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Analysis of Youth Labor Market Trends in Kyrgyzstan

Kanat Tilekeyev
Bakytbek Tokubek uulu
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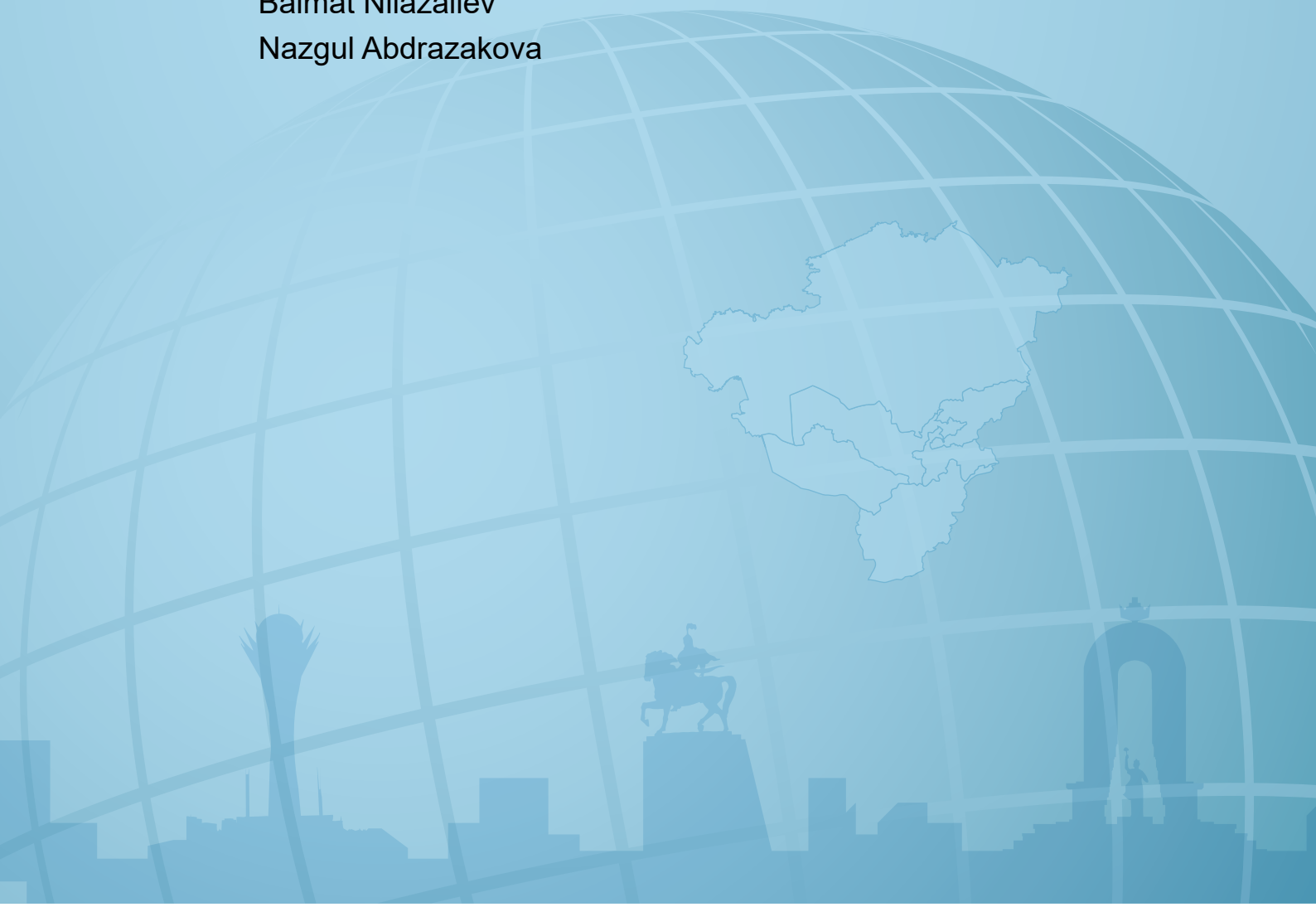

WORKING PAPER #52, 2019

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Abstract:

Youth employability is one of the most important areas of the socio-economic development of Kyrgyzstan. The study provides an overview of the labor market in Kyrgyzstan, analyzes important aspects of the small or medium-sized enterprise sector, and provides an assessment of youth employment opportunities. Besides a general overview, the study analyzes the situation of the youth labor market in seven different project locations. A qualitative study collects evidence of the modern realities of the youth labor market in four from the aforementioned seven locations. Interviewed experts, owners, and business managers describe the gaps in the skills of youth employed in different locations.

The report provides analysis of similarities and differences in the northern and southern parts of the country, as well as differences between urban, rural and gender contexts. The findings and insights help to define the main gaps in the employment of youth, avenues for employability (products and services) and existing trends in youth employment. For the selected project areas, key products and services deemed important for the youth labor market in the coming years were identified. A map of the gaps and interlinkages of the youth labor market, as well as a set of recommendations, were developed which help to identify potential areas of public policy intervention and advice for youth and their parents.

Keywords: youth, labor market, small and medium sized enterprise, employment.

JEL classification: J21, J24

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The findings, interpretations and conclusions expressed in this paper are entirely those of the authors and do not necessary represent the views of the University of Central Asia,the USAID, the United States Government or the Public Foundation Kyrgyzstan Mountain Societies Development Support Programme

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List of Acronyms

AKF	Aga Khan Foundation
ASE	Association for Social Entrepreneurs
EEU	Eurasian Economic Union
EU	European Union
ETF	European Training Foundation
GDP	Gross Domestic Product
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (German Corporation for International Cooperation)
IDEA CA	International Debate Education Association in Central Asia
IPPA UCA	Institute of Public Policy and Administration of the University of Central Asia
IT	Information Technology
LIK	Life in Kyrgyzstan
MSDSP	Mountain Societies Development Support Programme
NSC KR	National Statistical Committee of the Kyrgyz Republic
OECD	Organisation for Economic Co-operation and Development
SME	Small and Medium Enterprises
USAID	United States Agency for International Development

Executive Summary

The labor market in Kyrgyzstan consists of 2.35 million jobs (2017). The proportion of those employed within the total population has declined from 41% to 38% over the last decade. There are two distinct groups of people in the labor market: the employed and the self-employed. The share of employed people increased over the last decade from 54% to 61% and this growth can be largely attributed to jobs created by individual entrepreneurs. Employment through enterprise occupies 30% of the labor market. In the labor market, the micro-SME sector plays a key role, as it does in the economy as whole.

The SME sector in Kyrgyzstan has reached the stage where it contributes 40% of the country's GDP during recent years. This particular sector is broken down into small and medium enterprises (firms), individual entrepreneurs, and peasant farmers. The share of peasant farmers declined from 16.9% to 7.3% between 2006 and 2017, while the share of individual entrepreneurs increased (from 17.8% to 21.2%) as did that of small enterprises (from 5.8% to 6.5%). Meanwhile, the share of medium enterprises declined slightly from 4.7% to 4.3% over the same period.

Employment in the SME sector has demonstrated growth in the last decade, with its share of overall employment in the country rising from 12.8% to 21.2%. Total employment in the SME sector, including farmers and their families, amounts to 37.7% of all employment in Kyrgyzstan. Growth in the SME sector has been spurred by the activities of hundreds of thousands of business entities operating at peasant-farm level as well as the emergence of home-based micro-businesses.

Twenty-seven percent of youth work in the agricultural sector, 16% work in construction and a further 16% in trade and retail. These sectors do not require specific technical education or particular skills. However, formal employment sectors (education, health, and social protection, manufacturing, information, and communication) do require special educational credentials.

Most young people in Kyrgyzstan are working as wage workers both in the North and the South. There is a much higher proportion of unemployed or unregistered workers in the South. In addition, more youth are working as self-employed workers in the South while there are more family workers in the North. In southern regions, the average entrepreneurial incomes and salaries for youth are higher than in the North. For both the North and the South, the largest sector for youth employment is agriculture. Most youth who are unable to find appropriate jobs in rural areas move to urban areas and/or migrate to Russia in search of employment.

In terms of rural-urban movement patterns, there is a visible sectoral difference. Agricultural work provides employment for 35% of rural inhabitants. Meanwhile, trade and repair services are more developed in urban areas across the country. Labor opportunities in construction and manufacturing sectors, as well as in the education sector, are mainly found in urban areas. In addition, salaries and entrepreneurial incomes are higher in urban areas compared to rural areas.

Most females, especially young females, are wage employees. Many women continue to carry out unpaid family work while men generally try to attain a paid job after turning 18 years old. In urban areas, jobs available to young males include those in repair shops, IT, and in the trade of cars and automobile spare parts. The types of trade and repair services provided by women are generally categorized within beauty and retail trade services. Construction and transport and communication employ mostly young men, while education, health, and social work employment is more common for young women. The entrepreneurial incomes and wages of women, and particularly young women, are significantly lower than those of men.

The youth labor market study reveals some important insights obtained from the responses of business owners, employees and labor market experts. An educational mismatch exists whereby there is an excessive supply of young graduates from universities with law and/or economics degrees. At the same time, the market requires more people with applied skills from professional technical colleges such as sewing, cooking, and welding. Young employees who have attained a college degree and work in small businesses such as sewing factories, construction companies, and companies operating in the service sector, have similar salaries to uneducated youth. Employment contracts are rarely issued in the SME sector where labor contracts tend to be based on an oral agreement.

SMEs located in urban areas provide job opportunities for migrants from rural areas, the majority of whom are employed informally. In the qualified jobs market there is a high level of competition between urban and rural employees. A knowledge gap exists between urban and rural candidates, which have led to a disparity in their salaries.

Employment in urban areas is more prevalent but can be of a temporary character (particularly in the construction, garment and catering sectors). In rural areas, the temporariness of employment is naturally linked to agricultural seasonality. A growing sector, which is especially important for young women, is beauty salons (hairdressing, makeup, and nail and eyelash design).

In the rural labor market, there are clear differences in the trends between crop production and livestock breeding, as well as between mountain monoethnic and flat multiethnic areas. A high willingness to migrate can be observed in South Kyrgyzstan. In general, rural areas in the South stagnate more than rural areas in the North and provide fewer opportunities for youth employment.

Public service organizations arrange some activities for youth employment and trainings in urban areas only. There are a number of public and private educational institutions operating in the project areas. A map of the educational institutions has been created, and a detailed list of educational institutions with offered courses has also been provided.

There are two main gaps to have emerged in terms of types of skills for young workers: the ability to do intellectual/analytical work; and the ability to do technical/physical work. In urban areas, young employees generally lack both types of skills. For intellectual work, greater competence in languages (Kyrgyz, Russian and English), computer skills, and soft skills (leadership and communication) are required. For professional work, youth are short on practical skills obtained from vocational colleges and lyceums. These gaps lead to a shortage in some particular specialists (e.g. mechanics, technicians, welders, and seamstresses).

A lack of synergy between the curriculum and labor market requirements also exists. Educational institutions often teach according to an approved curriculum, but in reality businesses require different sets of skills and knowledge. Businesses are eager to improve the curriculum together with educational institutions. A lack of experience in real practical work is also evident for business owners. Meanwhile, the absence of internships is a critical shortcoming in the educational system as a whole.

In rural areas, the job market is limited. Youth mainly take on low-paid unqualified seasonal jobs. In addition, there are many school-age children working in the fields on a seasonal basis. Farmers demonstrate how to do the work and control the quality thereof. The motivation of those hired is not high, even if such work represents a rare opportunity for the rural youth

to earn some kind of income. Often, young people do not want to learn about agricultural practices and skills, and instead want to leave rural areas after graduating.

The most important products and markets have been defined for both urban and rural areas. Business and education experts have proposed simple employment strategies for youth in the labor market: to investigate the real employment situation and develop the know-how to find a job.

For each project location, a set of specific products/services/markets potentially viable for future development from the perspective of the youth labor market was defined. Selected products/services/markets were described for each project location with an estimation of the potential of the labor market for each location, based on the data obtained from national statistics and the survey. A database of the colleges, vocational schools and private educational service providers in the project's target locations was also created, along with the types of trainings available. Based on the collected data, a map of the gaps and interlinkages of the training provided and skills required was created for each location, which shows the gaps in the educational services currently being provided.

A set of recommendations was defined for the project partners regarding the gaps identified and a set of real demands from the country's youth was also provided in each location. Further research into the youth labor market should take into account the future growth of the population and the youth proportion therein for the coming decades. Public agencies working in the area of youth employment need to address the problems discussed. The role of the Kyrgyz government needs to be more focused not only on the functional character of the tasks but also on improving the services provided by the State. More attention evidently needs to be paid to the highly populated areas in South Kyrgyzstan. Restructuring the gaps in the training of specialist skills in demand would be a helpful move for young people in remote rural areas. Particular attention needs to be paid to the revision of the structure of training. Closer cooperation with the private sector would help young people and businesses too. Young people, and their parents, need to reconsider their approach to ensure more successful adaptation to market conditions thereby benefitting themselves and society.

1. Introduction

The youth labor market assessment (18–28 years) has been implemented as part of the "Demilgeluu Jashtar" project, realized by the Public Foundation Kyrgyzstan Mountain Societies Development Support Program (MSDSP), in partnership with the Aga Khan Foundation (AKF), the Association for Social Entrepreneurs (ASE), the International Debate Education Association (IDEA CA) and the University of Central Asia (UCA) with the financial support of USAID. The project is designed to support youth to more actively and positively participate in civic, social and economic life and to contribute to the development of their families and communities.

The Institute of Public Policy and Administration (IPPA) of the University of Central Asia (UCA) conducted the current study to assess the labor market for youth in Kyrgyzstan and in the following specific target areas: Sverdlov district, Kochkor district, Naryn city, Aravan district, Osh city, Bazar-Korgon and Suzak districts

Of the population of Kyrgyzstan, 25.7% are youth (14-28 years old)[1]. This figure is 8% higher than the average for OECD countries. The relatively large proportion of youth in the population of Kyrgyzstan has a direct impact on their employability and market readiness due to growing competition for available jobs. This will continue to be an ongoing issue as the population of Kyrgyzstan continues to become younger in the next decade.

There are three main chapters in this report, which are outlined as follows. Chapter 3 provides an overview of the labor market in Kyrgyzstan, as well as important aspects of the SME sector and its impact on the labor market. It also provides an assessment of youth employment opportunities in Kyrgyzstan. For the analysis, available data from the National Statistical Committee of the Kyrgyz Republic (NSC) and data from the national panel survey entitled "Life in Kyrgyzstan" (LiK) were used.

Chapter 4 provides the results taken from the study of the expert interviews covering four project locations: Bishkek (Sverdlov district); Osh city; Aravan district; and Kochkor district. The results help to define the main gaps in the employment of youth, avenues for employability (products and services) and the existing trends in youth employment. The results of the study also help to identify the targeted key products and services deemed important for the youth labor market in all project locations. A map of the gaps and interlinkages of the youth labor market also helps to identify potential areas of intervention within the project range. Finally, Chapter 5 provides conclusions and recommendations based on the results of the analysis.

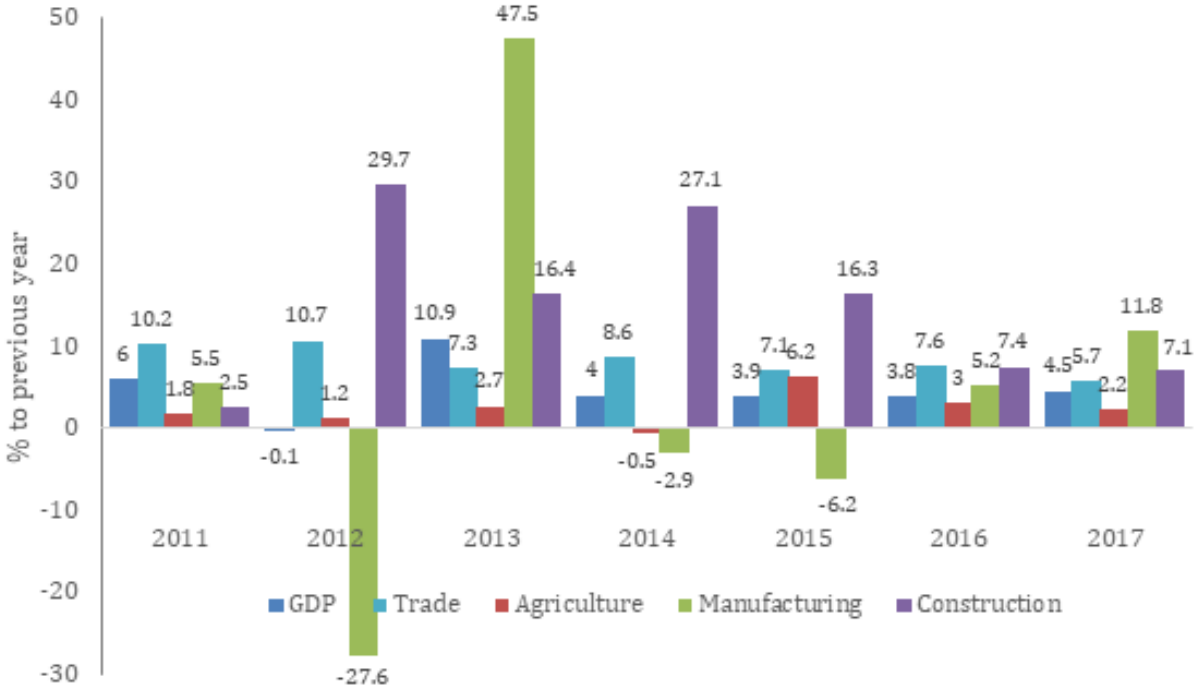
2. The Labor Market in Kyrgyzstan

2.1. Country Background and Profile

The Kyrgyz Republic is located in the heart of Central Asia, and is characterized by a multi-ethnic population of 6.3 million people. The majority of the population is Kyrgyz (70%), while Uzbeks and Russians comprise 15% and 7%, respectively. Uzbeks generally reside in the southern states of Batken, Jalal-Abad, and Osh. Meanwhile, most Russians reside in and around Bishkek city.

[1] National Statistical Committee (2018) Demography Yearbook of the Kyrgyz Republic 2013-2017, Bishkek, Kyrgyzstan

Figure 1. Growth of GDP and Value Added for Kyrgyzstan's Main Sectors in 2011-2015, % compared to the Previous Year



Source: National Statistical Committee

There have been some controversial dynamics emerging in the Kyrgyz economy during recent years (Figure 1) in the country's most important sectors, which demonstrates high volatility. Since joining the Eurasian Economic Union (EEU) in 2015, Kyrgyzstan has not witnessed any significant growth in its exports of products to Russia and Kazakhstan. However, being part of the union has been significant in terms of providing jobs to Kyrgyz nationals, which has led to remittances contributing one-third of the country's GDP. This puts Kyrgyzstan on second place on this indicator in the world.

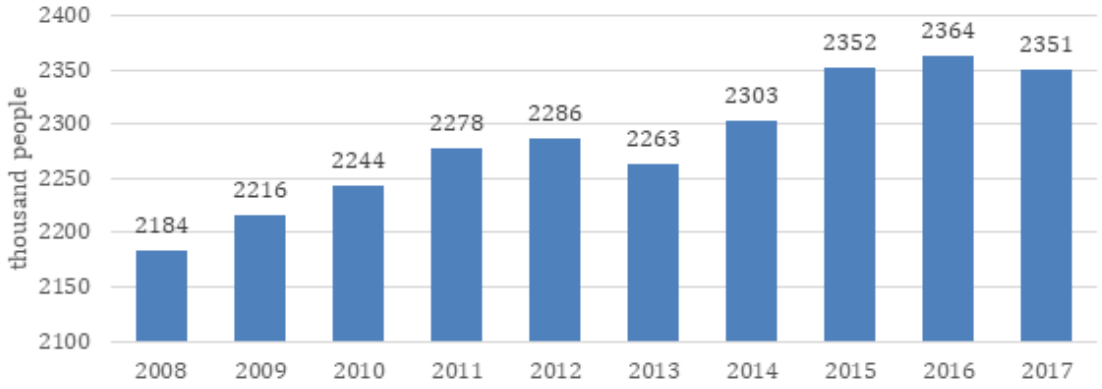
The sectors of agriculture, energy and manufacturing have all declined in terms of their share of the country's economy during the last decade (Table 1). Growing sectors of the economy include construction, trade, transport, and communication. While long-term economic growth in the country oscillates between 4% and 4.5%, agriculture grew by 2% on average. Construction, trade, transport, and communication displayed higher growth rates (Figure 1). The manufacturing sector demonstrated high volatility in growth, caused by a strong dependence on the activities of one large gold mine in the country.

Table 1. The Main Sectors of the Kyrgyz Economy in GDP in 2000-2017, %

	2000	2004	2008	2012	2015	2017
Agriculture	34	30	23	17	14	12
Manufacturing	18	15	13	12	16	15
Energy, gas and water	6	3	1	3	2	2
Construction	4	2	5	6	8	8
Trade	12	16	16	16	19	18
Transport	2	3	4	5	4	4
Communication	1	3	4	4	4	4
State, education and health	9	10	11	15	13	15
Net taxes	7	10	13	13	12	13
Other sectors	5	7	8	9	8	9

Source: National Statistical Committee

Figure 2. Employment in the Kyrgyz Republic in 2008-2017, thousand people



Source: National Statistical Committee

Employment in the Kyrgyz Republic includes individuals working in both formal and informal labor markets. The number of employed people increased from 2.18 million to 2.35 million between 2008 and 2017. The share of employed people as a proportion of the total population declined from 41% to 38% over the same period. While the population increased by 16% during the last decade, employment grew by only 7.6% due to limited opportunities caused by the slow development of the national economy. Sixty-two percent of those employed were men in 2017, in comparison to 58% in 2018.

Table 2. Types of Employment in Kyrgyzstan in 2008-2017, thousand workers

#		2008	2011	2014	2017
I	Hired employment	1,173.7	1,302.1	1,216.9	1,438.9
1	at enterprises	669.9	706.2	673.7	715.9
2	by individual entrepreneurs	503.8	595.9	543.2	723.0
II	Self-employed	1,010.6	975.6	1,085.8	912.3
1	Employers	17.7	16.7	33.1	37.0
2	self-employed	595.8	597.8	649.7	627.2
3	production cooperative members	4.9	7.8	8.1	8.2
4	unpaid family workers	252.3	205.6	282.3	152.4
5	persons working in household plots	139.8	147.7	112.6	87.4
	Total employed	2,184.3	2,277.7	2,302.7	2,351.2

Source: National Statistical Committee

There are two different groups of employed people in the labor market: the employed and the self-employed. The share of all employed people increased during the last decade from 54% to 61%[2]. It has become more common for people to work as hired labor in informal markets and as individual entrepreneurs – the overall share of that type of employment in the country increased from 23% to 31% between 2000 and 2017 (Table 1). The share of people employed in enterprises and self-employed individuals is stable, at levels of 31% and 27% in 2008 and 30% and 27% in 2017, respectively. The share of unpaid family workers declined from 12% in 2008 to 6% in 2017, with women making up 63% of this segment. The share of unpaid female family workers ranged from 60% to 70% during the last decade. Thus, people employed in enterprises occupy 30% of the labor market only. This share is reasonably stable and does not demonstrate any signs of growth. The remainder of those employed work independently, are employed by individuals or by their own families. This creates a problem for the employment of young people who often need to meet the requirements of an informal nature as well. Contracts are often informal and obligations and social payments either do not exist or are at a minimal level. Of 1.4 million employed people, 32% had agreed to work based on an oral agreement and without any formal contract. Another important finding among the labor market trends is the key role of the micro-SME sector in the economy. With a rising population, this will lead to further stagnation of the formal sector due to limitations of formal economic constraints. Specifically, the taxation policy is more favorable for the micro-SME sector, there are limited opportunities for industrial development, there is a technological gap and the country also suffers from being landlocked. During the last decade, most of the jobs created in the Kyrgyz economy were courtesy of individual entrepreneurs, with individuals either being hired or becoming self-employed.

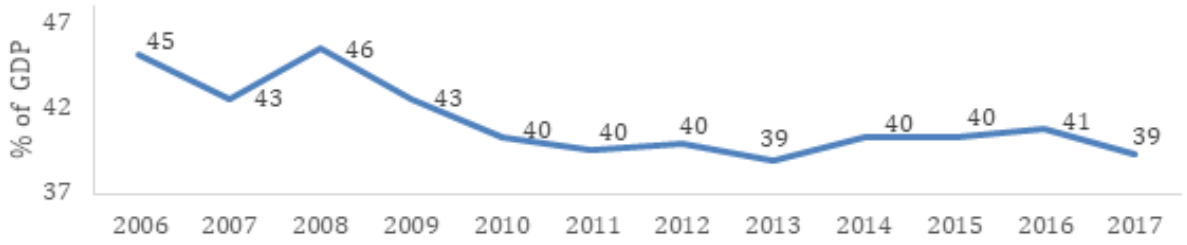
2.2. SME Sector as an Employment Driver in Kyrgyzstan

The SME sector in Kyrgyzstan plays a substantial role in the country's economy, with its contribution to GDP reaching 45% and 46% in 2006 and 2008, respectively. The contribution of SMEs to the national economy subsequently declined to 40% but has since stabilized (Figure 3). Four types of micro, small and medium entrepreneurs make up this share in the economy: small

[2] NSC (2017) Employment and unemployment. Results of the household survey of budget and labor force on 2017. Bishkek, Kyrgyz Republic

and medium enterprises (firms); individual entrepreneurs; and peasant farms. A definition of small and medium enterprises is provided by Government Decree #783 for the two different types of economic sectors – production and service activity (See Attachment 1). However, this classification referred only to the activity of formally registered legal entities and did not cover entrepreneurial activities implemented by individual entrepreneurs and farmers. Therefore, the National Statistical Committee (NSC) has adapted this classification and included individual entrepreneurs and peasant farms as micro-SME entities[3].

Figure 3. SME Share in the Economy in 2006-2017, % of GDP



Source: National Statistical Committee

The share of peasant farms in GDP declined from 16.9% to 7.3% between 2006 and 2017, respectively[4], due to the low growth rate of the sector. The individual entrepreneurs' share of the SME sector increased (from 17.8% to 21.2%) as did the share of small enterprises (from 5.8% to 6.5%) between 2006 and 2016, respectively. The share of medium enterprises declined from 4.7% to 4.3% for the same period of time.

Employment in the SME sector demonstrated growth from 12.8% to 21.2% for all jobs in the country during 2006-2017 (Figure 4). This indicator has stabilized at around 20% during the last three years. The SME sector employed 500,000 people in 2017 (excluding agriculture). The total share of hired labor by legally registered enterprises is only 3.7%[5]. It should be noted that employment in agriculture – in peasant farms – also has a significant share of the labor market. Peasant farms are a source of 387,500 jobs (16.5% of all employment), mainly consisting of farmers themselves and non-paid family workers. It is also important to note that employment in agriculture decreased from 26.5% to 16.5% during 2006-2017. The significant downturn in employment in agriculture reflects the outflow of the rural population towards alternative employment opportunities, mainly to Russia after 2015[6]. Total employment in the SME sector, including farmers and their families, is responsible for 37.7% of all jobs in Kyrgyzstan. Thus, the labor market in Kyrgyzstan is determined by the growth of the SME sector, which is spurred by the activity of hundreds of thousands of business units operating mainly on peasant farms and households' base-level micro-businesses.

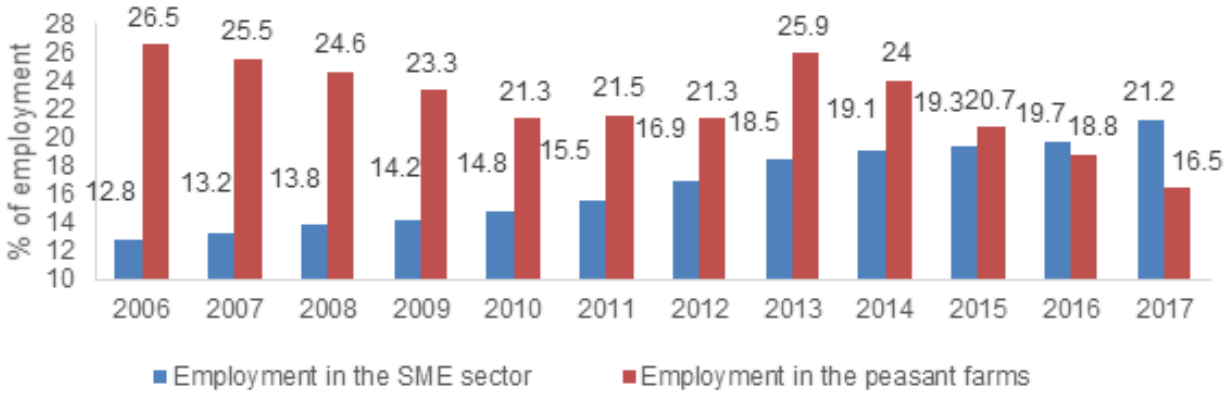
3 NSC (2018) Small and medium entrepreneurship in Kyrgyz Republic in 2013-2017, Bishkek, Kyrgyzstan

4 Ibid

5 Ibid

6 According to the information of State Service on Migration under the Government of the Kyrgyz Republic, the number of labor migrants from Kyrgyzstan in Russia reaches 640 thousand people in 2018. Accessed November 2018, http://ssm.gov.kg/

Figure 4. Employment in the SME Sector in Kyrgyzstan in 2006-2017, %



Source: National Statistical Committee (NSC)

2.3. General Trends in Youth Employment in Kyrgyzstan

According to the available data, unemployment in Kyrgyzstan stands at 7.4%, which exceeds the world average of 5.7%[7]. The official unemployment rate of youth in Kyrgyzstan – those aged between 18 and 28 - is 7% with more unemployed youth living in urban areas (7.6%), and a lower rate of unemployed youth in rural areas (6.8%) (see Table 3). The unemployment rate may not seem particularly high, and this is due to the methodology applied which counts informal unemployment, partial employment, and self-employment in agricultural activities as forms of employment.

There is a high internal migration flow from rural to urban areas[8], which drives up the urban unemployment rate. In Kyrgyzstan, many young people are migrating to cities, mainly Bishkek and Osh, in search of jobs. Unfortunately, these cities are not able to satisfy the employment needs of these job seekers and, therefore, most of the migrants remain unemployed, work informally without contracts and social protection, or migrate abroad, mostly to Russia or Kazakhstan[9].

7 World Development Indicators, https://data.worldbank.org/indicator/SL.UEM.TOTL.ZS

8 Unified Report on Migration in the KR (2014). Ministry of Labor, Migration and Youth in the KR

9 Ibid

Table 3. Employment Indicators by Population in Kyrgyzstan, %

	Youth 18-28[10]			Total		
	Labor force	Employ-ment	Unemploy-ment	Labor force	Employ-ment	Unemploy-ment
Total	60.7	53.7	7.1	61.5	57.1	7.2
Rural	62.0	55.2	6.8	61.6	57.3	6.9
Urban	58.3	50.7	7.6	61.4	56.6	7.8

Source: National Statistical Committee (NSC) 2016

Table 4. Employed Youth Aged 18-28, by activity

	Number of workers, thousand people	% of the total
Total	662.8	100
Agriculture	181.1	27
Construction	106.2	16
Trade and retail	108.5	16
Manufacturing	60.1	9
Hotels and restaurants	48.8	7
Transportation	31.1	5
Education	36	5
Public administration	26.4	4
Others	64.60	10

Source: National Statistical Committee (NSC) 2016

As for the economic activities in which youth are involved, 27% work in the agricultural sector, 16% work in construction and a further 16% work in trade and retail (Table 4). Agriculture and trade and retail are the two largest sectors of the economy (12% and 18% of GDP, respectively - Table 1) and employ both genders, while construction predominantly employs males.

Work in the three different sectors of agriculture, trade and retail, and construction does not require specific technical education or particular skills, but rather consists of simple tasks. Any healthy person can easily be trained how to dig soil, clean manure from livestock stalls, or weed out wild herbs from fields in a day or two, even if that person has no previous experience in the task at hand. Usually, an experienced person oversees agricultural work and trains young workers if required. As for repair and beauty-related services, young people can take short-term courses or on-the-job training from professional colleagues during the early stages of their working career.

[10] According to the Law "On the basic directions of the state youth policy" # 256 of July 31, 2009, the youth is the people from 14 to 28 years, but all existed surveys covered only people from 18 years old, due to other norm of legal capacity, which starts from the 18 years only according to the Article 56 of the Civil Code #15 of May 8, 1996

On the contrary, work in sectors such as education, health, and social protection, manufacturing, information, and communication requires a degree or prior knowledge in specific sectors. Teachers and medical doctors are not allowed to practice within their respective fields without having attained the relevant higher education certificates. At the same time, information and communication services are also usually provided by specialists with relevant education and knowledge.

North and South Kyrgyzstan: Similarities and Differences

Data on the range of labor activities show that most young people in Kyrgyzstan are working as wage workers, in both the North and the South (Table A1). This is especially true for those who have completed some form of higher education and have entered employment in a formal institution. This finding coincides with young people's preferences for top-down organizations in the formal employment sector and a high rate of university graduates having entered public organizations after the completion of their education.

The rate of unemployed or unregistered workers in the South is much higher than in the North. Usually, those who have not completed any form of higher education enter the informal labor market, and those who are more educated prefer to opt for registered work. Higher education institutions are mostly situated in the North (39 in the North; 11 in the South). Therefore, youth in the North have better access to higher education. At the same time, more youth are working as self-employed workers in the South while there are more family workers in the North, which can be explained by the difference in the density of population and family sizes between North and South Kyrgyzstan.

Data provided by the NSC (2016) align these findings reflected in the LiK survey data for the same year (Table A2), in that most of the young workers appear to be employed in agriculture, trade and repair services, construction, family-owned enterprises in other sectors, and education.

If one compares entrepreneurial incomes and salaries in the North with those in the South of Kyrgyzstan, salaries are higher in the North (Table A3). This could be due to most business in Kyrgyzstan being conducted by SMEs (more than 393,000 enterprises in 2016), and family-owned enterprises which have a relatively small turnover. Southern regions demonstrated higher average entrepreneurial incomes (66% higher) and salary (3% higher) for youth than northern regions.

For both the North and the South, the largest sector in terms of youth employment is agriculture (Table A2). The North includes Chui, Naryn, Talas, and Issyk-Kul oblasts, while the southern oblasts comprise Osh, Jalal-Abad, and Batken. Tables A10-A13 present yields of agricultural products produced across different oblasts.

Chui oblast specializes in sugar beet production. It also has the highest yields in the production of wheat, maize for grain, vegetables (with particularly high yields of carrots), and perennial grasses as fodder crops (mostly lucerne). Fruits and berries produced within Chui oblast include plums and strawberries.

Issyk-Kul oblast, according to national statistics, has the highest yields in the production of barley, potatoes, and fruits. The latter group specifically includes apples, pears, and apricots. Moreover, Issyk-Kul oblast has recorded high yields of sainfoin.

Talas oblast is famous for its production and export of kidney beans. However, it also has potential in the production of maize, fruits, and perennial crops (mostly sainfoin).

Naryn oblast is not as productive in terms of crops compared to other oblasts due to its mountainous location. Instead, it focuses more on cattle breeding. Still, it produces some barley (used as fodder), potatoes, vegetables (carrots and cabbages), fodder crops (lucerne and sainfoin), and it also produces relatively high volumes of strawberries. The Kochkor rayon of Naryn oblast produces all of the above-mentioned crops with its highest yields coming from cabbages and carrots (centners per ha).

As for South Kyrgyzstan, Osh oblast is among the biggest producers of maize, perennial grasses and fruits, and berries. Additionally, it also produces vegetables (mainly onions, tomatoes, and garlic). Aravan rayon is suitable for the production of sunflowers, potatoes, tomatoes, onions, peppers, fruits and berries.

Jalal-Abad oblast has the most variety in terms of crop cultivation (wheat, maize, rice, vegetables, melons, fruits, and berries, as well as the highest yields for cotton production). Meanwhile, its Bazar-Korgon rayon produces diverse plants, albeit without specializing in any, while its Suzak rayon has the highest yields of maize and sainfoin.

Finally, Batken oblast has high yields of sunflowers, and fruits and berries.

Thus, youth labor opportunities in the regional sense mainly amount to a choice between being employed in agriculture as part of their families and/or as hired labor. Those who choose to look for other opportunities tend to move to urban areas and/or migrate to Russia.

Urban vs Rural

Rural-urban patterns demonstrate another important dimension in terms of access to jobs for youth in Kyrgyzstan. The first type of youth employment is usually informal – almost half of the reported youth made their entry into employment in such a way (Table A4). One-third of youth were listed as registered employees, and 12% were involved in family work, which could take the form of taking care of children, looking after crops and livestock, or general household tasks. This type of family work is generally unpaid and more common in rural areas.

Agricultural employment is considered the natural choice for 35% of rural inhabitants (Table A5). Besides, as mentioned above, most private households with employed persons are situated in rural areas. Trade and repair services are mostly provided in urban areas in the North, and can be found in large markets such as Dordoi Bazaar (light manufacturing products) and Kudaibergen Bazaar (repair and trade of cars and auto parts) in Bishkek city. In the South, the largest market, Halmion Bazaar, is located in the town of Kara-Suu. Trade and repair services in rural areas are represented mostly by small family-owned shops and local bazaars.

Construction and manufacturing sectors mainly provide labor opportunities in urban areas. Trends of employment in those sectors can be seen through the unstable growth rate of industry and the more dynamic development of construction (See Figure 1). Employment in the education sector is higher in northern urban areas due to the number of institutions located there. In the South, however, schools and vocational training centers are more evenly distributed across regions. There are also a number of educational institutions in urban areas in the South.

Salaries and entrepreneurial incomes in urban areas are higher than in rural areas which motivates people located in rural areas to move to cities (Table A6). It should be noted that youth salaries in urban areas are higher than salaries on average. This difference could be caused by the relatively high salaries given to youth employed in the finance and manufacturing sectors.

Table A5 shows that the employment of youth in both the finance and manufacturing sectors is higher than on average – 8% vs. 4% and 11% vs. 9%, respectively. Both sectors, which have developed mostly in urban areas, offer the largest salaries and may offset the average salary in favor of youth. As for other categories, youth earn less entrepreneurial income in urban and rural areas than the employed population in general. Young workers often do not have enough skills and experience, or big enough networks (especially with regard to those working in business), to compete with older colleagues.

2.4. Gender-Related Differences

Most females, particularly young females, are wage employees (Table A7). At the same time, for males, the proportion of wage workers and self-employed workers is almost the same but much lower for young men. Young men and women contribute to family enterprises equally. However, for those aged over 18 this percentage decreases for men and stays the same for women, as it appears that women continue to stay in unpaid family work while men try to find a paid job.

Among the working population, although some women do work in agriculture, this sector is mainly dominated by men (Table A8). Agricultural work is, naturally, largely situated in rural areas. Trade and repair services are a gender-neutral employment sector, although it is slightly more common for women to be involved in trade rather than in repair. In rural areas, trade and repair services are usually small-scale and family-owned. In urban areas, services offered by males can be in the form of repair shops, technology (IT), and the trade of cars and automobile spare parts. Trade and repair services provided by women include beauty and retail trade services. At the same time, construction and transport and communication involve men who need to be physically strong while education, health, and social work more often provide employment for women than for men.

For women who work in business, their monthly entrepreneurial income is significantly lower than that of men (40% lower in general, and 52% lower for young women) (Table A9). The salary disparity is less significant but salaries for females are still lower than those for men (by 20% in general, and by 14% for young women). The difference in salaries for youth by gender disaggregation is smaller than for the total sample, which potentially signals a decreasing wage gap tendency.

There are a number of communities and networks which engage young people to develop their opportunities, one of which is AIESEC - a global network of people that describes youth leadership as not an option, but a responsibility[11]. Another example here is ENACTUS – a youth organization that aims to improve the social and economic situation of the country through the support of entrepreneurship[12]. The regional youth population also participates in the youth development forum, Birge[13].

[11] https://aiesec.org/about-us

[12] http://enactus.kg/nasha-missiya

[13] https://kaktus.media/doc/358518_forym_birge:_molodej_predlojila_5_proektov_dlia_razvitiia_kyrgyzstana.html

Table 5. Unofficial Employment in Kyrgyzstan in 2016, % of the population

	North	South	Rural	Urban	Male	Female
over 18	42.6	58.1	54.2	45.6	39.1	62.3
18-28	50.8	61.2	59.2	53.5	43.1	70.6

Source: LiK 2016

An assumption used that missed values in the data are those who either unemployed or employed informally

Unemployment in Kyrgyzstan might be understated. More than half of the population reported in the South are out of official employment, while this is the case for 43% in the North. Most of those unemployed are female. Among youth unemployment, unofficial employment is even higher: 71% of females are officially not working, many of whom are located in rural areas in the South. Almost two-thirds of urban women are unemployed, with 71% of young rural women unemployed (Table 5).

Table 6. Unofficial Employment by Area and Gender, % of the population

	Urban		Rural		Total	
	male	female	male	female	male	female
over 18	33.7	55.4	41.7	66.3	39.1	62.3
18-28	41.3	63.3	44.0	74.7	43.1	70.6

Source: LiK 2016

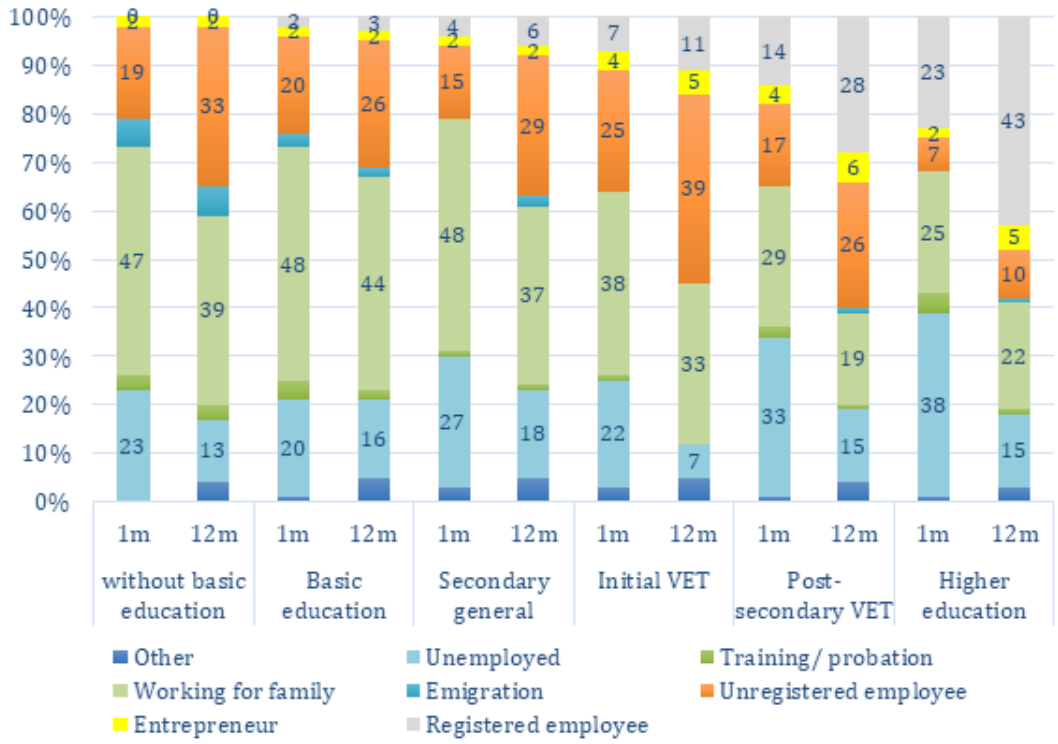
As for working youth (Table A14), for males in urban areas the main employment sectors are trade and repair services (19.7%), construction (15%), transport and communication (11.3%), manufacturing (9.4%) and utilities, social and personal services (9.4%). Of these, work in the first three do not require higher education and imply physical work while for the latter two at least some kind of vocational education is needed (plumbers, electricians, etc.). Rural males are mostly employed in agriculture (38%), while some are employed in construction (12.7%), transport and communication (9.5%), and household work (10.3%).

For urban females, employment areas are more diverse than for males. Most women are employed in education (22%), health and social work (14.7%), utilities, social and personal services (12.2%), finance (11%), and manufacturing (12.8%), all of which require a certain level of education, while the only sector free from education requirements is trade and repair services in which 13.4% of urban women are employed. On the contrary, rural women are generally employed in sectors which do not require education and professional skills. These sectors include agriculture (25.1%), trade and repair services (10.8%), and household work (20.2%), with the main exception being education (17.2%). Clearly, rural women are more commonly occupied by household work than urban women – 20.2% vs. 1.2%, respectively.

2.5. Educational Mismatch

Education is often the cornerstone of a person's life[14] and can define their future labor activity: the more educated the person, the higher their chances of finding formal employment. Those with limited education are more likely to either stay in the family or to go abroad to find work. The unemployment level does not have a direct link with the education level, which could be explained by the tendency of those with a higher level of education to look for jobs more actively than those with a lower level of education.

Figure 5. Activity Status of Graduates in the First and Twelfth Months after Leaving School, by education level



Source: ETF (2013) "Transition From School To Work. Results of the 2011/2012 Transition Survey"

Education is important for a young person when entering the labor market. Young employees who do not have higher or secondary vocational education and training usually enter the informal labor market. Meanwhile, young persons who have made a significant investment in education tend to work for formal institutions with official contracts and safe working conditions, often in the public sector. However, the average wage of the latter category is often lower than it is for those who work in the informal sector[15]. This is because salaries for positions in the private sector are higher than those in the public sector which are usually occupied by people with higher education.

[14] GIZ 2013

[15] ETF (2013) "Transition From School To Work. Results of the 2011/2012 Transition Survey"

At the same time, the youth usually prefer to work for formally organized top-down institutions like public authorities or national and international organizations. However, many of whom are not aware of the specific work opportunities in such organizations. According to a report published by GIZ (2015, p.53): "Sources of information are rare, and most young people only have a vague idea where to look to obtain information. Again, especially the youth from rural areas (also when moving to the city) are particularly disadvantaged in terms of seeking appropriate sources. Due to language barriers and online "habitus" they often miss out on "the right" social media and online platforms and therefore quote "personal connections" as the main source for such information."

Table 7. Education Level Mismatch in the First Job, %

		Minimum Level of Education Required by the Employer						
		Without basic	Basic general	Secondary general	Initial VET	Post-secondary vocational	Higher	Total
Education level of labor market entrants	Without basic	39	44	17	0	0	0	100
	Basic general	9	57	24	4	6	1	100
	Secondary general	6	12	67	6	4	4	100
	Initial VET	0	6	28	57	8	2	100
	Post-secondary vocational	3	7	18	6	54	12	100
	Higher	1	1	13	4	10	71	100
	Total	5	14	39	7	11	24	100

Source: ETF (2013) "Transition From School To Work. Results of the 2011/2012 Transition Survey"

Table 7 presents data that broadly convey the extent of the educational mismatch in Kyrgyzstan[16]. Seventy-one percent of workers to have attained higher education found a job requiring higher education qualifications. Other labor market entrants are forced to work in jobs for which higher education is not required at all. Karymshakov and Sulaimanova (2018) found that those with a higher level of education spend more time searching for work, and that their wages may be lower than expected if they were regarded by employers as being overeducated.

3. Labor Market Survey

3.1. Methodology and Survey Management

For the second stage of the study, expert interviews were arranged to collect in-depth information about the following key issues:

[16] Under the mismatch understands the level of required level of education by employer with the real level of education of the workers.

- Main products / services potentially creating jobs for the youth labor market for the next decade;
- Skills required for youth, which need to be trained and supported; and
- Gender disparity between young men and women in the labor market.

The criteria for the selection of the expert interview study was arranged during June –November 2018. The survey included representatives of state agencies and organizations that provide secondary vocational education, as well as owners, managers, and workers from small and medium businesses (SMEs). The survey was conducted in four locations in Kyrgyzstan: Sverdlov district of Bishkek city; Osh city; Aravan district; and Kochkor district. Sixty-one respondents in total were covered (Table 8 and Figure 6).

Table 8. Labor Market Assessment Sample

Respondents	Osh city	Aravan district	Kochkor district	Sverdlov district, Bishkek	Total
Representatives of state agencies and organizations that provide secondary vocational education	4	7	5	10	26
Owners/managers of small and medium enterprises	9	5	7	8	29
Workers of small and medium enterprises	1	1	1	3	6
Total	14	13	13	21	61

Source: field survey data

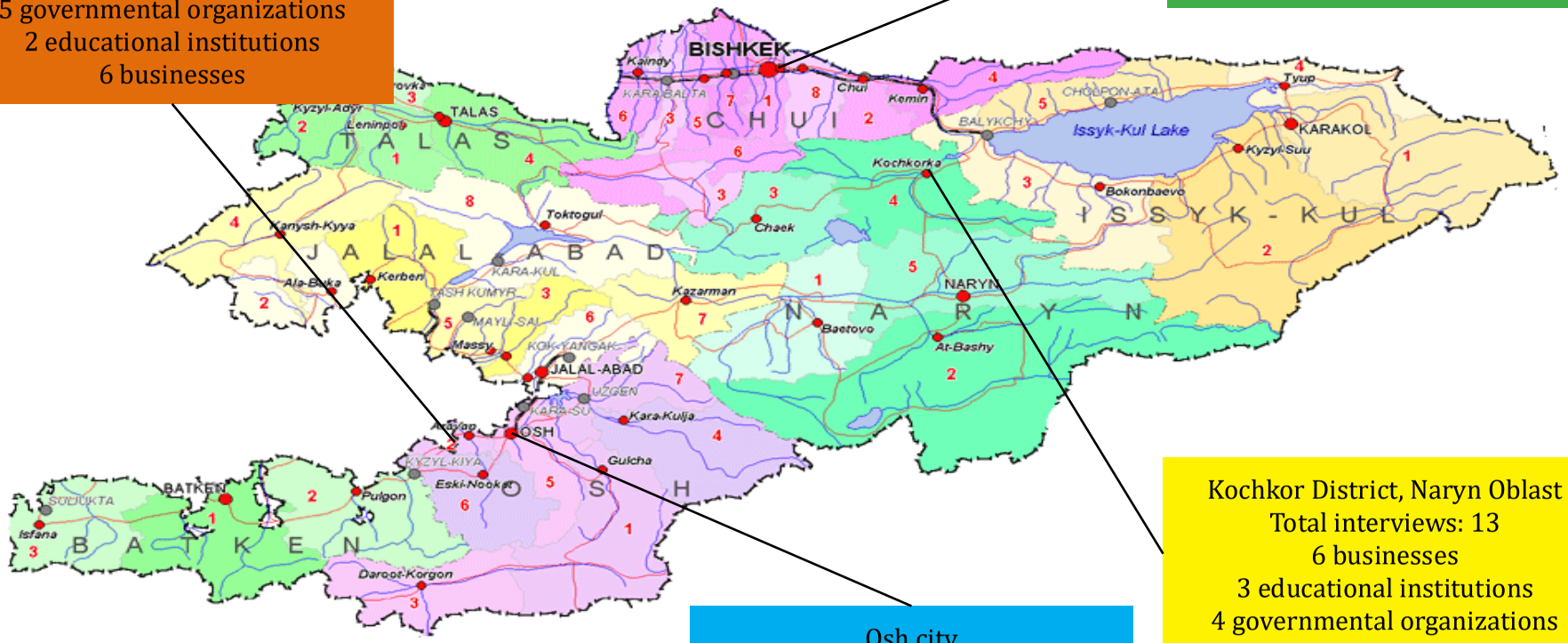
Figure 6. Map of Interview Locations for Labor Market Assessment

Project: "Demilgeluu Jashtar"

Date of Interview: June-November, 2018

Sverdlov District, Bishkek
Total interviews: 21
10 governmental and non-governmental organizations
11 businesses

Aravan district, Osh oblast
Total interviews: 13
5 governmental organizations
2 educational institutions
6 businesses



Kochkor District, Naryn Oblast
Total interviews: 13
6 businesses
3 educational institutions
4 governmental organizations

Osh city
Total interviews: 14
2 governmental organizations
2 educational institutions
10 businesses

Questionnaires: Three different questionnaires were developed:

- A questionnaire for state agencies and organizations that provide secondary vocational education;
- A questionnaire for businesses; and
- A questionnaire for employees.

The questionnaire for government bodies and secondary vocational organizations includes questions about youth employment, existing policies which support youth, and services/products that create jobs for youth today and in the future.

The questionnaire for businesses includes questions about the following SME procedures: the search for new employees; recruitment; employee training; salary for employees and those who are leaving a job. Business owners described their business, the age and gender compositions of their workforce, and the education levels of their employees.

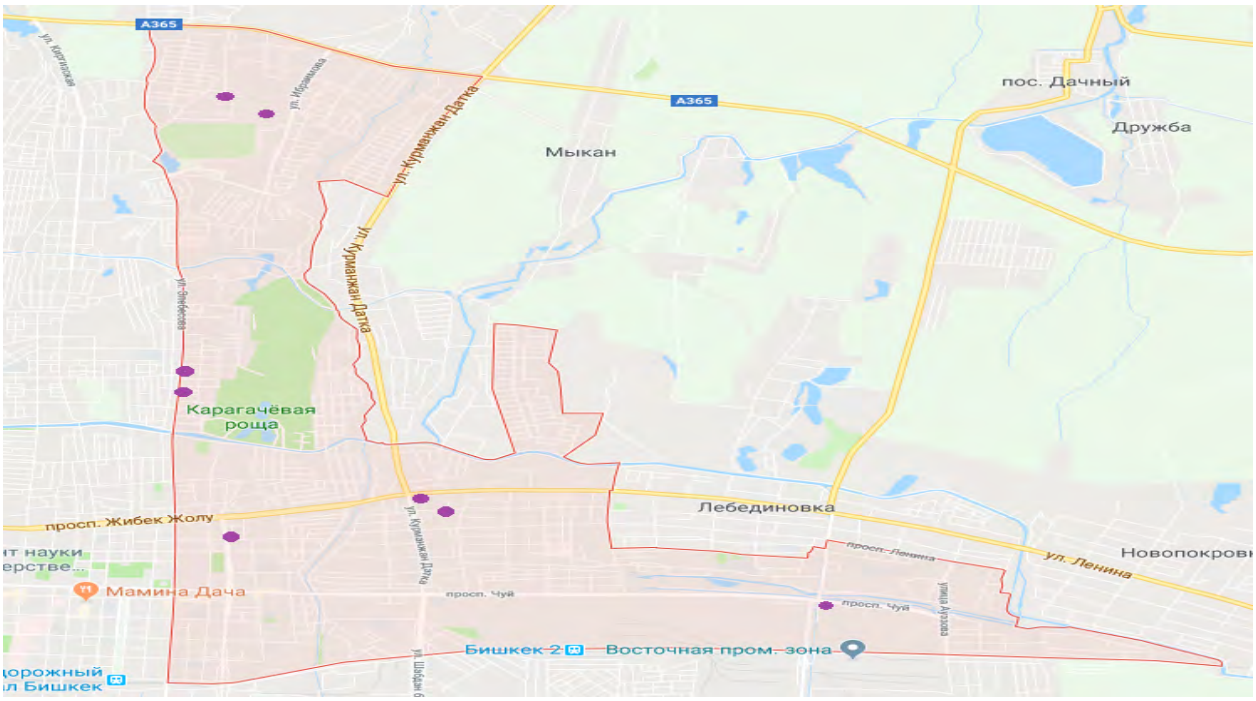
The questionnaire for employees included questions about working conditions, job search methods, and wage differences. It also asked questions about employees' participation in trainings, employees' opinions about services/products and about creating jobs for youth now and in the future.

The questionnaires were translated into Russian and Kyrgyz. Piloting of the questionnaires for business owners and for workers was carried out in Bishkek. Five SMEs were interviewed in the Archa-Beshik area of Bishkek (three in Kyrgyz, and two in Russian). The purpose of piloting was to verify the correctness of the translation and the level of understanding of the questions among respondents. The method used was an in-depth interview, with a limited number of questions (10-15) and a set time for each interview (40-45 minutes).

Fieldwork: Fieldwork in Bishkek was carried out in July 2018 and in Kochkor district, Aravan district and Osh city in October-November 2018 (Figure 6). There is no publicly available database of small and medium enterprises. Therefore, the snowball method was used to increase the chances of finding relevant targeted respondents. Urban territories were conducive to finding targeted businesses through simple visual recognition. In cases where a business could not be observed visually (e.g. textile workshops), information could be obtained through a preliminary search for key informants (Figure 7).

Most of the representatives of state bodies were interviewed in Bishkek where the main ministries, as well as state and non-state organizations responsible for youth development and employment are located. In other regions, representatives of the district administration, local authorities, and youth support specialists were interviewed.

Figure 7. Map of the Sample of Selected Businesses in Bishkek



Source: Google Maps

3.2. Labor Market Assessment Findings

During the field research, the respondents provided a variety of responses regarding the issues of employment, skills, and job perspectives and opportunities. Some level of generalization can be drawn from the following constraints and problems of the labor market cited by business representatives and workers.

General Trends

- A significant amount of young people graduated from universities with a law and/or economics degree. However, there are not enough employment opportunities for these particular graduates in the country.
- The labor market needs more people with applied skills from professional technical colleges e.g., sewing, cooking, electricians, welders, and auto electricians. Respondents reported that future and current job employment opportunities are closely connected with professional technical skills (workers).
- A general perception exists that future job employment is connected with IT. However, there is no evidence of IT skills/education being promoted in the covered areas. Moreover, few of the respondents understand how IT could be linked to current employment opportunities and/or what kind of skills need to be developed.
- Some of the interviewed respondents stated that workers who had a higher education and a college degree in small businesses had similar salaries to those without such levels of education, but large established businesses such as Bishkeksut (one of the biggest milk processing companies in the country) had specific expectations for each position and hired people ac-

cording to candidates' educational background and experience. If a company needs workers in a production workshop, the requirement is simple: be physically fit for the tasks at hand. As such, educational background is not always relevant. If a company needs someone for a specific job, such as a milk technologist, veterinarian or accountant, it then recruits those people who have the relevant educational background and experience for the required position. Meanwhile, in Kochkor district, a slaughtering factory hires uneducated workers to slaughter animals, which means that the salary is similar for those with and those without higher education. The only requirement for this role was being physically fit and mentally strong (because of the need to work with knives and animal blood). Naturally, the company had stricter requirements when hiring veterinarians who had to have studied full-time and achieved good grades before also gaining some years of experience as veterinarians.

- Almost all SMEs in rural and urban areas did not have any official contracts with their hired labor, with the vast majority of contracts based on oral agreement, which leaves workers at risk.
- Micro, small and medium enterprises covered in all four locations mainly comprised family-owned shops, cafes, pharmacies, car washes, and construction sites.

Urban Labor Market

The surveyed urban territories (Sverdlov district of Bishkek city; and Osh city) offer more job employment opportunities than rural territories in a number of areas. Two sectors in particular provide more opportunities with relatively high salaries: construction and garments. The rate of migration from rural areas to cities is high. Most SME entrepreneurs provide job opportunities for migrants from rural areas and employ them unofficially, giving them relatively low salaries for jobs that do not require a high level of qualification. The reasons behind a company choosing not to hire employees officially are numerous, some of which include: the company itself may not be officially registered; the company may wish to avoid paying taxes and social contributions on behalf of its employees; and a lack of knowledge of budget/tax issues. There is a high level of competition among urban employees for whom securing a good job often requires significant knowledge, experience, and skills. The gap between most rural and urban candidates leads to higher salaries and better working conditions for urban employees. Migrants from rural areas, upon arriving in urban locations, often need to invest in better knowledge for several years to fill the gaps and compete with urban residents.

The employment level is high in the cities, though it is often of a seasonal character. Besides construction, much of the employment is provided by the garment industry and the catering sector. SME businesses in urban areas strongly depend on consumer market cycles. Therefore, the incomes of workers and businesses are not stable. For example, construction usually operates from spring to fall when the weather conditions are suitable. Accordingly, construction businesses hire people during this period and small construction enterprises are closed for the winter period. During this time, employees leave their villages or find other work. In Kochkor district, the owner of a factory which produces construction blocks said that his business operated from spring to late fall and employed three people. However, once harvesting starts, workers prefer to work in the field rather than produce construction blocks. According to the owner of the construction blocks factory, farmers pay more than he does for workers, which explains the tendency for workers to leave construction jobs for farm work instead at this time. As such, it is difficult to find workers for certain types of construction work in the fall. Seasonal work can also be found in the garment industry which depends on customers not only in Kyrgyzstan but also

in Kazakhstan and Russia. Administrators of garment factories who were interviewed said that they closed in late December until February due to the decline of customers in that period. Catering services (cafés and restaurants) are usually overloaded during the fall and at the beginning of winter, but often reduce their staff immediately after the new year.

Sverdlov district of Bishkek city as well as Osh city are important urban economic zones in Kyrgyzstan. Employment opportunities are greater in these places than in other areas. The rates of migration from villages to Bishkek city and Osh city are very high. These cities host the country's main universities and colleges, thus youth from all regions come to these cities to attain education and/or seek employment opportunities. There are large bazaars, shopping centers, cafes and other service-oriented businesses in the Sverdlov district of Bishkek city. Even though shops, cafes, car washes, auto mechanics, and pharmacies are generally family-owned, many are sizable and can employ a significant number of staff.

From fieldwork observations, it was noted that there were numerous sewing factories in Sverdlov district supplying goods to dispatch to Dordoi Bazaar or to be exported to Russia (Table 9). According to the Program of Government of Kyrgyz Republic to Develop Expert in Kyrgyzstan for 2019 – 2022, there are 3,000 garment factories in Kyrgyzstan which employ around 200,000 – 300,000 people. These garment factories are small, medium and big enterprises which receive orders from customers and sell their products in local bazaars or export them to Russia or Kazakhstan[17]. However, the statistics of the National Statistical Committee have different data concerning the garment industry. The Committee found that there are many small and medium businesses, including garment workshops in Kyrgyzstan that are not registered as official enterprises and their economic activities are therefore not included in official statistics.

Table 9. Textile Production in Kyrgyzstan[18] - Textile Manufacture, Production of Clothes and Shoes, Leather and Other Leather Products, Enterprises

	2013	2014	2015	2016	2017
Kyrgyz Republic	130	129	114	117	105
Suzak district	3	3	2	2	3
Bazar-Korgon district	8	9	6	7	8
Kochkor district	-	1	1	1	1
Naryn city	3	2	1	1	2
Aravan district	5	6	6	6	4
Bishkek city	42	45	41	41	34
Sverdlov district	15	15	11	12	11
Osh city	8	6	6	5	5

Source: National Statistical Committee

The catering sector is the second largest job provider both in the Sverdlov district of Bishkek, as well as in Osh city. A popular type of business which provides employment opportunities is car repair and services (washing and cleaning).

17 Program of Government of Kyrgyz Republic Export in Kyrgyzstan for 2019-2022 years

18 NSC (2018) Industry of the Kyrgyz Republic in 2013-2017, Bishkek, Kyrgyzstan

A sector experiencing notable growth is beauty salons. According to the respondents, previously (3-5 years ago) hairdressing skills alone were enough to work in the hairdressing business. However, now salons need workers with a varied set of skills including hairdressing, makeup, nail design and eyelash design.

These four sectors are the main areas providing employment for youth who have not attained higher education and/or a higher education degree. Young people can obtain the necessary skills for the jobs in these sectors in a short period of time. During the interviews, it was found that there are many people who have higher education degrees and are now working in one of these four sectors, or are studying to learn new skills to take up real employment opportunities in urban economies. No specific difference between Osh city and Bishkek city was detected in this regard.

Rural Labor Market

Kochkor district has more family-based agricultural businesses, e.g., livestock and crop production, while Aravan district is oriented to farming - crop production. In Kochkor district, the focus is mainly on agricultural activity. One of the respondents who produces construction blocks mentioned that people generally prefer to work in farming, rather than in construction because the former offers more money and the latter is considered to be more physically demanding and dangerous. Kochkor district has a sufficient number of teachers for all subjects. There are several young specialists who are on a waiting list (average wait – 1-2 years) for teaching positions.

According to the interviewees, Aravan district has a sizable ethnic Uzbek population. There is no professional education offered in the Uzbek language anywhere in the entire country and Uzbek parents are often reluctant to send their children to study at educational institutions in Osh city or Bishkek city. Even if there is a demand for skilled seamstresses, few want to study sewing skills. However, there exists a demand for doctors and teachers, and many Uzbeks want their daughters to study medicine, nursing or teaching and stay in Aravan district. Young Uzbeks do not generally demonstrate a willingness to study in Aravan district. One of the reasons for this is the aforementioned absence of provision of higher education and vocational education in the Uzbek language. Another factor is the generally high willingness among ethnic Uzbeks to migrate to Russia.

In rural areas, specifically in Aravan and Kochkor districts, economic opportunities are mostly found in farming, cattle breeding, family-owned small shops, cafes, and producing bricks/paving stones. Because of its location, weather and soil conditions, Aravan district focuses heavily on farming (cultivating vegetables and fruits), while in Kochkor district the focus is more on animals and the cultivation of wheat, hay, and potatoes. Unlike big cities, rural areas do not provide enough business employment opportunities like sewing factories. In Aravan district, there are many small family-owned shops and cafes that employ only family members.

There are a small number of companies operating on the local market. For example, Kochkor district has one cattle slaughtering firm (Toiboss company), one stone-processing company, one milk-processing factory, and one recently-opened potato-processing factory. In Aravan district, there are two cement factories, two chicken factories, one plastic-door factory, and a window-making factory.

Labor Market Revitalization Activities

Public service organizations stated that they implement a number of activities to provide employment opportunities to youth on a monthly basis. For example, the Labor Registry Service

(Биржа Труда) and Bishkek City Department on Employment Promotion organize job fairs at lyceums, colleges and for unemployed people. These departments have a list of vacancies that anyone can view and apply for. It has been suggested that this activity should be implemented on a more regular basis.

Bishkek City Department on Employment Promotion organizes different kinds of short-term training for the unemployed in Bishkek city and, via a tender, it chooses the course providers. Two training centers were visited as part of the fieldwork. One of them was the training center "Universal" where unemployed people can learn sewing techniques, accountancy, languages and other skills. Of these, sewing skills are most popular. The second training center "ANB company" conducts training on beauty-related courses such as hairdressing, nail design, and makeup. If unemployed people want to learn new skills and find a job, they have to register with one of the courses offered by the Department. A further requirement is that they should be a registered resident in Bishkek city. After the training, the trainee usually gets a certificate of completion and seeks employment opportunities in their sphere(s) of interest.

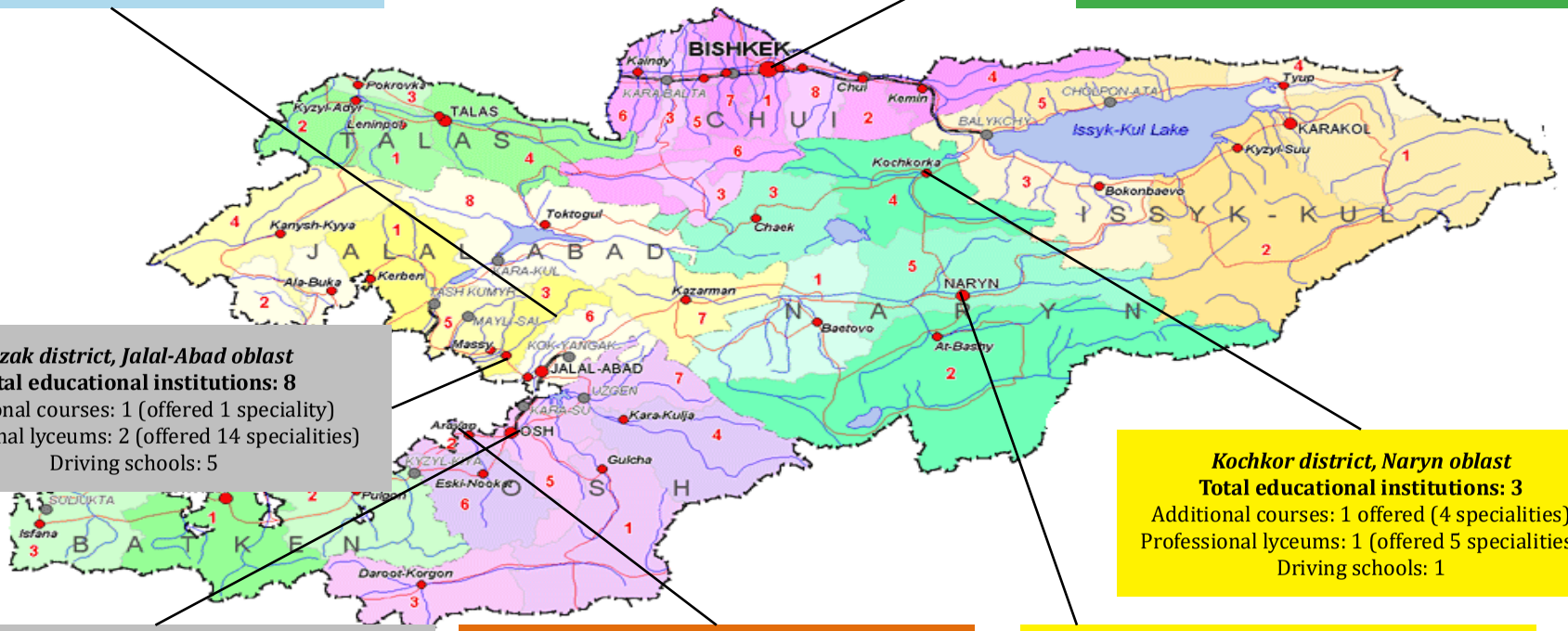
There are several educational institutions across the seven project areas. A map of these educational institutions can be seen below.

Figure 8. Map of Educational Institutions in Project Areas

Project: "Demilgeluu Jashtar"

Bazar-Korgon district, Jalal-Abad oblast
Total educational institutions: 5
Additional courses: 2 (offered 8 specialities)
Professional lyceums: 2 (offered 11 specialities)
Driving schools: 1

Sverdlov district, Bishkek
Total educational institutions: 62
Colleges/universities: 17 (offered 80 specialities)
Additional courses: 38 (offered 175 specialities)
Professional lyceums: 1 (offered 6 specialities)
Driving schools: 6



Suzak district, Jalal-Abad oblast
Total educational institutions: 8
Additional courses: 1 (offered 1 speciality)
Professional lyceums: 2 (offered 14 specialities)
Driving schools: 5

Kochkor district, Naryn oblast
Total educational institutions: 3
Additional courses: 1 offered (4 specialities)
Professional lyceums: 1 (offered 5 specialities)
Driving schools: 1

Osh city
Total educational institutions: 75
Colleges/universities: 21 (offered 198 specialities)
Additional courses: 39 (offered 187 specialities)
Professional lyceums: 3 (offered 25 specialities)
Driving schools: 12

Aravan district, Osh oblast
Total educational institutions: 11
Colleges: 1 (offered 9 specialities)
Additional courses: 2 (offered 13 specialities)
Professional lyceums: 2 (offered 7 specialities)
Driving schools: 6

Naryn city, Naryn oblast
Total educational institutions: 3
Colleges/universities: 4 (offered 25 specialities)
Additional courses: 3 (offered 26 specialities)
Professional lyceums: 1 (offered 12 specialities)
Driving schools: 4

The Gap in Skills

Matching skills with employers is a complex task because the job market is vast and youth have a variety of skills, educational backgrounds, and experience. The job market varies in urban areas, which is why it depends also on what specific sectors the youth are looking to find a job in. Skills in inadequate supply can be divided into two main types according to business respondents' answers: the ability to do intellectual/analytical work; and the ability to do technical/physical work.

In urban areas, a young employee typically lacks both types of skills. For intellectual work, youth are lacking skills that demand serious investment and time, such as:

- *Language* (Kyrgyz, Russian and English) - most school graduates are not able to correctly write a business letter in any of these three languages;
- *Computer skills* - fast typing, and knowledge of the main operations in Word and Excel are useful skills, which most universities graduates are not able to demonstrate;
- *Leadership and communication skills* – these are needed for a candidate to be able to work in a changing environment, to make contact with a number of people and to reach business targets - sales, basic business unit management, conflict management.

For professional work, youth are lacking practical skills obtained from vocational colleges and lyceums. Indeed, the urban job market needs workers with some of the following technical skills, gained at vocational college level:

- Welding;
- Automobile repair;
- Electricians; and
- Sewing.
- At technical university/college level, there are not enough specialists in the following areas:
- engineers (mechanical engineers, construction work engineers, and technical infrastructure engineers);
- technologists (food processing industry technologists, specialists in the textile industry); and
- accountants

These professional jobs are the most in-demand. In urban areas, a respondent at one of the milk production companies said that its current electricians are of pension age, but that they are still working because there are not enough younger electricians of sufficient quality who can take their place. Moreover, the representative of the milk production company stated that there is also a shortage of biologists and technologists. New graduates, despite having a university degree, sometimes lack the skills and knowledge to meet the job requirements.

One of the most significant gaps found during the study was that **between the curriculum and labor market requirements**. Educational institutions often teach according to an approved curriculum, but in reality this does not align with what businesses require from specialists. According to the respondents representing businesses, many companies often retrain new employees according to their own standards. In their opinion, youth often do not meet employers' demands and initial training is necessary to equip new employees with the required skills and knowledge. Companies could help to improve teaching plans together with educational institutions.

A related problem for university graduates is a ***lack of practical experience***. Educational institutions often seek employers to host internships so that graduates can apply their theoretical knowledge in practice, and prepare themselves for work. Some interns then stay on at the companies, but this aspect was not looked at closely. According to a representative of the Chamber of Commerce of the Kyrgyz Republic, some universities ask companies to come and give presentations about what kind of specialists and skills they require when hiring new employees.

In rural areas, the job market is limited. There are two main types of labor opportunities: qualified/specialized work; and unqualified work. Since rural areas are mainly focused on farming and cattle, agricultural specialists and professional workers in these fields are in demand. During the study, rural respondents outlined that ***veterinarians are in demand*** in villages. Some villages do not have veterinarians and so they invite them in from elsewhere. The situation is similar for specialists in agronomy and/or mechanized services. Low investment in the agricultural sector and the absence of a public extension system has led to **a gap in supporting services.** In situations where farmers spoke about a lack of specialists, it was admitted that only commercially viable farmers can afford to pay for such services.

Agricultural work can be divided into two groups: work done by farmers' family members; and seasonal work done by temporary workers. In the production of commercial crops, the technological process requires the following significant input from unqualified manual workers:

- manual cleaning of weeds from fields after mechanized cultivation; and
- harvesting (potatoes, onions, cabbage, cotton, etc.).

Seasonal jobs are very common and, in peak season, can provide earning opportunities for almost all rural residents. There are many school-age children working in the fields during peak season. Farmers teach people how to do the work required and control the quality thereof. The motivation of those hired is not high even though this work represents one of few opportunities for the rural poor people to receive some kind of income.

At the same time, many of the interviewed farmers complained that young people do not want to learn about agricultural practices and skills, and would prefer instead to leave rural areas after graduation. According to the deputy director of Duldul College in Aravan district, they opened sewing courses but no one signed up for them. A representative from one of the professional lyceums said that people asked to study hairdressing/makeup skills and tourism, but its educational program did not offer such courses. Thus, there is a mismatch here in terms of the type of training being supplied, and the type of training being sought by young residents of rural areas.

Main Products/Businesses in Urban/Rural Areas

The main business sectors in **urban areas:**

- construction;
- sewing industry;
- catering (café and restaurants);
- service industry (beauty salons, car repair and washing);
- retail; and
- pharmacies.

During the interviews with representatives of SMEs, it was noted that current businesses offer employment opportunities. These businesses are small and mobile, and do not require staff to have official training degrees as they can learn the needed skills and acquire sufficient knowledge in a short period of time. The labor market is informal and risky, but entrance is easy and high competition on the market has led to excessive demand for jobs.

In ***rural areas***, most employment is found in family-owned agriculture activities such as farming and cattle breeding, in family-owned small cafes and shops, and in public organizations (schools, hospitals, and local authorities). Farming activities that could potentially be further developed in South Kyrgyzstan are the production of apricots, grapes, and cotton. Meanwhile, in North Kyrgyzstan the main vegetable for cultivation is the potato. The mentioned crops are commercial and require significant manual labor input, thus if their production was to develop it may potentially create more jobs. Cattle breeding mostly includes sheep, cows, and horses. Activities in this area requires jobs of a more permanent nature, mainly for men. In general, opportunities for job creation in rural areas are negligible and stagnating.

Employment Strategies for Youth in the Labor Market

During the study, business owners, school administrators, as well as employees, highlighted two significant issues affecting youth and their parents.

Youth make educational decisions without knowing the real employment situation. Many young people want to study subjects that are deemed to have a high reputation such as law, economics, and international studies. This is problematic because there are already too many candidates on the job market with these degrees. These graduates then need to pursue other vocational training courses to acquire the required skills.

Youth do not know how to find a job. During the interviews, many labor experts mentioned that the situation in the labor market is very dynamic. Today, parents are no longer able to find jobs for their children through their relatives and friends in most situations. In other words, young people need to know how to find a job themselves. Basic requirements include that candidates have a resume and are presentable, but few youth know how to write a resume or how to successfully sit an interview. Specialized labor promotion organizations, such as the City Department on Employment Promotion and Labor Exchange, conduct different kinds of seminars at professional lyceums and for unemployed youth on how to write a resume, and retrain them in new skills such as sewing, makeup, and accountancy. According to respondents, the attendance for these seminars is high.

Gender Issues Arising in the Study

Gender balance and representation were also covered during the study. However, during the interview stage, it was impossible to find a female-owned or female-administered business. Out of 61 respondents, 21 were women across all business and governmental sectors. All of these 21 respondents were either workers, owners of businesses, administrators or managers of governmental sectors. During the interviews, respondents were asked to give an approximate percentage of the gender balance at their workplace. Gender balance among workers was largely determined by the nature of the work. If the work was related to construction, such as producing construction blocks, agricultural work, and producing cotton oil, then such companies had almost

entirely male workforces. Administrators/owners explained that this was because these types of work required physically strong employees and that working conditions were hard, including working with dust, dirt, and water. Conversely, there are specific roles/sectors in which women are dominant, which include beauty salons, cafés/restaurants, classrooms, and administrative work. However, there are some breakdowns of stereotypes in these spheres as well. For instance, waitresses in café/restaurants are not all girls. Sometimes café/restaurants balance girls and boys, as the work also includes lifting heavy loads. One of the representatives of one of the study centers reported that there were some cases where boys came to study specifically hairdressing and facial makeup. In one hair salon in Osh city, there are five employees only one of whom is female. Meanwhile, the garment industry is typically a female-oriented business. However, during the interviews, it was noted that men are also working in garment workshops: around 80-90 % are women and 10-20% are men in these workshops. One of the administrators said that men can do the same work as women, but they prefer working in ironing operations.

During the field research, no differences in salaries were found between male and female employees. All employees in all businesses were paid according to the position and nature of the work. There was not a single case showing any difference in salary due to gender, age or ethnic or cultural background. There was only one case of a business model where it adds 3% to female employees' salaries. An animal slaughtering workshop in Kochkor district said that it pays 3% extra to women's salary because they are working with animal intestines. This company initiated a bonus system for employees' salaries. For example, those who participate in slaughtering animals receive an extra 10% of their salaries; meanwhile, those who participate in loading the meat do not receive this 10% bonus.

During the interviews in educational institutions (lyceums and colleges), teachers specified that the number of girls and boys are almost equal, but that selected professional areas are different. Girls (or their parents) select to study in sewing, cooking, teaching, and nursing spheres, while boys prefer to study at automobile repair, car driving, welding, locksmith, and electrician faculties.

3.3. Specific Products/Services for Selected Project Locations

Seven locations were selected for the project. Based on the data provided in the previous chapters on the macro and micro levels and qualitative study it is possible to define for each location a set of specific products / services important from the perspective of the youth labor market. The results are presented in the following tables (See Tables 10-16).

Table 10. Target Area # 1 - Suzak district of Jalal-Abad oblast – Labor Market for Youth and Main Employment Opportunities for Youth

	2017
Employment in Jalal-Abad oblast, thousands of people	380.1
Employed youth (15-28) in Jalal-Abad oblast, thousands of people	108
Employment of youth in Jalal-Abad oblast, %	35.2
Unemployment of youth in Jalal-Abad oblast, %	15.2
The total population of Suzak district, thousands of people	283.1
The population of youth (15-28) – estimation, thousands of people	73.6
Main sectors:	Agriculture, trade and service sector
Potential products to be promoted for youth employment:	Cotton
	Grape
	Potato
	Services (trading, car washing/ fixing workshops, barbershops, agricultural services at wheat/ corn processing)

Source: NSC (2017) Employment and unemployment. Results of the household survey of budget and labor force in 2017. Bishkek, Kyrgyz Republic, study findings, estimations

Table 11. Target Area # 2 - Naryn town, Naryn oblast – Labor Market for Youth and Main Employment Opportunities for Youth

	2017
Employment in Naryn oblast, thousands of people	87.7
Employed youth (15-28) in Naryn oblast, thousands of people	22.5
Employment of youth in Naryn oblast, %	31.5
Unemployment of youth in Naryn oblast, %	20.6
The total population of Naryn town, thousands of people	38.8
The population of youth (15-28) – estimation, thousands of people	10.0
Main sectors:	Food processing, trade, and service sector
Potential products to be promoted for youth employment:	Retail trade
	Services (trading, barbershops, short-term courses, agricultural services at wheat/ corn/ wool/skin processing, milk production, potato processing)
	Food processing - Milk
	Food processing - Meat

Source: NSC (2017) Employment and unemployment. Results of the household survey of budget and labor force in 2017. Bishkek, Kyrgyz Republic, study findings, estimations

Table 12. Target Area # 3 - Kochkor district of Naryn oblast – Labor Market for Youth and Main Employment Opportunities for Youth

	2017
Employment in Naryn oblast, thousands of people	87.7
Employed youth (15-28) in Naryn oblast, thousands of people	22.5
Employment of youth in Naryn oblast, %	31.5
Unemployment of youth in Naryn oblast, %	20.6
The total population of Kochkor district, thousands of people	64.7
The population of youth (15-28) – estimation, thousands of people	16.8
Main sectors:	Agriculture, trade and service sector
Potential products to be promoted for youth employment:	Milk
	Meat
	Potato
	Services (trading, barbershops, agricultural services at wheat, wool/skin processing, milk production, potato processing)

Source: NSC (2017) Employment and unemployment. Results of the household survey of budget and labor force in 2017. Bishkek, Kyrgyz Republic, study findings, estimations

Table 13. Target Area # 4 - Aravan district of Osh Oblast – Labor Market for Youth and Main Employment Opportunities for Youth

	2017
Employment in Osh oblast, thousands of people	537.3
Employed youth (15-28) in Osh oblast, thousands of people	185
Employment of youth in Osh oblast, %	55.3
Unemployment of youth in Osh oblast, %	7.9
The total population of Aravan district, thousands of people	125.9
The population of youth (15-28) – estimation, thousands of people	32.5
Main sectors:	Agriculture, trade and service sector
Potential products to be promoted for youth employment:	Apricots
	Grape
	Cotton
	Services (agricultural services fruit/vegetable processing, car washing/fixing workshops, trading, barbershop)

Source: NSC (2017) Employment and unemployment. Results of the household survey of budget and labor force in 2017. Bishkek, Kyrgyz Republic, study findings, estimations

Table 14. Target Area # 5 - Bazar-Korgon district of Jalal-Abad oblast – Labor Market for Youth and Main Employment Opportunities for Youth

	2017
Employment in Jalal-Abad oblast, thousands of people	380.1
Employed youth (15-28) in Jalal-Abad oblast, thousands of people	108
Employment of youth in Jalal-Abad oblast, %	35.2
Unemployment of youth in Jalal-Abad oblast, %	15.2
The total population of Bazar-Korgon, thousands of people	159.1
The population of youth (15-28) – estimation, thousands of people	41.3
Main sectors:	Agriculture, trade and service sector
Potential products to be promoted for youth employment:	Cotton
	Potato
	Milk & Meat
	Services (trading, car washing/ fixing workshops, barbershops, agricultural services at wheat/ corn processing)

Source: NSC (2017) Employment and unemployment. Results of the household survey of budget and labor force in 2017. Bishkek, Kyrgyz Republic, study findings, estimations

Table 15. Target Area # 6 - Sverdlov district of Bishkek city – Labor Market for Youth and Main Employment Opportunities for Youth

	2017
Employment in Bishkek, thousands of people	184.8
Employed youth (15-28) in Bishkek, thousands of people	97.3
Employment of youth in Bishkek, %	45.4
Unemployment of youth in Bishkek, %	15.7
The total population of Sverdlov district, thousands of people	262.6
The population of youth (15-28) – estimation, thousands of people	68.3
Main sectors:	Manufacturing, construction, trade and service sector
Potential products to be promoted for youth employment:	Sewing industry
	Construction
	Retail trade
	Service sector (trading, car washing/fixing workshops, barbershops)

Source: NSC (2017) Employment and unemployment. Results of the household survey of budget and labor force in 2017. Bishkek, Kyrgyz Republic, study findings, estimations

Table 16. Target Area # 7 - Osh city – Labor Market for Youth and Main Employment Opportunities for Youth

	2017
Employment in Osh city, thousands of people	101.5
Employed youth (15-28) in Osh city, thousands of people	27.3
Employment of youth in Osh city, %	35.9
Unemployment of youth in Osh city, %	7.4
The total population of Osh city, thousands of people	281.9
The population of youth (15-28) – estimation, thousands of people	73.3
Main sectors:	Manufacturing, trade and service sector
Potential products to be promoted for youth employment:	Sewing industry
	Retail trade
	Service sector (trading, car washing/fixing workshops, barbershops, short term courses)
	Food processing

Source: NSC (2017) Employment and unemployment. Results of the household survey of budget and labor force in 2017. Bishkek, Kyrgyz Republic, study findings, estimations

Selected products/services/markets are described in the tables for each project location with an estimation of the potential of the labor market for each, based on the data obtained from national statistics and national survey (LiK 2016). A database of the colleges, vocational schools and private educational service providers in the project target locations was additionally created, with the types of training available listed.

3.4. Map of the Gaps and Interlinkages of the Youth Labor Market

Based on the collected data a map of the gaps and interlinkages of the training and required skills was created (See Table 17). It shows the gaps in the educational services provided in the project areas.

Table 17. Map of the Gaps and Interlinkages of Training Centers and the Demand for Training for Youth in the Project Areas

		Suzak	Kochkor	Aravan	Bazar-Korgon	Naryn (town)	Sverdlov d., Bishkek	Osh (city)
Vocational colleges	Units	2	1	2	2	1	1	3
	Specialty	Agriculture Mechanic Catering Sewing Computer Transport	Transport Catering Agriculture Sewing	Electric Agriculture Sewing	Construction Agriculture Electric Sewing Catering	Mechanic Carpenter Construction Catering Sewing Computer Food Processing	Law Accounting Catering Sewing Service sector- Beauty saloons	Carpenter Catering Electricity Transport Accounting Banking Computer IT & Software
Colleges	Units	0	0	1	0	4	16	22
	Specialty			Nursing Pharmacy Preschool Education Jurisprudence Economics and Accounting Obstetrics		Agriculture. Pedagogy Law Medical Economy.	Law Economics Tourism Languages Computer Finance Accounting Education Energy sector IT & software Mining	Law Economics Tourism Languages Computer Finance Accounting Education Energy sector IT & software Mining Music Medical Architecture Phys. Educ.

		Suzak	Kochkor	Aravan	Bazar-Korgon	Naryn (town)	Sverdlov d., Bishkek	Osh (city)
Training centers	Units	1	2	6	2	4	43	52
	Specialty	Driving	Languages Mental Arithmetic Driving	Languages Pharmacy Computer Cooking Retail Driving Pedagogy Accountant Finance Medicine Modeling and sewing	Driving Languages	Finance Taxation Technology Social pedagogy Kindergarten education Computer Pedagogy Mental Arithmetic Computer Programming Languages Business Tourism Accountant and Finance Waitress Modeling and Retail Public administration Driving	Languages Computer Economy Business Sales Office work Retail Tourism Environmental protection Management Dentist Pharmacy Medicine Design Hairdressing Electric work Banking Office management Animation Hotel management Guide Mountain guide Housekeeping Reception Psychology Public speaking Facial, nail makeup Computer Programming Accountant Taxation Prepare for test Massage Retail Programming	Agronomy Veterinarian Land management Finance Tax Design Commutation Tourism Hotel Service Car fixing Laboratory diagnostics Theology Kindergarten Pedagogy Management Medicine Dentist Social work Architecture Translation Technologist Tailor Construction Electrician Languages Design Pharmacy Finance Network, communication, and system Hairdressing Computer Programming

		Suzak	Kochkor	Aravan	Bazar-Korgon	Naryn (town)	Sverdlov d., Bishkek	Osh (city)
Training centers	Units	1	2	6	2	4	43	52
							IT specialization Hairdressing, facial, nail design, makeup, cosmetologist Gas electrician Welder Musical instruments Theater Sport Finance and accountant Taxation Cooking Kindergarten Pedagogy Construction Wood carpenter Driving	Preparation for tests Barmen, waiter Psychology and pedagogy Musical instruments Polygraphy Facial makeup, nail design Accountant Gas electrician Welder Physics mathematics Driving Cooking
Special School	Units						1	
	Specialty						Physical education	
Demand	**Covered**	Partly	Partly	Partly	Partly	Mostly	Fully	Fully
	Uncovered	Carpenter Construction Food Processing Electric	Carpenter Construction Food Processing Electric	Carpenter Construction Food Processing Electric Catering Mechanic Computer	Carpenter Construction Food Processing Electric	Accounting		

Source: study results

As might be expected cities (Bishkek and Osh) and even small towns (Naryn) provide much wider varieties of training options compared with rural territories. It shows the potential for the future improvement of the educational services in rural areas. The gaps in the supply of educational services in rural areas need to be covered further.

4. Conclusions and Recommendations

After the desk research and labor market study the following findings were generalized:

- The labor market for youth in Kyrgyzstan demonstrates lower growth rates compared to the growth of the overall population. During the next decade competition on the labor market will increase. Specifically, this will affect the youth labor market. Excessive labor will leave the country as a result. Even a worsening of the economic situation in the main labor migration destination, i.e. Russia, did not change this trend significantly.
- The existing labor market is characterized by the prevalence of individual-based entrepreneurship – individual employers and self-employed entrepreneurs and small-scale farmers are the core job providers in the country. From 2.4 million jobs in 2017, 1.7 million are based on individual entrepreneurship (71%).
- Micro and small enterprises are growing job providers. Meanwhile, the share of medium enterprises in the economy is decreasing.
- Most of the available jobs do not require higher education. At the same time, certain gaps exist between skills received during formal education and the skills and knowledge required at the actual workplaces.
- The labor market study shows that differences exist between the rural and urban areas:
  - rural areas provide temporary (seasonal) jobs in crop and livestock production, food processing and some service sector opportunities;
  - urban areas generate more jobs with a higher salary and higher intensity of work in the service sector, manufacturing and construction works.

- Seasonality is observed in rural and urban labor markets due to dependence on volatile market trends - agriculture, construction, textile, and catering services.
- Labor competition exists on the local markets – rural and urban residents, different education levels etc.
- A gender disparity exists in an uneven form. Some operations are done by women only, while work that requires physical strength are done by males. The difference in salaries is not significant.
- A gap in skills exists between urban and rural youth applying for jobs requiring analytical tasks - soft skills, computer skills using software, foreign languages.
- A gap in services exists in local rural areas - many services do not exist, e.g. lack of veterinarian services.
- The study helps us to identify the following products and services potential for further support within the framework of the project. Those products may potentially create more jobs for youth in the case of further development. For two of the listed products / goods / services below, value chain studies will be developed further:
  - Agricultural products – cotton, grape, potato, milk, meat, apricots
  - Services - trading, car washing/fixing workshops, barbershops, agricultural services at wheat / corn / wool / skin / vegetables / fruit processing
  - Manufacturing:

  - Food processing - milk, meat
  - Sewing industry - textile production

- Construction

- A map of the gaps and interlinkages of the youth labor market helps to identify the areas where project interventions may have a positive effect. Further elaboration is needed to define the target audience as well as the size of the operation.

Recommendations are offered to the project partners in light of the main conclusions made:

- A gap exists between formal education structures and the real needs of the micro and small businesses that create real jobs on the labor markets focused on youth.
- Training of practical skills will be a helpful instrument for youth to grasp labor opportunities as well as in making a realistic assessment of the chances to find particular jobs. Over-expectation of youth regarding real employment opportunities often leads to failure during the job seeking process, which negatively affects the adaptation of youth to the economic conditions of Kyrgyzstan.
- A significant amount of training services is not really needed on the market. A revision of the curriculum and a list of suggested professions is needed for colleges, vocational schools, and training courses.
- Public and private training providers may use the gaps found as a starting point in developing training services for youth in the project areas. This can be potentially expanded upon for the whole country.
- Further studies are needed for developing in-depth analysis for separate products, services and businesses, on the local and national markets with a focus on potential job creation for youth. These efforts are needed not only within the framework of the project but also for future country development taking into account future growth of the population and the youth proportion thereof during the next decades.
- Public agencies working in the area of youth employment need to address the problems discussed in the project report within their mandates. The role of the Kyrgyz government needs to be more focused not only on the functional character of the tasks but also towards improvement of the services provided by the state. The existing system of education needs to be reframed towards the needs of the youth, and an analysis of the efficiency of budget spending is required for an effective reallocation not on the basis of existing infrastructure, but in areas where most of the young people reside. More attention to the highly populated areas in South Kyrgyzstan is evidently required. Restructuring the gaps in the training of specialties in demand will be helpful for young people in remote rural areas. Separate attention is needed for the revision of the structure of training. Closer cooperation with the private sector will be helpful for young people and for businesses too. Quality of training is also an important issue which needs to be strengthened.
- Private training providers might take the chance to rethink their strategy in the big cities and smaller towns and to move to the regions. Low purchasing power of the rural population prevents the development of that activity currently. Some development organizations might be

ready to co-support this type of initiative. Also, cooperation among different types of training service providers might be a good idea to use economy of scale operations through creating a network (association).

- Young people, as well as their parents, need to reanalyze their real potential and invest time and money in the most suitable areas where they can successfully adapt and operate effectively for their own benefit and for that of society overall.

Annex - Labor Market Statistics

Table A1. Disaggregation of People Involved in Labor Activities by Region and Age, % of total

	North		South		Total	
	over 18 years	18-28	over 18 years	18-28	over 18 years	18-28
employer	0.4	0.3	0.5	0.3	0.5	0.3
self-employed worker	16.2	8.3	13.6	9.8	14.8	9.2
wage employee	31.6	29.3	21.6	21.2	26.1	24.2
contributing family worker	8.1	10.9	5.7	7.0	6.8	8.5
other	1.0	0.4	0.4	0.6	0.7	0.5
possibly unemployed/ unregistered workers[19]	42.6	50.8	58.1	61.2	51.2	57.3
Total	100	100	100	100	100	100

Source: LiK 2016

Table A2. The Share of People Aged 18-28 Employed in Different Sectors, % of the total employed

	Total	North	South
agriculture and fishing	23	22	23
mining	2	0	3
manufacturing	6	8	5
energy and water	2	2	2
Construction	9	8	10
trade and repair	12	17	9
hotels and restaurants	3	5	2
transport and communications	7	5	8
finance	4	5	3
real estate, renting and business activities	1	1	1
public administration	2	3	2
education	9	6	11
health and social work	6	4	7
utilities, social and personal services	6	6	6
private households with employed persons	9	8	10

Source: LiK 2016

Table A3. Average Salary by North and South, Age, and Area, KGS

	North		South		Total	
	over 18 years	18-28	over 18 years	18-28	over 18 years	18-28
monthly entrepreneurial income*	7,699	4,515	9,880	7,503	8,724	6,287
salary (without taxes and contributions)**	10,780	9,995	10,013	10,275	10,450	10,151

Source: LiK 2016

[19] Assumption for missing values

Table A4. Status of First Youth Employment, %

	Total	Urban	Rural
Registered employee	32	34	30
Unregistered employee/ no contract	43	45	42
Seasonal/temporary worker	5	4	6
Entrepreneur	7	9	6
Family helper	12	7	15
Intern/trainee	0	1	0
Total	100	100	100

Source: ETF, STWT 2013

Table A5. Employment in Different Sectors Disaggregated by Area and Age, % of total employed

	Urban		Rural		Total	
	over 18 years	18-28	over 18 years	18-28	over 18 years	18-28
agriculture and fishing	3	2	35	34	22	23
mining	2	2	1	2	2	2
manufacturing	9	11	2	3	5	6
energy and water	3	3	1	1	2	2
construction	9	9	7	9	8	9
trade and repair	19	17	8	10	12	12
hotels and restaurants	3	4	2	2	2	3
transport and communications	10	7	7	7	8	7
finance	4	8	2	2	2	4
real estate, renting and business activities	1	1	0	1	1	1
public administration	4	5	2	1	3	2
education	14	11	11	7	12	9
health and social work	8	9	4	4	6	6
utilities, social and personal services	9	10	4	4	6	6
private households with employed persons	3	1	14	13	10	9
Total	100	100	100	100	100	100

Source: LiK 2016

Table A6. Average Salary by Age, and Area, KGS

	Urban		Rural	
	over 18 years	18-28	over 18 years	18-28
monthly entrepreneurial income *	14,139	11,778	6,563	5,442
salary (without taxes and contributions)**	11,545	11,720	8,939	8,235

Source: LiK 2016

Table A7. Disaggregation of People Involved in Labor Activities by Gender and Age, % of total employed

	Male		Female		Total	
	over 18	18-28	over 18	18-28	over 18	18-28
employer	1	1	1	0	1	1
self-employed worker	40	27	16	11	30	22
wage employee	47	51	62	67	53	57
contributing family worker	10	20	19	20	14	20
other	1	1	2	2	1	1
Missing values	0	0	0	0	0	0
total	100	100	100	100	100	100

Source: LiK 2016

Table A8. Employment in Different Sectors Disaggregated by Gender and Age, % of total employed

	Male		Female		Total	
	over 18	18-28	over 18	18-28	over 18	18-28
agriculture and fishing	27	27	15	14	22	23
mining	2	2	1	1	2	2
manufacturing	4	6	6	7	5	6
energy and water	3	3	1	1	2	2
construction	12	13	1	0	8	9
trade and repair	11	12	13	12	12	12
hotels and restaurants	2	2	3	4	2	3
transport and communications	13	10	1	1	8	7
finance	2	3	3	6	2	4
real estate, renting and business activities	1	1	1	1	1	1
public administration	3	3	2	2	3	2
education	4	3	23	19	12	9
health and social work	2	2	11	11	6	6
utilities, social and personal services	5	5	7	8	6	6
private households with employed persons	8	7	12	12	10	9
Total	100	100	100	100	100	100

Source: LiK 2016

Table A9. Average Salary by Gender and Age, KGS

	Male		Female	
	over 18 years	18-28	over 18 years	18-28
monthly entrepreneurial income *	9,329	7,298	5,578	3,508
salary (without taxes and contributions)**	11,415	10,777	9,210	9,289

Source: LiK 2016

Table A10. Average Crop Yields by Oblast in 2016, centners per ha

	Kyrgyz Republic	Batken	Jalal-Abad	Issyk Kul	Naryn	Osh	Talas	Chui
Grains	30.7	30.7	44.4	24.5	20.4	33.4	36.4	29.7
Wheat	24.5	17	27.2	24.4	20.4	21.6	25.2	26.6
Barley	22.5	13	19.9	24.8	20.3	16.6	18.8	24.3
Maize for grain	62.4	57.1	58.1		50	65.1	63.6	67.3
Leguminous plants	17.2	13.9	16.5	20.1		9.6	17.3	16.1
Rice	34.7	32.1	38.5			31.3		
Oilseeds	10.5	14.6	11.9	8.2		11.8	10.8	7.8
Sunflower	12.2	16.5	12.2	7.3		12	10.4	10.4
Cotton	31.4	23.3	33			29.1		
Potatoes	166.3	141.7	143	183.9	142.4	153.6	173.5	169.3
Vegetables	194.4	164.1	224.3	174.1	115.3	167.3	193.5	198.7
Melons	219.4	147.2	246			175.7	206	225.3
Grass for Hay	33	15	16.3		33.9	46		
Perennial grasses	59.5	42.4	50.3	47.5	52.2	49	65.7	79.8
Fruits and berries	48.7	47.4	59.9	61.3	19.9	57.1	68.9	18.7
Grapes	15.3	15.5	7.4			48.3	19.4	7.6

Source: NSC

Table A11. Average Yields for Selected Districts in 2016, center per ha

	Bazar-Korgon	Suzak	Kochkor	Aravan	Bishkek city	Osh city	Naryn city
Grains	45.7	39.5	20.7	41.6		38.9	
Wheat	31.5	25	20.7	18.1		12.1	
Barley	16.9	22.1	20.6			17.1	
Maize for grain	64.8	61.2		60.9		67.3	
Leguminous plants	15	12					
Rice	39.8	39.7		38.5			
Oilseeds	12.8	11.5		20.8			
Sunflower	13.3	11.5		21.1			
Cotton	32.9	29.6		29.2			
Potatoes	150.9	144.5	149.1	161.6			
Vegetables	243.4	239.7	109.3	162.1	83	236.1	
Melons	208.3	243.3		180.5			
Grass for Hay			33.9				
Perennial grass	49.6	47.5	51.6	67.2	32.9	98.6	41.3
Fruits and berries	58	62.9	18.9	72.2			28.3
Grapes	32.9	3.5		54.3			

Source: NSC

Table A12. Yields of Main Agricultural Products by Oblasts, kg per household

	Issyk Kul	Jalal Abad	Naryn	Batken	Osh	Talas	Chui
Winter wheat	2,069	2,790		1,578		2,000	6,214
Spring wheat	3,750	2,433	1,821	842	3,500		1,540
Barley	2,740	2,155	3,628	1,425	2,166	3,140	2,927
Maize		2,268		3,367	1,607		3,965
Sunflower		500			3500		200
Cotton		2,635		3,025	1,350		
Potatoes	2,702	627	1,999	939	2,366	1,179	1,540
Tobacco				1,190			
Kidney bean						3,488	
Rice			1,006	1,000	1,124		
Sunfoin	20,092	21,127	16,060	13,200	5,537	15,540	500
Lucerne	24,685		16,192			3,000	34,962
Tomatoes	134	282		296	492	287	230
Onions	148	243		481	711	155	495
Carrots	184	213	2,311	810	381	248	5,158
Sugar beet	1,050	1,400	700				65,530
Cabbage	189	271	6,000	833	1127	354	2,932
Apples	754	263		883	367	887	134
Pears	362	176		45	192		125
Cherry	77	199		1138	200		52
Grapes		27.5		500	112		10
Peaches		355		2000	165		
Plums		677		1,309			16,167
Apricots	487	106		493	40	200	50
Raspberry	148	134		648			651
Strawberry	80	3,293	4,100	155	557.5		3,566
Blackcurrant	82						
Garlic	135	277.5	120	433	650	138	369
Pepper		142.5		21	133	400	97
Pea							

Source: LiK 2016

Table A13. Yields of Main Agricultural Products in Selected Districts, kg per household

	Bazar-Korgon	Suzak	Aravan	Kochkor
Winter wheat	-	3,267		
Spring wheat	1,150			2,000
Barley	1,120	2,675		3,739
Maize	1,921	3,972	1,560	
Sunflower				
Cotton	1,728		1,344	
Potatoes	357	588	3,512	3,430
Tobacco				
Kidney bean				
Rice		1,167	425	
Sainfoin	4,600	28,858		13,956
Lucerne				
Tomatoes	295	228	1,837	
Onions	274	50	1,500	
Carrots	268			4,333
Sugar beet		1,400		
Cabbage	327	130	3,620	6,000
Apples		250		
Pears	270			
Cherry		368	200	
Grapes		28	116	
Peaches		454		
Plums		165		
Apricots		102	30	
Raspberry		137		
Strawberry		6,126	733	1,200
Blackcurrant				
Garlic			650	
Pepper		140	1,500	

Source: LiK 2016

Table A14. Youth Employment (18-28) in Different Sectors Disaggregated by Gender and Area, % of total employed

	Urban		Rural		Total	
	male	female	male	female	male	female
agriculture and fishing	3.8	0.6	38.0	25.1	27.1	14.2
mining	2.3	1.2	2.2	1.0	2.2	1.1
manufacturing	9.4	12.8	4.2	2.0	5.8	6.8
energy and water	4.2	1.8	1.8	0.5	2.5	1.1
construction	15.0	0.6	12.7	0.0	13.5	0.3
trade and repair	19.7	13.4	8.8	10.8	12.3	12.0
hotels and restaurants	4.2	4.3	1.5	3.9	2.4	4.1
transport and communications	11.3	0.6	9.5	1.0	10.0	0.8
finance	6.1	11.0	1.5	2.0	3.0	6.0
real estate, renting and business activities	0.9	0.0	0.7	1.0	0.7	0.5
public administration	5.2	3.7	1.3	1.0	2.5	2.2
education	3.3	22.0	2.9	17.2	3.0	19.3
health and social work	3.8	14.6	1.5	8.9	2.2	11.4
utilities, social and personal services	9.4	12.2	3.1	5.4	5.1	8.4
private households with employed persons	1.4	1.2	10.3	20.2	7.5	11.7
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: LiK 2016