment. The results show clearly that education offers a means of escaping from informal employment. The share of informally employed youth was considerably lower among young people who had completed university education than among those with lower levels of education. The gaps between informal employment rates of youth with tertiary-level education and primary-level education were large, on average 47.5 percentage points of difference and up to 90.5 percentage points in the Republic of Moldova.



**Figure 5.8 Youth informal employment rate by level of completed education**



Note: The post-secondary vocational category is not available for FYR Macedonia. In Armenia, the Republic of Moldova and Ukraine, results for the category “less than primary” were negligible.

Source: SWTSS, 2012–13 (see table 2.1 for reference period by country).

### 5.3.6 Qualifications mismatch

Another job quality measure recommended within the SWTS analytical framework is the skills mismatch. Objectively, the skills mismatch between the job that a person does and their level of educational qualification is measured by applying the normative measure of occupational skills categories from the ISCO (ILO, 2013a, p. 44). ISCO-08 includes the categorization of major occupational groups (first-digit ISCO levels) by level of education in accordance with the International Standard Classification of Education (ISCED). The categorization is shown in Annex II, table A.10.

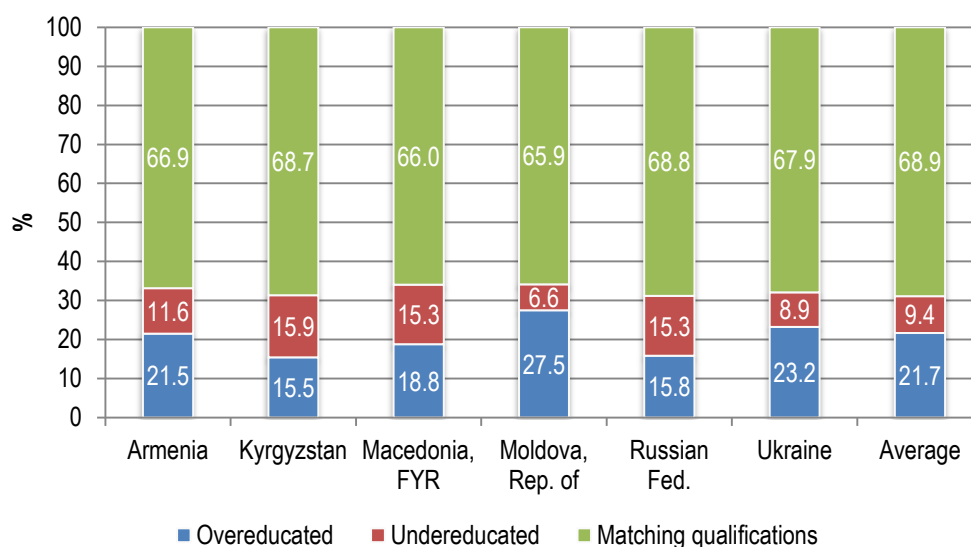
Workers in a particular group who have the assigned level of education are considered well-matched. Those who have a higher (lower) level of education are considered overeducated (undereducated). For example, a university graduate working as a clerk (a low-skilled, non-manual occupation) is overeducated, while someone whose highest education level is secondary school but who is working as an engineer (a high-skilled, non-manual occupation) is undereducated.

The results on qualifications mismatches among the surveyed employed youth show similarities across the six countries. In all, the vast majority of young workers are doing jobs that match well to their level of qualifications. If there is a mismatch, except in Kyrgyzstan, it is always more likely to be due to overeducation than undereducation (figure 5.9). This is particularly true in the Republic of Moldova and Ukraine, where undereducation was minimal (6.6 and 8.9 per cent, respectively) whereas overeducation was an issue for 27.5 per cent of young Moldovans and 23.2 per cent of young Ukrainians. In the Russia Federation and FYR Macedonia, while mismatch was still limited, it was more equally shared between overeducation and undereducation.

The phenomenon of overeducation, which is quite pronounced in the six countries (in each instance above 15 per cent), takes place when an insufficient number of jobs match a certain level of education. It forces some of the degree holders to take up available work for which they are overqualified. One consequence is that overeducated young people are

likely to earn less than they otherwise could have and are not maximizing their productive potential.<sup>25</sup>

**Figure 5.9 Employed youth by overeducation, undereducation or matching qualifications**



Note: Shares are of employed youth with completed education only. Averages are unweighted.

Source: SWTSs, 2012–13 (see table 2.1 for reference period by country).

### 5.3.7 Job satisfaction

Despite some indications of a shortage of quality employment in the countries reviewed, the vast majority of young people in most countries expressed satisfaction with their work. The job satisfaction rates among young workers were, in descending order, 91.4 per cent (Russia Federation), 89.7 per cent (Kyrgyzstan), 86.1 per cent (Republic of Moldova), 78.3 per cent (Ukraine), 77.9 per cent (Armenia) and 72.7 per cent (FYR Macedonia). To test the degree of job satisfaction further, youth were asked if they wanted to change their current job. If they responded positively, they were asked to identify their main reason for wanting to change their job. Results are shown in table 5.11. With the exception of the Republic of Moldova and Ukraine, at least one in three working youth expressed a desire to change their job.

Examining the reasons why young workers want to change jobs provides a indication of what they want from their work. For example, higher wages emerged very strongly as a motivating factor in changing jobs in the region; 59.6 per cent of youth in Armenia and 57.0 per cent in the Russian Federation indicated they would leave to make a higher wage elsewhere. Some youth also expressed the desire to change because of the temporary nature of their job. This was the principal reason given for wanting to change jobs in FYR Macedonia (30.4 per cent). The qualifications mismatch was also of concern to young workers, especially in FYR Macedonia and Ukraine.

<sup>25</sup> For a more in-depth look at education mismatch in the SWTS countries, see Sparreboom and Staneva, 2014.

**Table 5.11 Employed youth who wanted to change their job by reason (%)**

Share and reason	Armenia	Kyrgyzstan	Macedonia, FYR	Moldova, Rep. of	Russian Fed.	Ukraine
Employed youth who state a desire to change their job	48.1	43.6	44.4	21.6	33.8	27.2
<b>Reason</b>						
Present job is temporary	17.2	34.9	30.4	17.7	15.6	19.9
Fear of losing the present job	1.4	2.1	6.3	4.8	5.0	4.4
To work more hours paid at the current rate	–	3.2	0.7	6.6	1.3	2.5
To have higher rate of pay per hour	59.6	49.2	28.5	51.8	57.0	40.1
To work fewer hours with a reduction in pay	–	0.1	0	0	8.8	0.5
To use qualifications/skills more effectively	11.6	7.0	21.6	9.9	3.6	20.0
To have more convenient working time, shorter commuting time	8.7	0.7	2.5	9.1	4.7	4.2
To improve working conditions	1.5	2.8	10.0	0	4.1	8.4
Total	100	100	100	100	100	100

Note: – = Not applicable (response not included in questionnaire).

Source: SWTSs, 2012–13 (see table 2.1 for reference period by country).

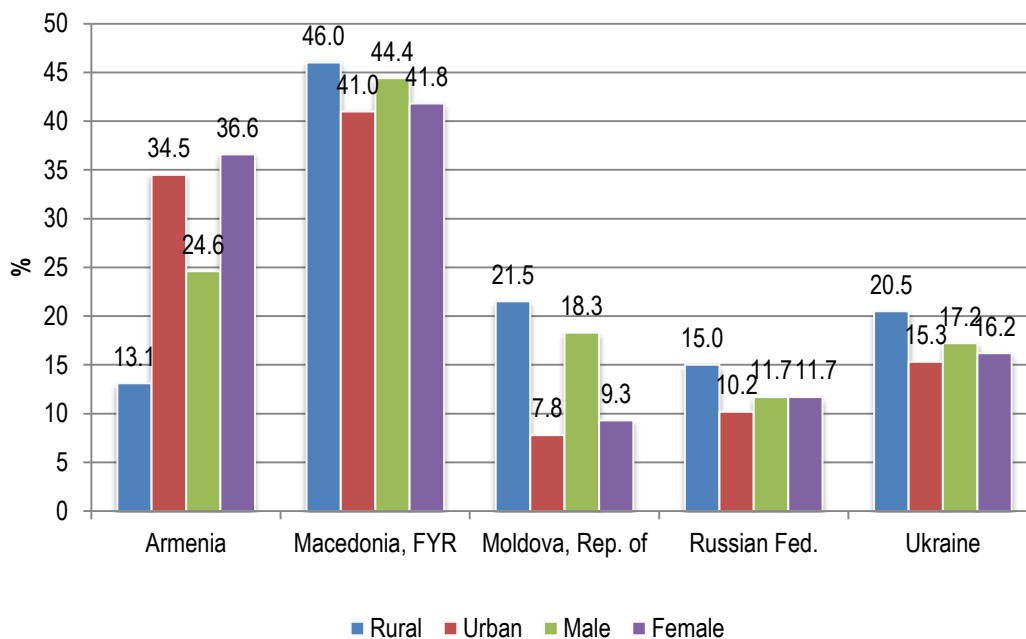
## 6. Unemployed youth

As indicated in section 4, youth unemployment is an area of genuine concern in the region. In FYR Macedonia, in particular, the youth unemployment rate is among the highest in the world at 43.3 per cent. The rate in Armenia is also alarmingly high at 30.2 per cent (table 4.1). As the only high-income country among the six, youth unemployment looks comparatively good in the Russian Federation, with a rate of 11.7 per cent. While rates are slightly higher in the Republic of Moldova and Ukraine at 14.1 and 16.8 per cent, respectively, these still represent a marked improvement over Armenia and FYR Macedonia.

Figure 6.1 shows that youth unemployment rates are higher in rural than urban areas in all countries except Armenia (Kyrgyzstan is excluded from the analysis; see box 3). The rural penalty was particularly high in the Republic of Moldova with rates of 21.5 per cent compared to 7.8 per cent in urban areas. In Armenia, on the other hand, the youth unemployment rate in urban areas was nearly three times that of the rate in rural areas (34.5 and 13.1 per cent, respectively). Gender differences in the youth unemployment rates fall mostly in favour of the young woman, but there are exceptions, namely Armenia (24.6 per cent female, 36.6 per cent male) and the Russian Federation where the rate for both males and females was 11.7 per cent.

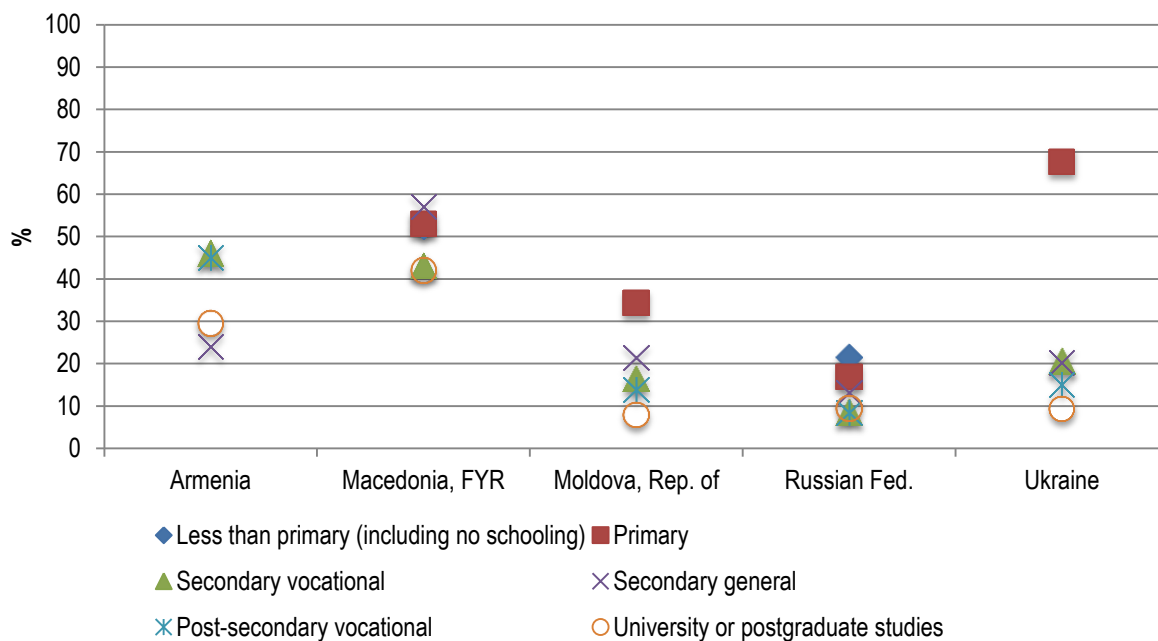
Figure 6.2 portrays the unemployment rates of youth by level of educational attainment in the surveyed countries. In all the countries, there is a tendency for unemployment rates to decrease as the level of education increases. With two exceptions (Armenia and the Russian Federation), the young person with a university or postgraduate degree had a clear advantage in terms of job opportunities. In the Republic of Moldova, the Russian Federation and Ukraine, tertiary-level graduates had youth unemployment rates below 10 per cent. The less well educated, in contrast, were those most likely to face long queues in their job search. Gaps can be significant. In Ukraine, for example, a young person with primary-level education faced an unemployment rate of 67.7 per cent compared to the university graduate with a rate of 9.3 per cent.

**Figure 6.1 Youth unemployment rate by area of residence and sex**



Note: Kyrgyzstan is not shown due to unreliability of the data; see box 3.  
 Source: SWTSS, 2012–13 (see table 2.1 for reference period by country).

**Figure 6.2 Youth unemployment rate by level of completed education**



Note: Kyrgyzstan is not shown due to unreliability of the data; see box 3. The post-secondary vocational category is not available for FYR Macedonia. Response rates were insignificant for the less than primary level in Armenia, the Republic of Moldova and Ukraine, and for the primary level in Armenia. See Annex III for a mapping of national education levels to the SWTSS equivalent.

Source: SWTSS, 2012–13 (see table 2.1 for reference period by country).

## 6.1 Job search

An examination of the length of unemployment classifies unemployed youth by the duration of their job search. In Armenia and FYR Macedonia, and Ukraine to a lesser degree, table 6.1 demonstrates that youth unemployment is not just a problem of volume in these countries but also a problem of duration. In Armenia, more than half (52.3 per cent) of unemployed youth have been looking for a job for one year or longer (long-term unemployed), while in FYR Macedonia the share increases to as high as 76.9 per cent (table 6.1). Long-term unemployment can have negative consequences in terms of skills degradation, financial loss and damaged self-esteem. In Kyrgyzstan and the Russian Federation, in contrast, unemployment is more short-term in nature, with few youth seeking work beyond a period of three months.

**Table 6.1 Unemployed youth by job search duration (%)**

Duration	Armenia	Kyrgyzstan	Macedonia, FYR	Moldova, Rep. of	Russian Fed.	Ukraine
Less than 1 week	0.6	5.0	0.4	-	36.3	4.0
1 week to less than 1 month	3.3	23.3	2.4	13.9	19.7	11.0
1 month to less than 3 months	13.5	42.2	8.2	24.7	13.6	14.5
3 months to less than 6 months	17.6	8.8	4.5	31.3	5.2	17.4
6 months to less than 1 year	12.8	5.4	7.6	19.8	7.2	22.2
1 year or more	52.3	15.3	76.9	10.3	18.0	30.9
Total	100	100	100	100	100	100

Source: SWTSS, 2012–13 (see table 2.1 for reference period by country).

**Table 6.2 Unemployed youth by job search method (%)**

Search method	Armenia	Kyrgyzstan	Macedonia, FYR	Moldova, Rep. of	Russian Fed.	Ukraine
Registered at an employment centre	10.9	9.0	66.0	5.0	29.5	22.1
Placed/answered job advertisement(s)	37.3	33.3	36.1	25.5	32.5	53.3
Inquired directly at factories, farms, markets, shops or other workplaces	43.0	14.4	68.9	52.7	27.6	32.2
Took a test or attended an interview	9.7	-	17.9	-	-	-
Asked friends, relatives, acquaintances	68.3	71.4	89.3	79.5	65.5	59.1
Waited on the street to be recruited for casual work	3.5	1.8	6.3	-	-	4.2
Sought financial assistance to look for work or start a business	0.3	0	2.4	-	-	1.7
Looked for land, building, equipment, machinery to start own business or farm	0	0	1.9	-	0.2	1.4
Other	0.4	1.8	1.5	6.6	5.8	0.9

Note: - = Not applicable (response not included in questionnaire). Multiple responses were allowed.

Source: SWTSS, 2012–13 (see table 2.1 for reference period by country).

Regarding job search methods, the results show that unemployed youth rely principally on the use of informal networks, asking relatives and friends about employment possibilities. Shares using this method ranged from 59.1 per cent among unemployed youth in Ukraine to 89.3 per cent in FYR Macedonia (table 6.2; multiple responses were allowed). Responding to or placing job advertisements was the second most frequently cited option among unemployed youth in three countries, Kyrgyzstan, Russian Federation and Ukraine, while the second most frequent method in Armenia, FYR Macedonia and Republic of Moldova was to inquire directly at establishments. Public employment services are well-established institutions in the region (unlike other regions where the SWTSS were applied), and this is demonstrated by the shares of unemployed youth who

are registered at employment centres as a means of finding work. The shares of unemployed youth using this method range from a low 5.0 per cent in the Republic of Moldova to the very high 66.0 per cent in FYR Macedonia (recalling that multiple responses were allowed). In Armenia, Kyrgyzstan and the Republic of Moldova there is scope for strengthening the capacity of employment services in the region as a means of raising their attractiveness as a placement tool for jobseeking youth.

Table 6.3 shows unemployed youth by the occupation sought and table 6.4 by the place or sector in which they are seeking work. With regard to the occupation sought, there is a generally high share of unemployed in the region hoping to find work as professionals, a higher skilled occupation, which is in keeping with the high levels of education in the region. On the other hand, there are also significant shares of youth seeking work in services and sales (mid-skilled) and even in the least skilled areas of elementary occupations. The 20.3 per cent share of unemployed youth in FYR Macedonia seeking work in an elementary occupation could be a sign of the degree of desperation in a country where nearly one in two youth is unemployed. In other words, it would appear that some youth, even the well-educated, reach a point where they will take any available job.

In most of the countries, the preference of unemployed youth is either for work in the public sector or in the private sector. In FYR Macedonia, as many as 50.7 per cent of the unemployed hoped to gain employment in the public sector. It is an understandable desire, given the security associated with government work, but unachievable given the very limited scope for job creation in the public sector.

**Table 6.3 Unemployed youth by occupation sought (%)**

Occupation	Armenia	Macedonia, FYR	Moldova, Rep. of	Russian Fed.	Ukraine
Legislators, senior officials and managers	4.3	–	–	1.9	5.8
Professionals	37.5	23.7	14.8	21.8	17.0
Technicians and associate professionals	13.7	16.2	5.1	13.2	4.8
Clerks	4.5	4.6	2.3	0.9	5.9
Service workers, shop and market sales workers	11.0	22.6	13.7	14.3	14.8
Skilled agricultural and fishery workers	0.1	0.4	–	–	1.4
Craft and related trade workers	10.4	6.6	37.2	9.5	17.6
Plant and machine operators and assemblers	0.6	4.8	12.5	8.1	5.5
Elementary occupations	11.2	20.3	14.6	4.9	5.4
Armed forces	–	0.4	–	–	–
Not defined	6.8	0.6	–	25.4	21.8

Note: – = insignificant response rate. Kyrgyzstan is not shown due to unreliability of the data; see box 3.

Source: SWTSS, 2012–13 (see table 2.1 for reference period by country).

**Table 6.4 Unemployed youth by place/sector of work sought (%)**

Desired place/sector	Armenia	Kyrgyzstan	Macedonia, FYR	Moldova, Rep. of	Russian Fed.	Ukraine
Myself (own business/farm)	18.3	17.6	13.9	55.7	43.0	33.2
Work for the government/public sector	35.6	33.8	50.7	18.8	26.5	20.5
Work for a private company	35.9	34.4	32.9	20.9	20.0	29.7
Work for an international or non-profit organization	3.6	2.8	1.2	0	4.9	11.1
Work for family business or farm	3.2	4.6	1.3	4.6	4.1	2.1
Do not want to work	–	–	–	–	–	2.6
Other	3.4	6.9	–	0	1.4	0.9
Total	100	100	100	100	100	100

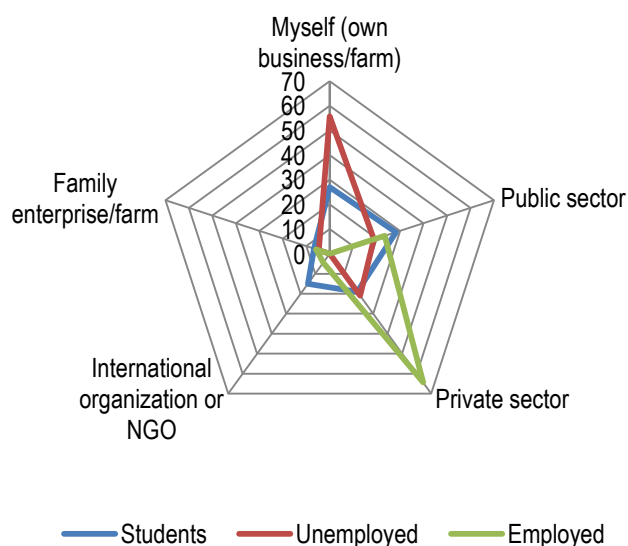
Note: – = Not applicable (response not included in questionnaire).

Source: SWTSS, 2012–13 (see table 2.1 for reference period by country).

In the Republic of Moldova, the Russian Federation and Ukraine, we find high shares of unemployed youth who stated that they were hoping to work for themselves in their own business or farm (55.7, 43.0 and 33.2 per cent, respectively). There are some interesting similarities here to the results of types of jobs desired by students in table 3.5, especially the unusually high regard shown for the idea of self-employment. This preference has been proven to be completely at odds with the reality in the region, where, at most, 3.0 per cent of youth in Ukraine currently classify as employers and 18.0 per cent as own-account workers in Republic of Moldova (table 5.3).

As the only one of the six countries to have included the question of place/sector of work for those currently working, a comparison with the desired sectors of work can be made for the Republic of Moldova, shown in figure 6.3. The figure shows a clear mismatch between where young people manage to find work – nearly two in three working youth (64.4 per cent) employed in the private sector, yet only two in ten young students and young unemployed expressed the desire to find work in the private sector. The conclusion to be drawn is that the dream of youth remains to work for themselves (i.e. there is a seeming glorification of the entrepreneur) or in the public sector, but inevitably most will end up in the private sector, as the only available option.

**Figure 6.3** Places/sectors of work sought by unemployed youth, desired by current students and taken by employed youth, Republic of Moldova (%)



Source: SWTSS, 2012–13 (see table 2.1 for reference period by country).

## 6.2 Obstacles to finding work

An analysis of the obstacles faced by unemployed young people (self-reported) in finding jobs not only points to the economies' low capacity to absorb labour market entrants but also to the fact that a lack of initial work experience represents an important obstacle. The unavailability of sufficient jobs (i.e. a lack of job creation) was the most frequently mentioned obstacle to finding work among unemployed youth in FYR Macedonia and Kyrgyzstan and was the second most important obstacle in the Republic of Moldova, the Russian Federation and Ukraine (table 6.5). The lack of work experience was cited as the principal obstacle by one-fifth or more of unemployed youth in all countries except FYR Macedonia.

Armenia is unique in being the only country of the six to show a significant share of unemployed youth (22.7 per cent) who encountered discriminatory prejudices in their job search. Also in Armenia – as the only of the countries to include the option – 18.0 per cent

of unemployed youth acknowledge the issue of their overqualification, which makes it difficult to find work that matches their higher level of education. A lesser share – 4.0 per cent – stated that their qualifications tended to be less than those expected for the job. In the Republic of Moldova, the Russian Federation and Ukraine, fairly high shares of youth (33.2, 18.7 and 20.0 per cent, respectively) mentioned the low wages in available jobs as the main obstacle when trying to enter the labour market, which hints that some unemployed youth in the countries have a reservation wage below which they are unwilling to accept work.

**Table 6.5 Unemployed youth by main obstacle to finding employment (%)**

Obstacle	Armenia	Kyrgyzstan	Macedonia, FYR	Moldova, Rep. of	Russian Fed.	Ukraine
Saw no obstacle	10.7	–	–	–	–	–
Requirements for job were higher than education/training received	4.0	4.7	14.4	13.4	12.8	7.4
Requirements for job were lower than education/training received	18.0	–	–	–	–	–
Not enough work experience	20.0	19.7	8.1	17.9	28.3	29.0
Not enough jobs available	5.2	30.1	54.2	22.6	24.3	28.3
Considered too young	0.5	13.2	3.0	6.4	7.1	4.9
Being male/female	4.2	–	0.9	0	0.9	–
Discriminatory prejudices (for example, disability, religion, race, appearance, family situation)	22.7	2.2	1.5	0	0.6	1.9
Low wages in available jobs	4.3	10.0	9.8	33.2	18.7	20.0
Poor working conditions in available jobs	8.8	3.6	3.7	1.5	1.0	4.7
Did not know how or where to seek work	0	7.1	2.9	1.4	4.5	2.1
Other	1.7	9.5	1.7	3.6	1.8	1.8

Note: – = Not applicable (response not included in questionnaire).

Source: SWTSs, 2012–13 (see table 2.1 for reference period by country).

The challenges faced by youth in the labour market may generate doubts about the ability of the education system to ensure their preparedness for the world of work. As many as 22.7 per cent of unemployed youth in Armenia and 39.1 per cent in the Republic of Moldova felt that their education was not useful in helping them to find work (Annex II, table A.11). The shares were lower in the other countries, but still significant at around 12 per cent in FYR Macedonia, Kyrgyzstan and Ukraine and slightly less (9.9 per cent) in the Russian Federation.

### 6.3 Discouraged youth

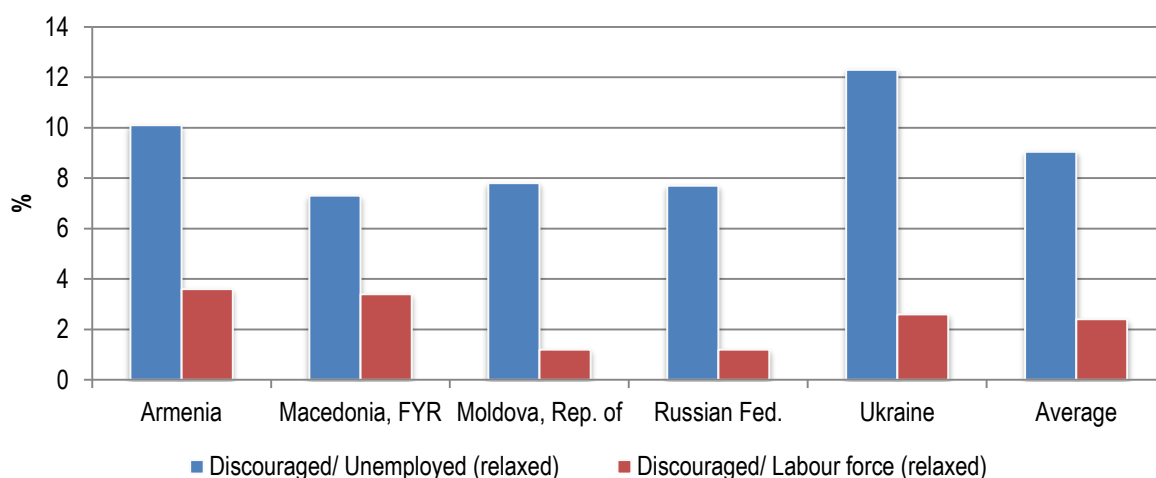
Discouraged workers are defined as those who are not working and who have expressed a desire to work but do not seek work for a range of reasons implying that they felt that undertaking a job search would be a futile effort. The term is frequently used for advocacy purposes, presented as a growing phenomenon among youth during the global economic crisis and a danger to national prosperity and security.<sup>26</sup> But the reality is that numbers of discouraged young workers are never high. Even in this region, with its high youth unemployment rates, few youth show an inclination to give up on the search for employment. Discouraged workers accounted for 9.0 per cent of unemployed youth, as an

<sup>26</sup> An example is ILO, 2012a.



average of the five countries (excluding Kyrgyzstan) and 2.4 per cent of the average labour force (figure 6.4).

**Figure 6.4 Discouraged youth among total unemployed youth and among the total economically active youth population**



Note: The relaxed definition of unemployment – persons without work and available for work regardless of engagement in an active job search – is used as the denominator since discouraged workers are only included among the unemployed when the search criterion is “relaxed”. Kyrgyzstan is not shown due to unreliability of the data; see box 3. Averages are unweighted.

Source: SWTs, 2012–13 (see table 2.1 for reference period by country).

Table 6.6 shows the specific reasons given by discouraged youth for not actively seeking work, with noticeably mixed results across the six countries. Only in Armenia did the largest share (44.4 per cent) of discouraged youth say that they did not know how or where to seek work, which could be a call to strengthen national investment in public or private employment services in the country. FYR Macedonia was the only country in which an overwhelming majority of discouraged youth (55.4 per cent) indicated a “lack of jobs in the area” as the main reason for not actively seeking work. A strong majority of discouraged youth in the Republic of Moldova and the Russian Federation gave the reason “had looked for a job before but not found any” (71.1 and 59.9 per cent, respectively), while there was a broader distribution across available reasons in Kyrgyzstan and Ukraine.

**Table 6.6 Discouraged youth by reason for not actively seeking work (%)**

Reason	Armenia	Kyrgyzstan	Macedonia, FYR	Moldova, Rep. of	Russian Fed.	Ukraine
Do not know how or where to seek work	44.4	19.6	5.5	12.4	18.9	15.5
Unable to find work matching skills	20.5	13.5	6.6	16.4	21.2	22.1
Had looked for job(s) before but had not found any	17.3	22.9	28.0	71.1	59.9	17.5
Too young to find a job	9.4	18.1	4.5	–	–	23.3
No jobs available in the area/district	8.3	25.9	55.4	–	–	21.5
Total	100	100	100	100	100	100

Note: – = Not applicable (response not included in questionnaire).

Source: SWTs, 2012–13 (see table 2.1 for reference period by country).

## 7. Labour market transitions in the Eastern Europe and Central Asia region

### 7.1 ILO approach to measuring transitions<sup>27</sup>

The labour market transition of young people concerns not only the length of time since their exit from education (either upon graduation or early exit without completion) to their first entry into any job, but also relates to qualitative factors, such as whether the job is stable (measured by contract type). The SWTS was designed to apply a stricter definition of “stable employment” than is typically used. By starting from the premise that a person has not “transited” until settled in a job that meets very basic criterion of stability, as defined by the duration of the employment contract, the SWTS analytical framework introduces a new element of quality to the standard definition of labour market transition. Job satisfaction was added as a component in recognition of youth who might be satisfied with their labour market outcome regardless of its characteristics and have finished their search for an alternative (i.e. completed their labour market transition).

More specifically, labour market transition is defined as the passage of a young person (aged 15–29) from the end of schooling (or entry to first economic activity) to the first stable or satisfactory job. Stable employment is defined in terms of the employment (written or oral) contract and the duration of the contract (greater than 12 months). Introducing the issue of a contract automatically excludes the employment status of self-employed, where the employment relationship is not defined by a contract. The opposite of stable employment is temporary employment, or wage and salaried employment of limited duration. Satisfactory employment is a subjective concept, based on the self-assessment of the jobholder. It implies that respondents consider their jobs to be a good “fit” with their desired employment path at that moment in time. The opposite is termed non-satisfactory employment, implying a sense of dissatisfaction with the job.

Based on this definition of labour market transition, the stages of transition are classified as follows:

- I. Transited** – A young person who has “transited” is one who is currently employed in:
  - a. a stable job, whether satisfactory or non-satisfactory; or
  - b. a satisfactory but temporary job; or
  - c. satisfactory self-employment.
- II. In transition** – A young person still “in transition” is one who is currently unemployed (relaxed definition); or
  - a. employed in a temporary and non-satisfactory job; or
  - b. in non-satisfactory self-employment; or
  - c. inactive and not in education or training, with the aim of looking for work later.

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<sup>27</sup> This section is adapted from ILO, 2013a, Chapter 5.

**III. Transition not yet started** – A young person whose “transition has not yet started” is one who is currently:

- a. still in school and inactive (inactive student); or
- b. inactive and not in education or training (inactive non-student), with no intention of looking for work.

Two elements of this classification are noteworthy. First, the stages of transition span the boundaries of economic activity as defined in the standard labour force framework. The “transited” category includes a subset of youth classified as employed; the remaining employed fall within the category of “in transition”, which includes those who fall under the strict definition of unemployed and portions of the inactive (namely, those without work, available for work but not actively seeking work<sup>28</sup> and inactive non-students who have stated an intention to join the labour force at a later stage). The “transition not yet started” category is the residual of the inactive population.

Second, the stages of transition are not intended to be a normative framework. Because of the inclusion of youth in satisfactory self-employment and satisfactory temporary employment, one cannot say that all young people in the transited category have transited to a “good” job. In fact, a majority of young people in self-employment – the own-account workers and unpaid family workers – are among the poorly paid workers in the informal economy. By definition, they make up the bulk of the SWTS countries’ share of irregularly employed. Yet they have expressed a degree of satisfaction with their job, and they are likely to have finished their transition in the sense that they will remain in the self-employed classification for the remainder of their working lives.

The classification into stages of transition offers a flow concept. A person is in transition until they have reached a fixed position in the labour market, meaning they have a job they are likely to maintain, regardless of whether it is good or bad.

## 7.2 Stages of transition

In the EECA countries surveyed, the majority of youth had already started their process of transition. From the regional perspective (six-country average), one-third (36.5 per cent) had not yet started their transition while 27.2 per cent had successfully completed their transition to stable employment (figure 7.1). Another 10.6 per cent had also completed their transition but to satisfactory temporary or self-employment. The remaining 25.5 per cent were in transition, still searching for a stable or satisfactory job.

The distribution of youth by stages of transition varies greatly across countries. In both Kyrgyzstan and the Russian Federation, a majority of young people (52.9 and 53.4 per cent, respectively) had completed their labour market transition (to stable or satisfactory employment), reflecting the higher employment rates in those countries compared to other countries in the region (see table 4.1). In Armenia and FYR Macedonia, the shares of transited youth were the lowest at 26.6 and 21.5 per cent, respectively. Due to the high shares of unemployment in the two countries, large proportions of youth remain in transition (33.8 and 35.2 per cent, respectively).

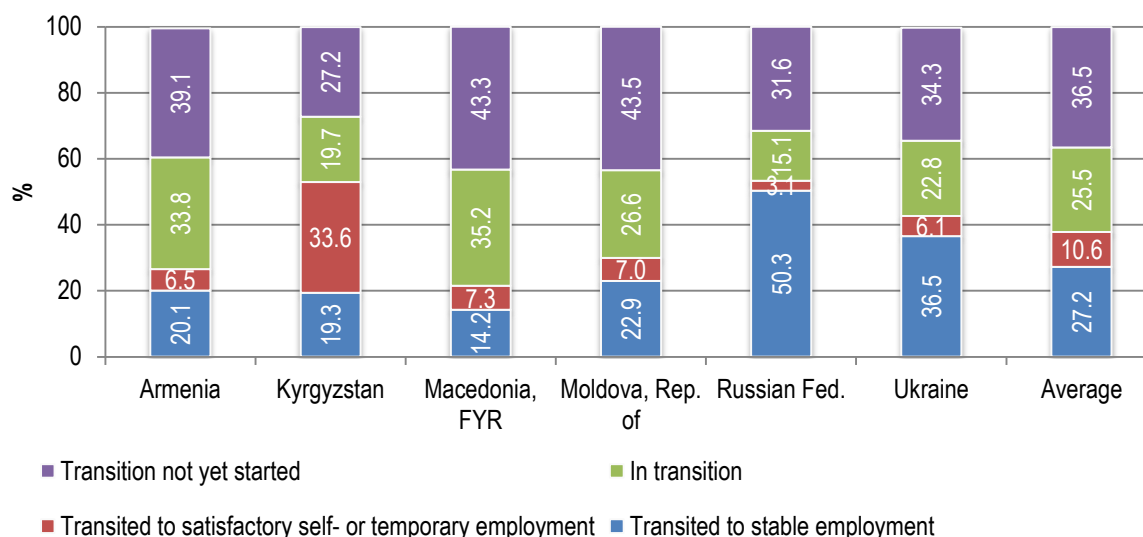
The Russian Federation stands out among the countries as a result of the large volume of youth classified as having completed their transition to stable employment. As many as

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<sup>28</sup> This is the portion added to the “strictly” unemployed category to make up the unemployed (relaxed definition).

50.3 per cent of the youth population were already settled in a stable job. In all countries but Kyrgyzstan, shares in satisfactory self- or temporary employment were small. Only in Kyrgyzstan are young workers more likely to end up in satisfactory self- or temporary employment than stable employment.

**Figure 7.1 Youth by stages of transition**



Note: Averages are unweighted.

Source: SWTSS, 2012–13 (see table 2.1 for reference period by country).

Labour market transitions to stable employment proved to be more likely for young men than for young women in the region (as in other regions investigated so far). With the exception of FYR Macedonia and the Republic of Moldova, where the shares were almost equal, the remaining countries have higher shares of young men who had completed the transition to stable employment compared to young women (table 7.1). The shares of youth who had transited to satisfactory temporary or self-employment were also higher for young men than young women in all the countries, although the gap was not as wide. Young women, in contrast, were more likely to remain in transition (with FYR Macedonia as the exception) and to fall within the category of transition not yet started (Armenia and Republic of Moldova were exceptions).

Youth living in urban areas had an advantage in terms of obtaining stable employment. In the six countries surveyed, the shares of young people who had transited into stable employment were higher in urban areas than in rural areas (table 7.1). On the other hand, the youth who had transited to satisfactory temporary or self-employment and youth still in transition were more numerous in rural areas. The likelihood of completing the labour market transition increased with age, as is generally expected. On average, young people aged 25–29 were 15 times more likely to have completed their transition into stable employment than those aged 15–19 (Annex II, table A.12).

**Table 7.1 Youth by stages of transition, sex and area of residence (%)**

Country	Sex or area of residence	Transited to stable employment	Transited to satisfactory self- or temporary employment	In transition	Transition not yet started
Armenia	Male	24.7	9.3	24.9	40.9
	Female	16.4	4.3	40.9	37.6
Kyrgyzstan	Male	25.0	36.3	13.7	24.8
	Female	14.1	31.2	25.2	29.4
Macedonia, FYR	Male	14.1	8.6	38.1	39.2
	Female	14.4	5.8	32.2	47.7
Moldova, Rep. of	Male	23.1	9.4	22.6	44.9
	Female	22.7	5.1	29.8	42.4
Russian Fed.	Male	52.2	4.6	13.4	29.8
	Female	48.4	1.5	16.8	33.4
Ukraine	Male	40.0	7.9	18.7	33.1
	Female	32.9	4.2	27.0	35.5
Average	Male	29.8	12.7	21.9	35.4
	Female	24.8	8.7	28.6	37.6
Armenia	Urban	21.1	5.6	33.5	39.8
	Rural	16.6	10.1	36.0	37.3
Kyrgyzstan	Urban	28.4	16.5	20.4	34.7
	Rural	14.6	42.7	19.4	23.3
Macedonia, FYR	Urban	17.5	7.8	33.2	41.5
	Rural	10.3	6.6	37.7	45.4
Moldova, Rep. of	Urban	34.2	6.0	19.6	40.3
	Rural	13.7	7.9	32.3	46.1
Russian Fed.	Urban	52.4	2.8	12.7	32.0
	Rural	44.5	3.8	21.3	30.4
Ukraine	Urban	38.7	6.2	20.5	34.3
	Rural	31.5	5.9	28.0	34.2
Average	Urban	32.0	7.5	23.3	37.1
	Rural	21.9	12.8	29.1	36.1

Note: Averages are unweighted.

Source: SWTSs, 2012–13 (see table 2.1 for reference period by country).

Finally, the transition stages were examined by level of completed education (thus excluding current students from the denominator as well as those in the category of “transition not yet started”, which consists primarily of current students). The survey findings suggest that higher educational achievement provided a better chance of, first, completing the labour market transition and, second, of completing the transition to a stable job. The share of youth who had completed the transition to stable employment increased steadily with each additional level of education attained (table 7.2). In contrast, the less well educated youth were much more likely to remain in transition. The only exception was FYR Macedonia, where a significant percentage of university graduates remained unemployed and hence in transition.

**Table 7.2 Youth by completed education level and category of transition (to stable employment, to satisfactory self- or temporary employment or in transition, %)**

Country	Completed education level	Transited to stable employment	Transited to satisfactory self- or temporary employment	In transition
Armenia	Primary	0.0	0.0	100.0
	Secondary general	26.4	10.5	63.1
	Secondary vocational	25.4	12.9	61.7
	Post-secondary vocational	28.9	10.1	61.0
	University or postgraduate studies	50.8	7.3	41.9
Kyrgyzstan	Primary	26.5	46.6	26.8
	Secondary general	39.9	26.7	33.4
	Secondary vocational	18.4	54.2	27.4
	Post-secondary vocational	42.8	30.5	26.7
Macedonia, FYR	University or postgraduate studies	58.7	13.5	27.8
	Primary	8.1	13.4	78.6
	Secondary general	27.9	11.6	60.6
	Secondary vocational	25.0	5.9	69.1
	Post-secondary vocational	–	–	–
Moldova, Rep. of	University or postgraduate studies	37.5	10.7	51.8
	Primary	13.4	14.0	72.6
	Secondary general	31.4	10.5	58.0
	Secondary vocational	23.5	16.3	60.3
	Post-secondary vocational	43.7	12.2	44.1
Russian Fed.	University or postgraduate studies	61.6	7.7	30.7
	Primary	59.2	7.2	33.6
	Secondary general	78.0	3.4	18.6
	Secondary vocational	65.0	7.9	27.1
	Post-secondary vocational	81.3	3.3	15.4
Ukraine	University or postgraduate studies	82.5	2.9	14.6
	Primary	18.2	0.0	81.8
	Secondary general	50.6	9.4	40.0
	Secondary vocational	52.3	6.6	41.2
	Post-secondary vocational	59.3	9.1	31.6
	University or postgraduate studies	65.5	10.8	23.8

Note: The post-secondary vocational category is not available for FYR Macedonia. See Annex III for a mapping of national education levels to the SWTS equivalent.

Source: SWTSs, 2012–13 (see table 2.1 for reference period by country).

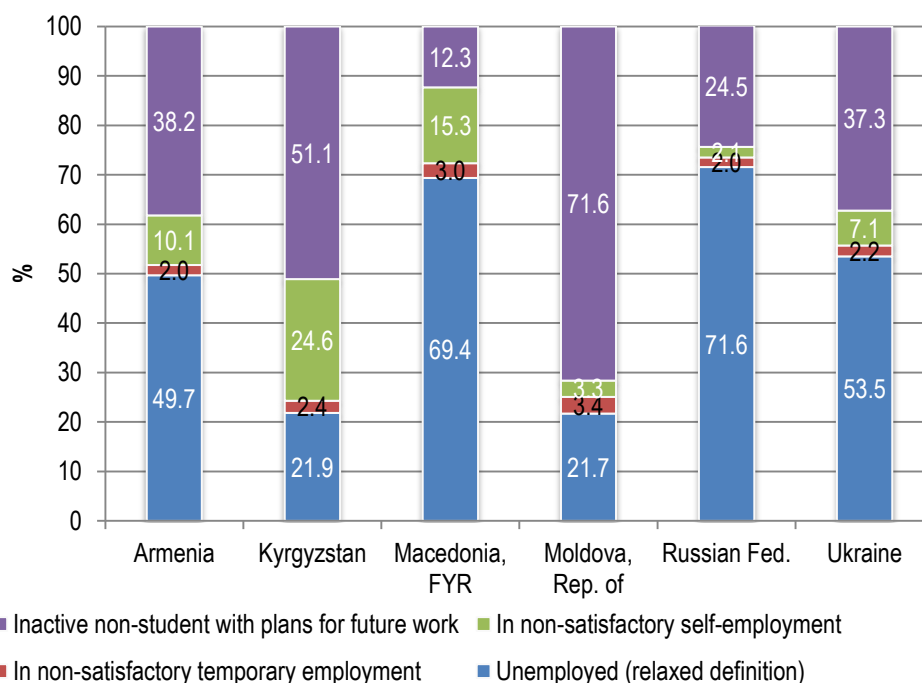
### 7.2.1 Young people in transition

Youth remaining in transition can be further broken down into those who are unemployed (relaxed definition), those working in non-satisfactory, temporary work and non-satisfactory self-employment, and those who are inactive non-students with a desire to join the labour market in the future. It is not possible to provide a general overview about the “in transition” category across the region, given the cross-country differences. Some trends are, however, evident: for example, the largest sub-category was unemployed youth in all countries except Kyrgyzstan and the Republic of Moldova. In these two countries, the largest share of those who are still in transition were inactive non-students with plans for future labour market engagement (figure 7.2).

Among youth who are working yet classified as “in transition” there tended to be a larger share in the category of non-satisfactory self-employment than non-satisfactory temporary employment. Exceptions were the Republic of Moldova and the Russian Federation where the shares in the two categories were nearly equal. Regarding the

education levels of youth remaining in transition, those with higher levels of education were more likely to be unemployed, while the less well-educated tended to be in non-satisfactory self-employment or inactive in Armenia, FYR Macedonia and the Russian Federation. In Kyrgyzstan, the Republic of Moldova and Ukraine, the more highly educated youth were mostly inactive with plans for future work (Annex II, table A.13).

**Figure 7.2 Youth in transition by sub-category**

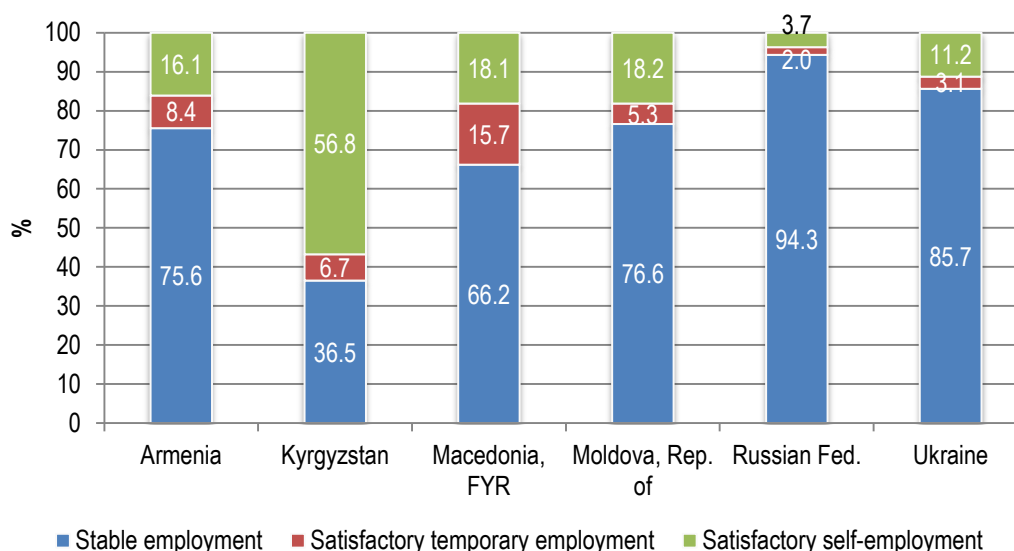


Source: SWTSs, 2012–13 (see table 2.1 for reference period by country).

### 7.2.2 Young people who had completed their transition

Figure 7.3 shows the distribution of youth who had completed their labour market transition by sub-category: transitioned to stable employment, transitioned to satisfactory temporary employment and transitioned to satisfactory self-employment. Among those who had completed their transition, more than 70 per cent (six-country average) had successfully completed their transition to stable employment. This share is well above those derived for other regions where the SWTS was carried out. The average share transitioning to stable employment (among the transitioned) for eight sub-Saharan countries was 21.2 per cent and 46.4 per cent among the six Asian-Pacific countries (Elder, 2014; Elder and Koné, 2014). In all the EECA countries except Kyrgyzstan, between six and nine youth in ten fell within the sub-category of transitioned to stable employment. The results are not overly surprising, given the relatively high shares of paid employment and of unlimited contracts among employees in the region. The lower share of youth that transitioned directly to stable employment in Kyrgyzstan can be explained by the fact that Kyrgyzstan was also the country with the lowest share of young workers in paid employment among the SWTS countries (see table 5.3)

**Figure 7.3 Youth who completed the transition by sub-category**



Source: SWTSS, 2012–13 (see table 2.1 for reference period by country).

## 7.3 Transition paths and length

### 7.3.1 Transition paths

Another means of examining the transition is through flows and identifying the labour market category held by the youth prior to transiting to stable and/or satisfactory employment. Among the six countries under consideration in the region, a majority of transited youth passed directly to their current position, with the exception of FYR Macedonia (table 7.3). This means that they had no intermediate spell before acquiring their current job, classified as stable in contract terms or satisfactory self- or temporary employment. The share of direct transition was especially high in Kyrgyzstan (73.7 per cent). Of those who did not transit directly, the paths to transition varied by country. Armenia and FYR Macedonia were the only two countries in which a significant share of youth had attained stable and/or satisfactory employment after a period of unemployment (35.8 and 58.8 per cent, respectively). In the Russian Federation and Ukraine, the youth who completed their transition had previously had another employment experience. Finally, the Republic of Moldova is unique in its high share of youth transiting from a period of inactivity (28.3 per cent).

**Table 7.3 Youth who completed the transition by flows to stable and/or satisfactory employment (%)**

Flow	Armenia	Kyrgyzstan	Macedonia, FYR	Moldova, Rep. of	Russian Fed.	Ukraine
Direct transition	38.3	73.7	24.5	31.0	44.9	46.5
From unemployment	35.8	2.0	58.8	12.7	8.1	13.0
From own-account work	1.0	2.2	0.3	3.1	1.9	2.2
From unpaid family work	1.2	3.7	1.3	4.6	1.1	0.3
From other employment	5.6	11.7	9.5	20.3	32.2	28.2
From inactivity	8.2	6.5	5.6	28.3	6.9	9.2
ed services	9.8	–	–	–	–	0.5

Note: – = Not applicable (response not included in questionnaire). Current students are excluded since their transitions were not yet completed.

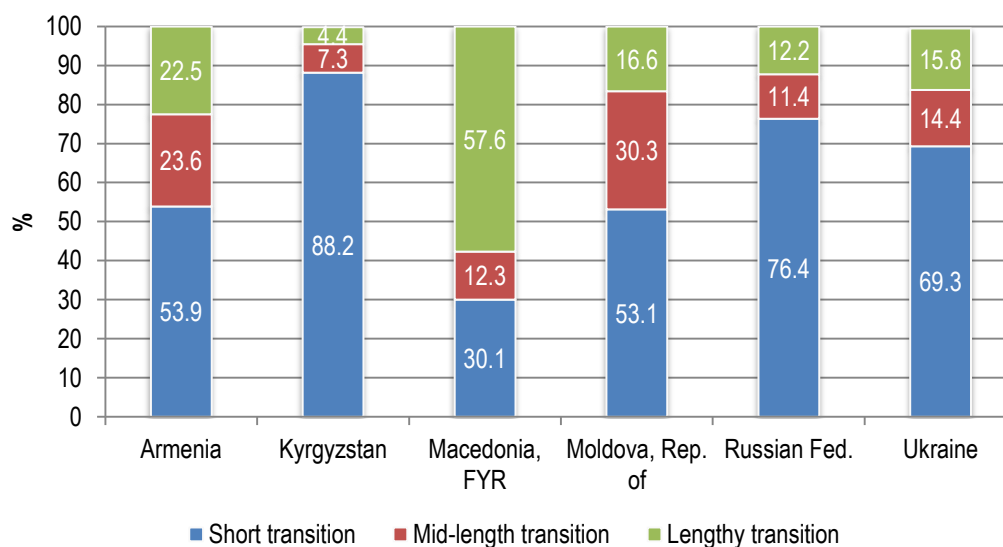
Source: SWTSS, 2012–13 (see table 2.1 for reference period by country).



### 7.3.2 Length of transition

The ILO has also developed a classification system for the duration of the transition period of youth who have completed the transition.<sup>29</sup> Because of the dominance of the category of youth who attained a stable and/or satisfactory job as their first labour market experience (direct transits), most transitions were classified as short in all countries except FYR Macedonia (figure 7.4). The transition was classified as mid-length for between 7.3 per cent of transited youth in Kyrgyzstan and 30.3 per cent in the Republic of Moldova. The share of lengthy transitions fell between 4.4 per cent in Kyrgyzstan and 57.6 per cent in FYR Macedonia.

Figure 7.4 Youth who completed the transition by length of transition



Note: Current students are excluded since their transitions were not yet completed.

Source: SWTSs, 2012–13 (see table 2.1 for reference period by country).

Examining the length of the transition more closely in table 7.4, the survey data reveal that the transition period lasted up to 36.3 months in FYR Macedonia and 33.3 months in the Republic of Moldova, when persons who transited directly were taken into consideration. Transition durations were much shorter in Armenia, Kyrgyzstan and Ukraine (between 11 and 15 months). Excluding the transited youth who moved directly to

<sup>29</sup> A **short transition** is classified as one in which, before obtaining the current satisfactory/stable job, the young person underwent: (1) a direct transition; or (2) a spell (or cumulative spells) of stable or satisfactory employment with no spell of unemployment or inactivity; or (3) a spell (or cumulative spells) of employment of less than or equal to one year with no spell of unemployment or inactivity where the job(s) held is(are) classified as non-satisfactory self- or temporary employment; or (4) a spell of unemployment with or without spells of employment or inactivity of less than or equal to three months; or (5) a spell of inactivity of less than or equal to one year. A **mid-length transition** is classified as one in which, before obtaining the current satisfactory/stable job, the young person underwent: (1) a spell (or cumulative spells) of non-satisfactory self- or temporary employment of between one and two years with no spell of unemployment or inactivity; or (2) a spell of unemployment with or without spells of employment or inactivity of between three months and one year; or (3) a spell of inactivity longer than one year. A **lengthy transition** is classified as one in which, before obtaining the current satisfactory/stable job, the young person underwent: (1) a spell (or cumulative spells) of non-satisfactory self- or temporary employment of two years or more with no spell of unemployment or inactivity; or (2) a spell of unemployment with or without spells of employment or inactivity of one year or more.

their stable and/or satisfactory job, the average length of transition was much more substantial at 40.8 months (six-country average). In FYR Macedonia, the transition could take as long as 50.3 months or more than four years, with the Republic of Moldova and the Russian Federation close behind at 48.2 and 45.2 months, respectively. In all countries except Ukraine, where the results were almost equal, a slightly longer length was observed in the transition to satisfactory self- or temporary employment as opposed to the transition to stable employment.

**Table 7.4 Youth who completed the transition by average length of transition (months)**

Average length of transition	Armenia	Kyrgyzstan	Macedonia, FYR	Moldova, Rep. of	Russian Fed.	Ukraine	Average
Excluding direct transition	24.9	41.9	50.3	48.2	45.2	34.4	40.8
Including direct transition	14.9	11.0	36.3	33.3	23.6	11.8	21.8
To stable employment – including direct transition	14.3	13.7	35.3	31.6	23.4	11.9	21.7
To satisfactory self- or temporary employment – including direct transition	16.7	17.6	38.6	38.4	28.0	12.0	25.2

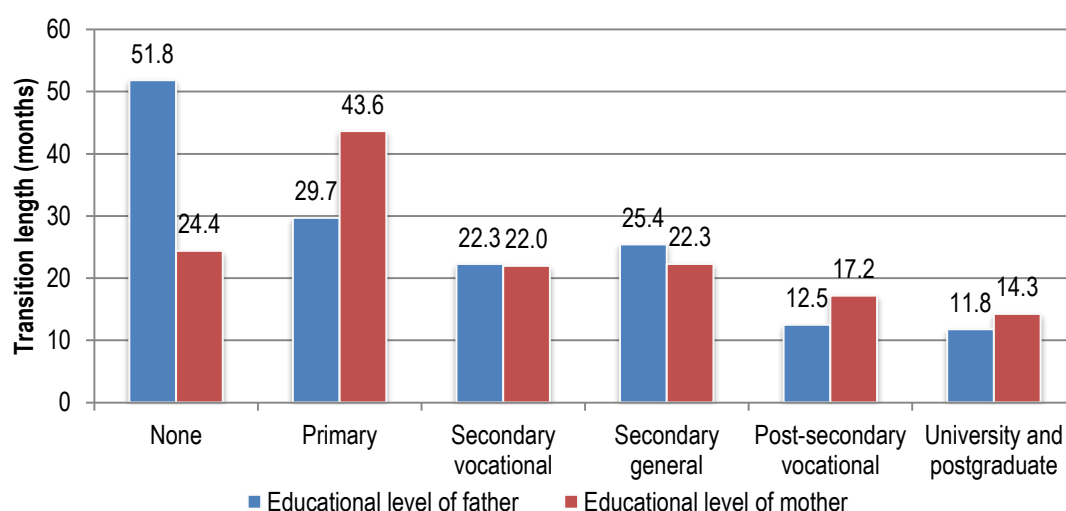
Note: Current students are excluded since their transitions were not yet completed. Averages are unweighted.

Source: SWTs, 2012–13 (see table 2.1 for reference period by country).

### 7.3.3 Factors determining the length of transition

Socio-demographic indicators, such as parental educational background as well as perceived household financial situation, are strongly correlated to the length of transition. At the regional level, faster transitions to stable and/or satisfactory employment are observed for youth with parents holding a higher level of education. As figure 7.5 shows, on average, the length of transition was 11.8 and 14.3 months, respectively, if the father or the mother held a university degree. Youth with less well-educated parents faced longer transitions, ranging on average from 51.8 months for those with uneducated fathers to 22.3 months for youth with fathers educated at the secondary level.

**Figure 7.5 Average length of transition (months) by parents' level of education**

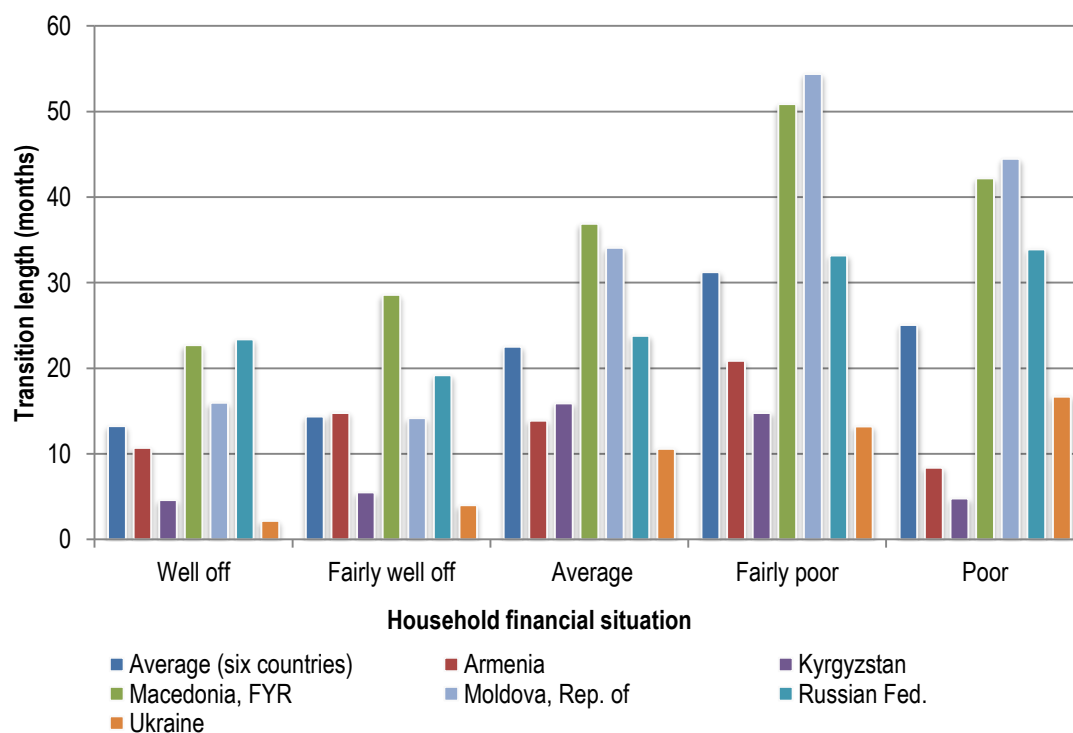


Note: Results are the average of six countries (unweighted). Only youth with completed transitions are considered.

Source: SWTs, 2012–13 (see table 2.1 for reference period by country).

Household wealth also facilitates a faster transition into stable and/or satisfactory employment. Youth describing their household financial situation as “well off” face shorter transition periods as well as a higher prevalence of direct transition in comparison to poorer segments of the population. At the country level, FYR Macedonia, Kyrgyzstan and Ukraine showed the most pronounced differences between “rich” and “poor” households (figure 7.6).

**Figure 7.6 Average length of transition by perceived household financial situation**



Note: Only youth with completed transitions are considered. Household income level is based on the perception of the young respondents. Averages are unweighted.

Source: SWTSS, 2012–13 (see table 2.1 for reference period by country).

The length of transition is strongly correlated to levels of educational attainment. Table 7.5 shows that the average length of transition is shorter for youth holding tertiary education diplomas. On average (six countries), the timespan for transiting to stable or satisfactory employment was 10.9 months for youth with a university degree as opposed to 43 months for youth with primary-level education and 31.8 months for youth with secondary-level education. This trend applies in all six countries. FYR Macedonia and the Republic of Moldova show the highest differential between youth with tertiary education in comparison to the less well-educated workforce.

Engaging in an apprenticeship or internship as part of the education programme is shown to facilitate the transition to stable or satisfactory employment. Youth who took part in one of these programmes were more likely to have already transited to the labour market (55.9 per cent) in comparison to those who did not (39.5 per cent).<sup>30</sup> Youth who participated in an internship or apprenticeship programme also showed a higher prevalence

<sup>30</sup> Simple averages of five countries (excluding the Republic of Moldova, for which there is no information available for internship programmes).

of direct transitions and a shorter length of transition – 15.6 months compared to 21.3 months.

**Table 7.5 Average length of transition (months) by level of education**

Country	Average length of transition (months)				
	Primary	Secondary vocational	Secondary general	Post-secondary vocational	University and postgraduate
Armenia	–	32.0	19.4	10.2	7.9
Kyrgyzstan	10.2	21.8	10.5	10.0	9.8
Macedonia, FYR	61.7	43.6	45.3	–	12.7
Moldova, Rep. of	–	34.2	57.5	28.3	13.1
Russian Fed.	57.2	26.1	39.7	20.0	14.3
Ukraine	–	14.5	18.2	14.5	7.6
Average	43.0	28.7	31.8	13.8	10.9

Note: – = insignificant response rate, except for FYR Macedonia post-secondary vocational which was not covered. Only youth with completed transitions are considered. The post-secondary vocational category is not available for FYR Macedonia. Averages are unweighted. See Annex III for a mapping of national education levels to the SWTS equivalent.

Source: SWTSs, 2012–13 (see table 2.1 for reference period by country).

Table 7.6 shows the average length of transition by the occupation of the young worker (i.e. the occupation within which they transitioned to their satisfactory and/or stable job). The time required for the transition varies considerably across occupations. The completion of the labour market transition was faster for higher skilled non-manual occupations for which tertiary education is typically required (professionals, for example). Among lower skilled occupations, transitions were relatively fast for clerks, while for elementary and service occupational groups (services and sales workers and craft workers), often characterized by temporary and vulnerable forms of employment, the time frame required for the transition increased considerably. Transition periods were slowest for the manual occupations, such as plant and machine operators and assemblers.

**Table 7.6 Average length of transition (months) by occupation of young workers**

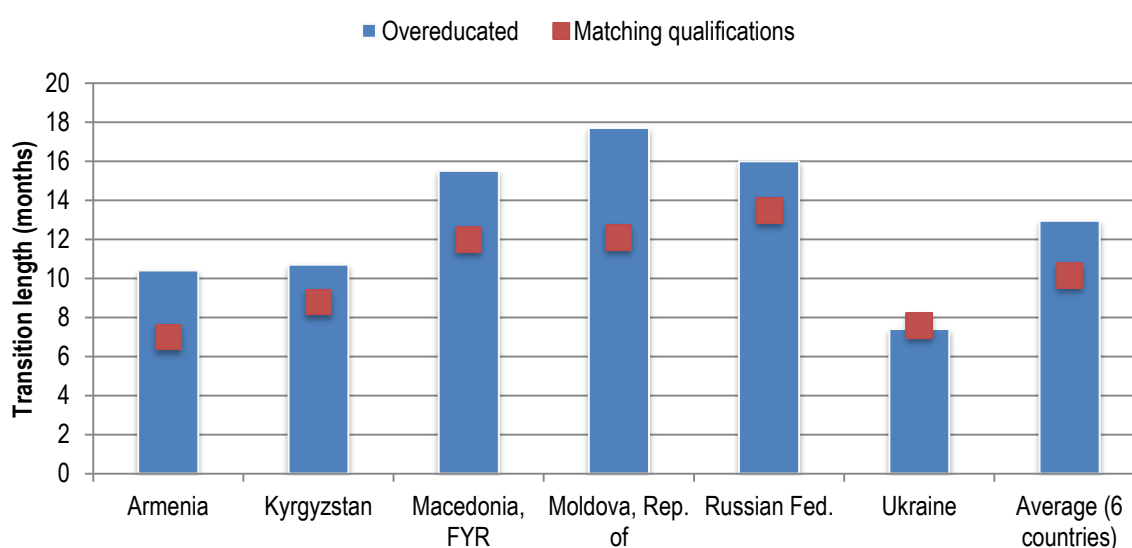
Occupation	Average length of transition (months)						
	Armenia	Kyrgyzstan	Macedonia, FYR	Moldova, Rep. of	Russian Fed.	Ukraine	Average
Legislators, senior officials and managers	12.4	9.9	–	15.6	19.4	13.8	14.2
Professionals	6.3	8.5	12.4	11.3	13.6	7.5	9.9
Technicians and associate professionals	11.7	11.6	27.8	27.4	15.9	7.0	16.9
Clerks	13.9	18.7	40.1	53.6	19.6	13.2	26.5
Service workers, shop and market sales workers	15.2	11.1	44.6	39.6	30.3	17.7	26.4
Skilled agricultural and fishery workers	10.4	7.1	17.1	–	32.3	4.1	14.2
Craft and related trades workers	29.3	13.9	32.6	48.5	28.8	9.8	27.2
Plant and machine operators and assemblers	18.4	20.9	73.9	44.1	32.7	15.0	34.2
Elementary occupations	24.1	24.3	37.9	47.0	33.5	16.2	30.5

Note: – = Negligible response rate. Only youth with completed transitions are considered. Averages are unweighted.

Source: SWTSs, 2012–13 (see table 2.1 for reference period by country).

Among the category of transitioned youth with a university degree, overeducation, defined as a qualification mismatch between the level of education and the job that a person does, remains a serious concern (see section 5.3.6). On average (six countries), 28.4 per cent of young workers with a university degree were overeducated. The length of transition of the overeducated (university graduate) young worker proved to be longer than for those with matching qualifications (2.8 months longer at 13.0 and 10.2 months, respectively). One can assume, therefore, that the university graduate will persevere with their job search for a considerable length of time before eventually settling into a job for which they are overqualified. One issue for possible future investigation is to determine whether accepting the lower skilled job then proves to be an obstacle to future opportunities, preventing the young person from moving into a job to which they are better matched.

**Figure 7.7 Average length of transition (months) for overeducated workers with completed university education**



Note: Only youth with completed transitions are considered. Averages are unweighted.

Source: SWTSs, 2012–13 (see table 2.1 for reference period by country).

## 8. Policy implications and areas of youth employment initiatives

This report has summarized the SWTS results from six countries in EECA. The survey findings show multiple barriers facing young people in their attempts to secure a smooth transition into the labour market. The main concerns emerging from the SWTS indicators include alarmingly high levels of youth unemployment in some countries, widespread informal employment, skills mismatch, low pay and extensive gender inequalities. While active steps towards job creation are few, resulting in a dearth of paid jobs, still few youth take up entrepreneurial activities despite a noted regard for self-employment among current students. The prospect of a long and difficult transition to a stable job frequently leads young people to migrate in search of better opportunities elsewhere in the region or further abroad. Given the high educational attainment in the countries reviewed, both un/underemployment and migration represent missed returns on the investment in education made by families, and by society as a whole.

An effective policy mix to address youth employment challenges will need to be comprehensive, inclusive in its formulation process and financially sustainable. Policy

responses to promote job growth and quality jobs for youth must start from macroeconomic and sectoral measures with provisions to improve employability, strengthen labour market policies, promote youth entrepreneurship and ensure adherence to labour standards. No single institution can tackle all policy areas alone. Rather, governments and employers' and workers' organizations will need to work together if they want to reach a detailed understanding of challenges, and formulate relevant solutions. Finally, if such responses are to have the desired results they must be financially viable. The rush to contain the impact of the recent economic crisis has required countries to roll out contingency measures that have, by definition, a short-term horizon. Policy-makers should now shift their focus to a longer term perspective, and address structural issues in a realistic and sustainable way.

The following subsections offer some policy implications emerging from the results of the SWTSs in the six targeted countries. They are presented according to the five areas for policy intervention proposed by the Resolution on Youth Employment "Call for Action", adopted by the International Labour Conference of the ILO in 2012.<sup>31</sup>

## 8.1 Economic policy for youth employment

At the risk of stating the obvious, private sector growth is a crucial prerequisite to job creation. Without growth in productive employment opportunities, it will not be possible for an economy to absorb the cohorts of young labour market entrants, or offer them smooth transitions to decent employment. Currently, several economies in the region are struggling to generate sufficient jobs for their school leavers, as growth remains sluggish (see section 2.2.1).

While economic growth is necessary, growth alone is not sufficient for countries to generate an adequate number of productive jobs. ILO (2014b) found that countries that have done relatively well in improving their productive capacities have adopted a development approach that married strategies of **economic diversification** and promotion of an **enabling environment for sustainable enterprises** in order to create quality jobs. Governments have a clear role to play in the design of careful diversification strategies and in strengthening the institutions that can promote active measures to tackle low productive in agriculture and small and medium-sized enterprises (SMEs), poor working conditions and high rates of informal employment.

The disappointing results in terms of labour market outcomes of youth who invest in technical training – higher unemployment rates, longer transition periods, lower wages – indicate stagnation in the demand for higher skilled manual labour. There is the potential to counter this through well-developed strategies for production diversification and sectoral approaches designed in collaboration with the private sector and including apprenticeship systems. The report has pointed to some interesting and pertinent results regarding the ability of youth who benefited from an apprenticeship or internship programme to achieve greater success in both the completion of their labour market transition to stable and/or satisfactory employment and in the ability to complete the transition more quickly than those who did not have access to such programmes.

An important element to ensure that economic policy leads to decent job creation for youth is to include in the policy itself measures that aim to **reduce informal**

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<sup>31</sup> The full text of the 2012 resolution *The youth employment crisis: A call for action* can be found on the ILO website at: [www.ilo.org/ilc/ILCSessions/101stSession/texts-adopted/WCMS\\_185950/lang--en/index.htm](http://www.ilo.org/ilc/ILCSessions/101stSession/texts-adopted/WCMS_185950/lang--en/index.htm).

**employment.**<sup>32</sup> These include provisions that facilitate business transitions to the formal sector, as well as regulations for the formalization of informal workers. Recent ILO research has confirmed the likelihood that informal employment is higher among younger workers. The same study has also found a correlation between long-term unemployment and informal employment (Shehu and Nilsson, 2014).

## 8.2 Youth entrepreneurship and self-employment

The Oslo Declaration concluding the 9th European Regional Meeting of the ILO<sup>33</sup> highlights SME development as a priority of the region. **Sustainable SMEs** have a recognized potential for boosting productivity, innovation and decent work creation. Youth entrepreneurship, in particular, can be a pathway to a successful transition for some young people. If economies in the region are to harness this potential, they need to offer SMEs an enabling environment encompassing political, economic, social and environmental elements (ILO, 2015). Beyond the more standard measures impacting the legal system, reliable infrastructure systems, financial services, etc., governments and social partners can set up specific initiatives to cater for the needs of young entrepreneurs. Gaining **access to finance**, which poses a challenge to private sector development in the region regardless of the size of the enterprise, can be especially difficult for youth trying to establish micro businesses. **Mentoring** is needed, given that entrepreneurial culture is a relatively young phenomenon in the region. Incubators for youth start-ups can also help to fill the gaps represented by lack of experience, and lack of collateral, by offering mentoring services and administering credit schemes on favourable terms. Evidence from other regions (Elder, 2014) has shown that business incubators can become economically sustainable if clients pay support services.

Reducing barriers to entrepreneurship can help to convince more individuals to start up a business. However, an additional element to consider is the existing **entrepreneurial culture**. This influences the reputation that entrepreneurship as a career choice holds among youth and their parents. The high level of educational attainment in the countries analysed shows that families have made a significant investment in the education of their youth. Parents tend to push their children to aim for a safe and stable paid job. However, as many as 28 and 30 per cent of young students and unemployed youth, respectively (six-country average) expressed a desire to work for themselves. Why then do so few follow through? This is a missed opportunity. While entrepreneurship is not for everyone, it can be a channel to productive and satisfactory employment. Researchers on SMEs' enabling environment tend to agree that the education system is an ideal platform to introduce the principles of business culture to young people, and improve the reputation of self-employment among pupils and their families.

## 8.3 Education, training and skills

Youth educational attainment is high in most of the countries reviewed. On average, 35.0 per cent of surveyed youth completed secondary education and 29.7 per cent tertiary. Vocational studies were also relatively popular, pursued by approximately one-quarter of youth in the region (Armenia being the exception). However, given the lack of professional

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<sup>32</sup> For an excellent resource on development of holistic policy responses to tackle informal employment, see ILO, 2013b. For discussion on recent developments towards an international instrument on transitioning to formality, see ILO, 2014c.

<sup>33</sup> For the full text of the Declaration, see <http://www.ilo.org/global/meetings-and-events/regional-meetings/europe-and-central-asia>.

jobs in most countries in the region, it might be worthwhile to encourage even greater participation in vocational study rather than the academic educational route.

There are two main ways to improve the reputation of **technical vocational education and training (TVET)** that can be employed by governments together with the social partners. A first means is to ensure that the existing vocational system is well-developed across skills and occupations, that it caters specifically for the needs of youth and prepares them for good jobs. It is not uncommon to see that TVET focuses on typically “male” occupations (ILO, 2012b). A system that displays such characteristics will end up losing potential female students, since it does not cater for their needs. A second important way to show young people the potential of vocational studies is through career guidance. Given that such guidance takes place in schools, it can also reach out to students’ parents, who are often the real decision-makers regarding children’s educational paths.

Even advanced educational systems, like those available in most of the six surveyed countries, require the attention of their respective governments on several aspects. One of them is homogeneity of quality across regions. Teaching standards tend to be higher, and teacher–student ratios lower, in urban areas and wealthier regions than in remote and rural ones. To monitor for potential quality gaps, countries can undertake specific assessments and use the results to inform national policy. Armenia, for instance, has been flagged by UNESCO for participating in quality assessments and using the results to track the impact of reforms on student performance and teacher training, as well as to design classroom tests (UNESCO, 2014). Maintaining **high quality standards** also requires continuous teacher assessment and training. The World Bank has piloted teacher assessment and reward options in Kyrgyzstan (Lockheed, 2014), and found positive impacts on teacher motivation and willingness to improve their performance. However, once again, reliable funding is critical.

In all six surveyed countries there is a compelling need to make education systems more **demand-driven**. The SWTSs have found well-educated youth populations. However, these youth face high levels of unemployment; frequently of long duration. The missing link between education and labour markets is apparent in the numbers of overeducated and undereducated youth. An average of two in ten young workers in the six countries is overeducated for the job that they do. Such mismatch between supply and demand of skills both arises from and contributes to a lack of trust between employers, TVET providers and trade unions.

This situation represents a great challenge to the countries affected, but it also offers an important opportunity. The six surveyed countries have in common a need to increase substantially their levels of productivity and competitiveness. There should therefore be strong incentives to institutionalize regular communications among employers, workers and the education institutions to make education relevant and, crucially, flexible. The relevance of education cannot be the responsibility of governments alone (Mourshed et al., 2013). Employers should be eager to have their say on curricula and occupational standards and should push for the institutionalization of apprenticeship programmes. Inclusive systems based on tripartite cooperation need to replace those currently in existence. The potential outcomes of inclusive tripartite cooperation in education and training are visible in Central Europe, where an inclusive governance of TVET has created the right incentives for all parties to get closely involved in the detail, from the design of occupational training schemes and curricula to the assessment of apprentices and awarding of other certifications. Lessons can be learned from the region.



## 8.4 Labour market policies

The youth employment challenges in the six survey countries call for a stronger use of well-targeted and financially realistic labour market policies. Labour market policies (LMPs) facilitate young people's entry into the labour market and increase their chances of finding a job that matches their qualifications. A mix of passive (such as unemployment insurance) and active (such as career counselling, labour market training or public works programmes) LMPs provide young jobseekers with income support while supporting their transition to employment. Active labour market policies can be particularly beneficial in countries with high rates of unemployment (especially Armenia, FYR Macedonia and Ukraine), as they are designed to support jobseekers with a range of services that vary depending on the duration of the unemployment spell, the level of educational attainment or other elements. The introduction of these policies in EECA is relatively recent, and currently they still reach only a limited number of young jobseekers (Kluve, 2014).

**Public employment services** are often considered an effective channel for the delivery of some labour market policies. The core functions of employment services to youth can range from career and vocational counselling, job search assistance, provision of labour market information, administration of unemployment benefits, training and public works programmes. To provide such comprehensive assistance, employment services require a large amount of information to be readily available. Basic matchmaking support needs to draw from a network of employers who regularly share their vacancy and hiring notices, possibly including a variety of jobs, some of which may be high-skilled positions. Advanced employment services need more sophisticated data on skill requirements and skills forecasting, which can be supplied by a system of labour demand surveys. Most of the countries surveyed do not have public employment services with sufficient capacity to offer relevant assistance. Hence, this remains an area for further attention and investment.

The concept of **youth guarantees** has become increasingly popular in recent years. It consists of an entitlement to a comprehensive package of labour market measures for all young people who fulfill pre-established criteria. Youth guarantees are not, per se, a new idea. In the European context, the first schemes appeared in Scandinavian countries and in Finland in the 1980s and 1990s (ILO, 2013c). In April 2013, the EU recommended that Member States offer guarantee programmes to their youth within four months of leaving school or becoming unemployed. This recommendation was supported by access to the European Social Fund and other sources of funding.<sup>34</sup>

Several countries seem to have had positive experiences with youth guarantees. The ILO has found that they can help to address long-term unemployment. The effective implementation of such programmes requires a high degree of administrative capacity, a flexible system of budget allocation and a strong education system. Countries that have relatively limited experience with the delivery of labour market programmes, and therefore only partially developed infrastructure for their administration, should carefully consider their options before embarking on providing fully fledged guarantee schemes. In the meantime, lessons can be learned from emerging youth guarantee programmes supported by the EU.

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<sup>34</sup> For more details see [www.ec.europa.eu/social/youthguarantee](http://www.ec.europa.eu/social/youthguarantee).

#### **Box 4. New ILO projects on crisis response, social dialogue, youth employment and informal economy in Central and Eastern Europe**

The ILO has launched a number of new projects recently in Central and Eastern Europe, mainly focusing on youth employment, informal economy and inclusive social dialogue.

In **Ukraine**, ILO constituents asked the Organization to assist them as they design strategies to stimulate a sustainable economic and social recovery from the political and military crisis that unfolded in late 2013. The ILO will assist constituents to promote employment and strengthen social protection, prepare emergency job placement policies and modernize the Public Employment Services.

Several projects address the issue of informal employment. For example, a project aims to reduce the size of the informal sector in **Albania, Bosnia and Herzegovina, FYR Macedonia, Montenegro, the Republic of Moldova, Serbia and Ukraine**. The project brings government and social security institutions together to improve the quality, decency and productivity of jobs and provide an enabling environment for small businesses. Another new project in **Serbia** is focusing on the issue of informal jobs by piloting an innovative solution to provide formal employment to disadvantaged and vulnerable groups in Belgrade.

The ILO is also working with constituents in **Western Balkan countries, the Republic of Moldova and Ukraine** to increase their knowledge of European comparative labour and collective bargaining law and practice. The objective of the initiative is to analyse the mix of legislative reforms and active labour market and social security measures in these countries.

In **Bosnia and Herzegovina** and **FYR Macedonia**, an ILO youth employment project aims to help constituents improve their youth employment services and programmes. The project will strengthen the capacity of policy-makers, labour market institutions and social partners to implement youth employment services and programmes, and quantify progress and results.

In 2013, a partnership between the ILO and OAO Lukoil was forged with the aim of “improving opportunities for decent work for young people living in countries of the CIS”. The targeted countries are **Azerbaijan, Kazakhstan** and the **Russian Federation**. In addition, six more countries are part of a regional cooperation component: **Armenia, Georgia, Kyrgyzstan, Tajikistan, Turkmenistan** and **Uzbekistan**. The project supports the formulation and implementation of time-bound national action plans and programmes for youth employment in the three countries targeted. In addition, at the regional level the project sets up a network of experts and practitioners and facilitates peer-to-peer reviews.

Source: ILO press release, 10 October 2014.

## **8.5 Rights for young people**

The SWTS findings show that, in the six targeted countries, many young people still suffer from significant **decent work deficits**. For instance, two in ten young paid workers were working without a written contract and the same proportion were engaged on limited duration contracts, mainly of less than one year in duration. While the region does better than others in terms of provision of entitlements for employees (paid annual and sick leave, for example), coverage remains far from universal. Long hours are also a cause for concern, with one-third of young workers in Armenia and Ukraine working more than 50 hours per week. Less than ideal working conditions impact on the well-being and productivity of young workers. On average in the six countries, as many as one in three young workers expressed a desire to leave their current job. These issues are, in part, a by-product of the transformational process undergone by transition economies. As they pursue higher national competitiveness, countries tend to slacken controls in areas of labour protection. Unfortunately, the liberalization of employment protection legislation in the region brought little in terms of gains in job creation (ILO, 2008). Rather, youth unemployment continues to grow in most countries.

Effective enforcement mechanisms become essential in such situations to ensure the commitment to national labour standards. **Labour inspection systems** are the chief organs of enforcement, but they are a relatively recent innovation and weak in terms of their effectiveness as tools of governments in EECA (Husberg, 2005). Governments can improve the performance of labour inspections by providing better management to the dedicated bodies, staffing them with qualified inspectors and equipping them with tools and sanctions to promote compliance with labour laws.

**Gender-based discrimination** and inequality in the world of work continue to exist in the countries reviewed. Results from the SWTSSs in the six countries showed significant wage gaps among young workers. In Armenia, the Russian Federation and Ukraine, young men could earn at least one-third more than young women. At the same time, the results showed that young men had the clear advantage in completing their labour market transition to stable employment. Young women, in contrast, still show a strong tendency to withdraw from the labour market to raise children and tend the household.

Gender policies and action plans exist in the region, but implementation tends to be patchy, especially regarding the labour-related components. And as long as legislation supports inequalities, gender gaps will persist. The World Bank (2013b) has shown that in some countries women are legally disadvantaged. Their participation in certain jobs, for example, is prohibited. Lack of female empowerment prevents women from improving their own well-being and that of their households, limits the amount of skills and talent available to an economy and weakens the enabling environment for enterprise development. Any other effort towards economic development and decent work creation will only succeed in a context where women are free to choose independently how to best use their economic potential.

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## Annex I. Definitions of labour market statistics

1. The following units are defined according to the standards of the International Conference of Labour Statisticians:
  - a. The **employed** include all persons of 15 years of age or more who, during a week of reference:
    - worked for wage or profit (in cash or in kind) for at least one hour;
    - were temporarily absent from work (because of illness, leave, studies, a break in the activity of the firm, for example), but had a formal attachment to their job;
    - performed some work without pay for family gain.
  - b. The **unemployed** (strictly defined) include all persons of 15 years of age or more who met the following three conditions during the week of reference:
    - they did not work (according to the abovementioned definition);
    - they were actively searching for a job or took concrete action to start their own business;
    - they were available to start work within the two weeks following the reference week.
  - c. Persons neither included in the employed nor in the unemployed category are classified as **not in the labour force (also known as inactive)**.
2. The International Classification of Status in Employment (ICSE) categorizes the employed population on the basis of their explicit or implicit contract of employment, as follows:
  - a. **Employees** (also wage and salaried workers) are all those workers who hold the type of jobs defined as “paid employment jobs”, where the incumbents hold explicit (written or oral) or implicit employment contracts that give them a basic remuneration that is not directly dependent upon the revenue of the unit for which they work.
  - b. **Employers** are those workers who, working on their own account or with one or a few partners, hold the type of jobs defined as “self-employment jobs” (i.e. jobs where the remuneration is directly dependent upon the profits derived from the goods and services produced) and, in this capacity, have engaged, on a continuous basis, one or more persons to work for them as employee(s).
  - c. **Own-account workers** are those who, working on their own account or with one or more partners, hold the type of jobs defined as “self-employment jobs” and have not engaged, on a continuous basis, any employees to work for them.
  - d. **Contributing (unpaid) family workers** are those who hold “self-employment jobs” as own-account workers in a market-oriented establishment operated by a related person living in the same household.
3. The employed are also classified by their main **occupation**, in accordance with the International Standard Classification of Occupations (ISCO-08).
4. A **household** is a family or other community of persons living together and jointly spending their income to satisfy the basic necessities of life. The concept of household includes members present in the place where the household resides, as well as individuals who are temporarily absent and living elsewhere, including abroad, for business, education or other purposes, as long as their residence in the foreign country does not exceed one year. A person living alone can also qualify as a household (“single household”) if she or

he does not already belong to another unit. The single household can reside in a separate or shared dwelling, and will be considered as an independent unit as long as the household's income is not shared with other residents. Collective households, such as prisons and institutions, and their members are not observed in the Labour Force Survey.

5. **The reporting period**, to which the questions for the economic activity are related, is the week before the week of interview (52 reporting weeks throughout the year).
6. The following units are also defined within the SWTS analysis but are outside the scope of those defined within the international framework of labour market statistics mentioned in item 1 above:
  - a. **Relaxed unemployment** – a person without work and available to work (relaxing the jobseeking criterion of item 1b above).
  - b. **Labour underutilization rate** – the sum of shares of youth in irregular employment, unemployed (relaxed definition) and youth neither in the labour force nor in education/training (inactive non-students) as a percentage of the youth population.
  - c. **Regular employment** – the sum of employees with a contract (oral or written) of 12 months or more in duration and employers; the indicators are therefore a mix of information on status in employment and contract situations.
  - d. **Satisfactory employment** – based on self-assessment of the jobholder; implies a job that respondents consider to “fit” their desired employment path at that moment in time.
  - e. **Stable employment** – employees with a contract (oral or written) of 12 months or more in duration.
  - f. **Temporary employment** – employees with a contract (oral or written) of less than 12 months in duration.

## Annex II. Additional statistical tables

The sources for all the tables are the SWTSs implemented in 2012–13, unless otherwise stated. See table 2.1 for more information.

**Table A.1 Youth population by selected characteristics (%)**

Country	Sex	Age group			Area of residence		Marital status				
		15–19	20–24	25–29	Rural	Urban	Single	Engaged	Married	Divorced	Widowed
Armenia	Male	35.9	34.9	29.3	77.4	22.6	83.4	0.7	15.1	0.9	0
	Female	33.7	36.6	29.7	82.0	18.0	65.4	1.8	30.5	2.2	0.1
Kyrgyzstan	Male	39.8	32.5	27.7	33.7	66.4	71.7	1.5	25.3	1.6	0
	Female	39.6	31.0	29.4	35.3	64.7	52.9	2.3	39.9	4.6	0.3
Macedonia, FYR	Male	31.8	35.0	33.2	54.1	45.9	86.1	1.6	12.2	0.1	–
	Female	32.2	35.1	32.8	54.7	45.3	72.2	2.5	24.1	1.2	–
Moldova, Rep. of	Male	36.5	32.8	30.7	42.3	57.7	79.3	–	19.4	1.3	0
	Female	25.8	32.7	41.5	47.3	52.7	55.6	–	42.1	2.3	0
Russian Fed.	Male	26.2	36.9	36.9	69.8	30.2	74.3	3.5	19.7	2.4	0
	Female	26.2	37.4	36.5	71.3	28.7	61.5	4.8	27.9	5.5	0.4
Ukraine	Male	27.0	35.6	37.4	69.2	30.8	71.0	1.9	24.9	2.3	0
	Female	26.8	35.5	37.7	70.4	29.7	55.0	3.3	36.1	5.3	0.3
Average	Male	32.9	34.6	32.5	57.8	42.3	77.6	1.8	19.4	1.4	0
	Female	30.7	34.7	34.6	60.2	39.8	60.4	2.9	33.4	3.5	0.2

Note: – = Not available (response not included in questionnaire).

**Table A.2 Married youth by age at marriage**

Country	Sex	Age at marriage (% by age band)			
		Between 10 and 14	Between 15 and 19	Between 20 and 24	Between 25 and 29
Armenia	Male	0	2.9	57.9	39.3
	Female	0	28.4	61.2	10.4
Kyrgyzstan	Male	0.4	9.5	73.4	16.8
	Female	0	47.5	49.4	3.1
Macedonia, FYR	Male	0.2	13.7	46.2	39.9
	Female	0.3	34.6	47.3	17.8
Moldova, Rep. of	Male	0	2.5	60.7	36.8
	Female	0	33.0	52.2	14.9
Ukraine	Male	0	5.6	68.9	25.5
	Female	0	28.5	63.2	8.3

Note: Data is not available for the Russian Federation.



**Table A.3 Youth by household financial status and area of residence (%)**

Country	Area of residence	Poor	Fairly poor	Average	Fairly well off	Well off
Armenia	Urban	5.0	18.8	51.0	15.6	9.5
	Rural	6.5	25.6	55.1	10.9	1.8
Kyrgyzstan	Urban	0.2	7.0	58.2	24.5	10.2
	Rural	0.6	5.2	49.1	21.5	23.6
Macedonia, FYR	Urban	19.4	22.3	23.0	22.8	12.5
	Rural	24.8	29.8	15.3	18.0	12.1
Moldova, Rep. of	Urban	1.1	11.1	73.4	7.1	7.3
	Rural	4.6	13.7	64.3	4.6	12.7
Russian Fed.	Urban	2.5	15.6	51.0	22.4	8.6
	Rural	5.2	27.3	46.2	11.0	10.3
Ukraine	Urban	6.9	39.0	47.9	4.9	0.6
	Rural	10.1	44.3	40.0	3.5	1.4
Average	Urban	5.8	19.0	50.8	16.2	8.1
	Rural	8.6	24.3	45.0	11.6	10.3

**Table A.4 Youth by educational attainment and level of completed education by sex (%)**

Country	Sex	Less than primary (including no schooling)	Primary	Secondary general	Secondary vocational	Post-secondary vocational	University or postgraduate studies
Armenia	Male	0.9	0.2	56.4	10.5	3.7	28.3
	Female	0.5	0.2	55.0	3.3	3.5	37.7
Kyrgyzstan	Male	1.5	14.0	51.6	7.8	6.1	19.1
	Female	1.2	15.8	50.7	4.4	8.3	19.6
Macedonia, FYR	Male	3.5	19.1	10.3	51.5	–	15.6
	Female	3.6	25.7	10.1	33.2	–	27.5
Moldova, Rep. of	Male	1.7	3.1	49.7	17.8	5.3	22.4
	Female	0.2	0.6	43.8	13.9	8.4	33.1
Russian Fed.	Male	0.6	8.5	21.2	21.4	23.3	25.0
	Female	1.1	6.1	19.1	13.2	22.4	38.2
Ukraine	Male	0	1.6	26.0	9.6	24.2	38.7
	Female	0	1.7	26.8	4.0	18.2	49.3

Note: The post-secondary vocational category is not available for FYR Macedonia.

**Table A.5 Youth employment by detailed 1-digit sector and sex (%)**

Sector	Armenia		Kyrgyzstan		Macedonia, FYR	
	Male	Female	Male	Female	Male	Female
Agriculture, forestry and fishing	18.7	15.8	39.4	55.1	22.3	19.6
Mining	1.4	0.3	0.7	0.3	0.7	0.0
Manufacturing	12.5	3.9	7.8	8.5	16.5	11.9
Electricity, gas, steam	1.9	0.5	0.4	0.2	0.0	0.0
Construction	10.0	0.9	18.2	0.8	8.8	1.1
Wholesale and retail trade	19.9	18.1	15.0	11.8	15.6	19.4
Transport	4.7	2.4	4.0	1.1	4.2	2.1
Accommodation	2.1	1.2	2.1	4.9	9.6	4.8
Information and communications	4.7	6.5	2.2	2.1	2.6	2.8
Financial activities	2.1	4.8	1.1	1.5	1.9	2.8
Real estate	0.0	0.3	0.0	0.0	0.0	0.0
Professional scientific activities	0.5	1.8	0.6	0.1	1.9	3.8
Administrative and support activities	0.4	1.0	1.0	0.3	3.3	0.0
Public administration	12.7	8.2	3.6	1.6	0.0	0.0
Education	2.1	18.8	1.4	5.7	3.2	9.6
Health and social work	1.1	4.4	0.7	3.5	4.3	15.1
Arts and entertainment	0.8	2.7	0.3	0.2	1.4	2.6
Other services	2.4	8.0	0.6	1.3	1.5	1.1
Private households	0.8	0.0	0.7	0.7	1.3	3.3
Sector	Moldova, Rep. of		Russian Fed.		Ukraine	
	Male	Female	Male	Female	Male	Female
Agriculture, forestry and fishing	15.8	11.7	10.2	8.4	6.9	4.4
Mining	0.0	0.0	2.6	0.4	3.3	0.9
Manufacturing	8.0	11.3	20.7	10.3	14.3	8.3
Electricity, gas, steam	1.5	0.0	4.2	0.6	2.6	0.8
Construction	12.5	1.2	13.5	2.5	14.0	1.0
Wholesale and retail trade	23.8	26.8	16.0	29.8	18.3	22.6
Transport	8.1	4.2	10.7	3.8	10.2	3.2
Accommodation	4.1	6.7	1.9	4.2	1.6	3.8
Information and communications	1.6	0.0	0.0	0.0	4.8	3.3
Financial activities	2.0	1.0	1.0	3.7	2.7	3.6
Real estate	0.0	0.7	7.5	5.6	0.1	0.6
Professional scientific activities	4.0	0.0	0.0	0.0	4.4	4.7
Administrative and support activities	0.0	2.1	0.0	0.0	3.3	3.3
Public administration	11.4	6.9	7.6	6.5	5.6	4.4
Education	1.9	14.2	2.1	11.8	3.3	16.4
Health and social work	0.6	4.0	1.3	8.6	1.8	10.8
Arts and entertainment	0.0	0.0	0.0	0.0	0.4	2.3
Other services	4.0	8.0	0.8	3.6	2.0	4.9
Private households	0.0	0.4	0.0	0.0	0.1	0.4

Note: Sectors with less than 2 per cent of the total in all countries are not shown. These include water supply and extra-territorial activities.

**Table A.6 Young workers by occupation and sex (ISCO-08, %)**

Occupation	Armenia		Kyrgyzstan		Macedonia, FYR	
	Male	Female	Male	Female	Male	Female
Legislators, senior officials and managers	11.4	4.7	0.7	1.4	0.4	0.9
Professionals	11.2	33.1	6.3	9.5	10.0	23.8
Technicians and associate professionals	7.6	12.6	3.0	5.1	7.4	12.7
Clerks	3.2	8.2	1.5	1.5	3.4	8.2
Service workers, shop and market sales workers	11.9	21.8	15.0	17.7	23.7	22.7
Skilled agricultural and fishery workers	11.6	8.7	39.0	55.1	5.4	3.3
Craft and related trades workers	19.6	1.9	23.1	5.6	17.0	3.2
Plant and machine operators and assemblers	5.0	0.8	7.0	0.3	9.1	4.8
Elementary occupations	14.5	8.1	4.1	3.1	23.4	20.3
Armed forces	4.0	0.0	0.4	0.6	0.2	0.2

Occupation	Moldova, Rep. of		Russian Federation		Ukraine	
	Male	Female	Male	Female	Male	Female
Legislators, senior officials and managers	6.2	4.4	5.6	3.5	8.2	8.4
Professionals	15.5	27.9	11.0	24.8	14.7	35.9
Technicians and associate professionals	13.2	9.9	9.9	17.0	8.3	8.6
Clerks	0.5	3.0	0.7	6.6	2.7	7.4
Service workers, shop and market sales workers	15.0	32.3	11.2	30.1	14.3	26.5
Skilled agricultural and fishery workers	1.1	0.0	6.4	6.9	2.4	1.6
Craft and related trades workers	14.3	6.6	25.9	4.6	26.1	4.9
Plant and machine operators and assemblers	7.4	1.0	15.4	1.3	14.1	2.0
Elementary occupations	24.4	14.9	13.9	5.3	9.4	4.7
Armed forces	2.4	0.0	0.0	0.0	0.0	0.0

**Table A.7 Young wage and salaried workers on a limited-duration contract by reason for the time limit (%)**

Reason	Armenia	Kyrgyzstan	Macedonia, FYR	Moldova, Rep. of	Russian Fed.	Ukraine	Average
On the job training, internship	0.7	0.6	3.8	4.6	1.6	5.6	2.8
Probation period	5.5	1.6	9.1	17.6	9.3	4.7	8.0
Seasonal work	9.8	60.0	15.6	5.5	23.8	9.5	20.7
Occasional/daily work	5.2	5.1	2.5	8.1	1.9	6.1	4.8
Public employment programme or work as replacement/substitute	8.7	0.1	5.7	26.7	6.4	14.4	10.3
Specific service or task	8.9	0.2	0.4	3.6	16.5	9.8	6.6
Required by the employer	60.5	–	–	–	–	–	10.1
Other	0.8	32.4	62.9	34.0	40.4	48.7	36.5

Note: -- = Not applicable (response not included in questionnaire).

Source: SWTSs, 2012–13 (see table 2.1 for reference period by country).

**Table A.8 Self-employed youth by source of funding (%)**

Source of funding	Armenia	Kyrgyzstan	Macedonia, FYR	Moldova, Rep. of	Russian Fed.	Ukraine
<b>To start own business</b>						
No money needed	18.5	25.1	20.4	47.2	32.9	25.8
Own savings	23.6	21.1	23.6	29.5	18.4	30.5
Money from family or friends	51.6	45.1	48.2	19.9	40.9	42.3
Loan from microfinance institution (including cooperative)	2.4	1.7	–	0	0	0
Loan from bank	3.0	5.4	7.8	0	4.6	7.2
Loan from an informal financial operator (moneylender, pawn shop, savings collector)	0	0	0	0	0	0.6
Loan/assistance from government institution	0.3	0	0	0	3.2	0
Loan/assistance from NGO, donor project	0	0.0	0	0	0	0
Remittances from abroad	0.6	1.1	0	3.4	0	0
Other	0	0.6	0	0	0	0
<b>For working capital</b>						
No money needed	5.8	36.6	27.8	37.4	14.4	27.2
Own savings	62.0	0	60.9	0	0	42.1
Money from family or friends	23.4	64.9	11.3	58.0	15.9	22.7
Loan from microfinance institution (including cooperative)	2.5	15.1	0	0	0	10.7
Loan from bank	4.0	22.7	0	0	4.1	0
Loan from an informal financial operator (money lender, pawn shop, savings collector)	0	13.4	0	1.2	0	0
Loan/assistance from government institution	1.5	14.0	0	0	1.2	0.6
Loan/assistance from NGO, donor project	0	13.4	0	0	0	0
Remittances from abroad	0.8	0	0	0	0	0
Credit from customers, resellers, agents/suppliers	0	14.6	0	3.4	0.7	0
Other	0	0	0	0	1.4	3.4

Note: In Ukraine, multiple responses were allowed so that total exceeds 100 per cent.

**Table A.9 Employed non-student youth by category of weekly working hours and sex (%)**

Sex and country	Short hours (<10)	Part-time (<30)	Full-time (>30)	Long hours (>50)
<b>Male</b>				
Armenia	12.6	26.9	73.1	17.4
Kyrgyzstan	6.2	19.2	80.8	24.1
Macedonia, FYR	2.2	9.5	90.5	19.2
Moldova, Rep. of	0.7	14.2	85.8	11.6
Russian Fed.	0.7	5.3	94.8	7.7
Ukraine	4.2	10.1	89.9	31.9
Average	4.4	14.2	85.8	18.7
<b>Female</b>				
Armenia	5.9	14.7	85.3	32.8
Kyrgyzstan	5.4	44.0	56.0	10.8
Macedonia, FYR	1.1	5.8	94.2	16.0
Moldova, Rep. of	5.6	31.1	68.9	8.0

Russian Fed.	0.3	6.5	93.5	2.9
Ukraine	9.3	17.5	82.5	18.5
Average	4.6	19.9	80.1	14.8

**Table A.10 ISCO major groups and education levels**

ISCO major group	Broad occupation group	Education level
Legislators, senior officials and managers		
Professionals	High-skilled non-manual	Tertiary (ISCED 5–6)
Technicians and associate professionals		
Clerical support workers	Low-skilled non-manual	
Service and sales workers		
Skilled agricultural and fishery workers		Secondary (ISCED 3–4)
Craft and related trades workers	Skilled manual	
Plant and machine operators and assemblers		
Elementary occupations	Unskilled	Primary (ISCED 1–2)

Source: ILO, 2013a, table 3.

**Table A.11 Unemployed youth by perception of usefulness of their education in obtaining work (%)**

Perception	Armenia	Kyrgyzstan	Macedonia, FYR	Moldova, Rep. of	Russian Fed.	Ukraine
Very useful	32.2	42.3	46.9	8.9	24.7	39.8
Somewhat useful	32.2	32.8	33.1	33.0	42.0	34.5
Not useful	22.7	12.6	12.3	39.1	9.9	11.5
Do not know	12.9	12.3	7.7	19.0	23.4	14.2

**Table A.12 Youth by stages of transition and age group (%)**

Country	Age group	Transited to stable employment	Transited to satisfactory self- or temporary employment	In transition	Transition not yet started
Armenia	15–19	1.4	1.6	17.6	79.4
	20–24	23.2	6.4	43.4	27.0
	25–29	38.7	12.5	42.1	6.7
Kyrgyzstan	15–19	4.5	31.2	14.9	49.4
	20–24	23.8	32.1	23.2	20.9
	25–29	34.9	38.8	22.8	3.5
Macedonia, FYR	15–19	0.1	2.1	17.4	80.5
	20–24	11.9	9.3	40.1	38.7
	25–29	30.4	10.2	47.4	12.1
Moldova, Rep. of	15–19	2.1	0.9	10.6	86.4
	20–24	24.5	6.8	27.4	41.3
	25–29	38.8	12.3	39.3	9.6
Russian Fed.	15–19	5.8	2.1	13.0	79.1
	20–24	51.9	2.9	19.8	25.5
	25–29	80.7	4.0	11.8	3.5

Ukraine	15–19	4.9	2.2	15.0	77.7
	20–24	37.5	4.8	26.5	30.7
	25–29	58.2	10.2	24.8	6.6
Average	15–19	3.1	6.7	14.7	75.4
	20–24	28.8	10.4	30.1	30.7
	25–29	47.0	14.7	31.3	7.0

**Table A.13 Youth in transition by sub-category and level of completed educational attainment (%)**

Country	Completed education level	Unemployed (relaxed definition)	In non-satisfactory temporary employment	In non-satisfactory self-employment	Inactive non-student with plans for future work
Armenia	Primary	45.0	37.6	0.0	17.5
	Secondary vocational	58.4	1.4	7.1	33.1
	Secondary general	30.6	2.0	15.4	52.0
	Post-secondary vocational	57.7	3.2	3.2	35.9
	University or postgraduate studies	62.4	2.6	2.4	32.6
Kyrgyzstan	Primary	10.1	4.0	17.7	68.3
	Secondary vocational	21.8	0.0	16.4	61.8
	Secondary general	14.9	1.2	18.9	65.0
	Post-secondary vocational	37.8	3.7	7.5	51.1
	University or postgraduate studies	32.4	2.2	3.9	61.6
Macedonia, FYR	Primary	57.7	0.3	18.2	23.8
	Secondary vocational	70.7	5.4	14.7	9.2
	Secondary general	73.0	2.1	6.0	18.9
	Post-secondary vocational	–	–	–	–
	University or postgraduate studies	83.9	2.3	9.2	4.7
Moldova, Rep. of	Primary	34.2	13.7	13.9	38.2
	Secondary vocational	15.6	2.3	5.2	76.9
	Secondary general	24.0	3.9	3.8	68.3
	Post-secondary vocational	21.8	9.0	0.0	69.2
	University or postgraduate studies	19.2	0.0	0.0	80.8
Russian Fed.	Primary	65.7	0.9	0.0	33.5
	Secondary vocational	64.5	3.3	0.0	32.2
	Secondary general	56.3	1.2	6.5	35.9
	Post-secondary vocational	72.4	0.7	0.0	26.9
	University or postgraduate studies	71.4	1.3	2.7	24.6
Ukraine	Primary	57.5	0.0	0.0	42.5
	Secondary vocational	56.2	1.6	11.6	30.6
	Secondary general	45.3	2.6	3.8	48.3
	Post-secondary vocational	44.5	2.6	5.8	47.1
	University or postgraduate studies	39.6	1.8	8.0	50.7

Note: The post-secondary vocational category is not available for FYR Macedonia.

## Annex III. Mapping of education levels

Country	Primary or less		Vocational secondary	Secondary	Post-secondary vocational	Tertiary
<b>Armenia</b>	Never attended and incomplete primary	Basic education	Vocational	General secondary	Secondary specialized, incomplete tertiary	Tertiary, postgraduate
<b>Kyrgyzstan</b>	Never attended and highest level = none	Primary school + general basic education	Initial vocational school, professional college, vocational or technical school)	Secondary (11 classes)	Secondary vocational	University + post-graduate, postdoctoral level
<b>Macedonia, FYR</b>	Never attended and highest level = none	Primary	Vocational secondary	Gymnasium, secondary level	–	Higher education, university and postdoctorate studies
<b>Moldova, Rep. of</b>	Never attended and highest level = none	Primary	Vocational secondary	Gymnasium and lyceum	Para-professional	Graduate, masters, doctoral
<b>Russian Federation</b>	Never attended and less than basic	Basic general (lower secondary)	Primary professional (vocational)	Secondary (full) general	Secondary vocational (specialized secondary)	Higher education and postgraduate
<b>Ukraine</b>	Never attended and highest level = none	Elementary and basic secondary	Vocational secondary	Secondary and incomplete higher education	Secondary vocational	Basic higher education, complete higher education and postgraduate education

Note: The post-secondary vocational category is not available for FYR Macedonia.



This report presents the results of the School-to-work transition surveys (SWTS) implemented in six countries in the Eastern Europe and Central Asia region – Armenia, Kyrgyzstan, Republic of Moldova, Russian Federation, the former Yugoslav Republic of Macedonia and Ukraine – in 2012 or 2013. The indicators resulting from the surveys and analysed in this report provide a much more detailed picture of the youth in the labour market in a part of the world where unemployment rates are among the highest in the world. Obviously, high unemployment of young people remains a matter of concern, but it is equally important to consider the quality of work that is offered to them. Do jobs in the region guarantee the necessary income and security that would enable young people to progress towards independence, particularly in material and financial terms, in their adult lives? The strength of outward migration in the region would suggest that national economies are not able to provide the types of jobs that many young people expect. The report focuses heavily on issues of quality of employment and also draws attention to the path and duration of the labour market transitions of young people, while drawing some conclusions about the characteristics or experiences that can help to achieve a smoother transition.

The SWTSs are made available through the ILO “Work4Youth” (W4Y) Project. This Project is a five-year partnership between the ILO and The MasterCard Foundation that aims to promote decent work opportunities for young men and women through knowledge and action. The W4Y Publications Series covers national reports, with main survey findings and details on current national policy interventions in the area of youth employment, regional synthesis reports and thematic explorations of the 28 datasets from the target W4Y countries.

# Work4Youth



For more information, visit our website: [www.ilo.org/w4y](http://www.ilo.org/w4y)  
Youth Employment Programme  
4 route des Morillons  
CH-1211 Genève 22  
Switzerland  
[youth@ilo.org](mailto:youth@ilo.org)

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