



SEMINAR - PRESENTATION OF THE OECD ECONOMIC SURVEY OF THE RUSSIAN FEDERATION

RAISING PRODUCTIVITY: SKILLS
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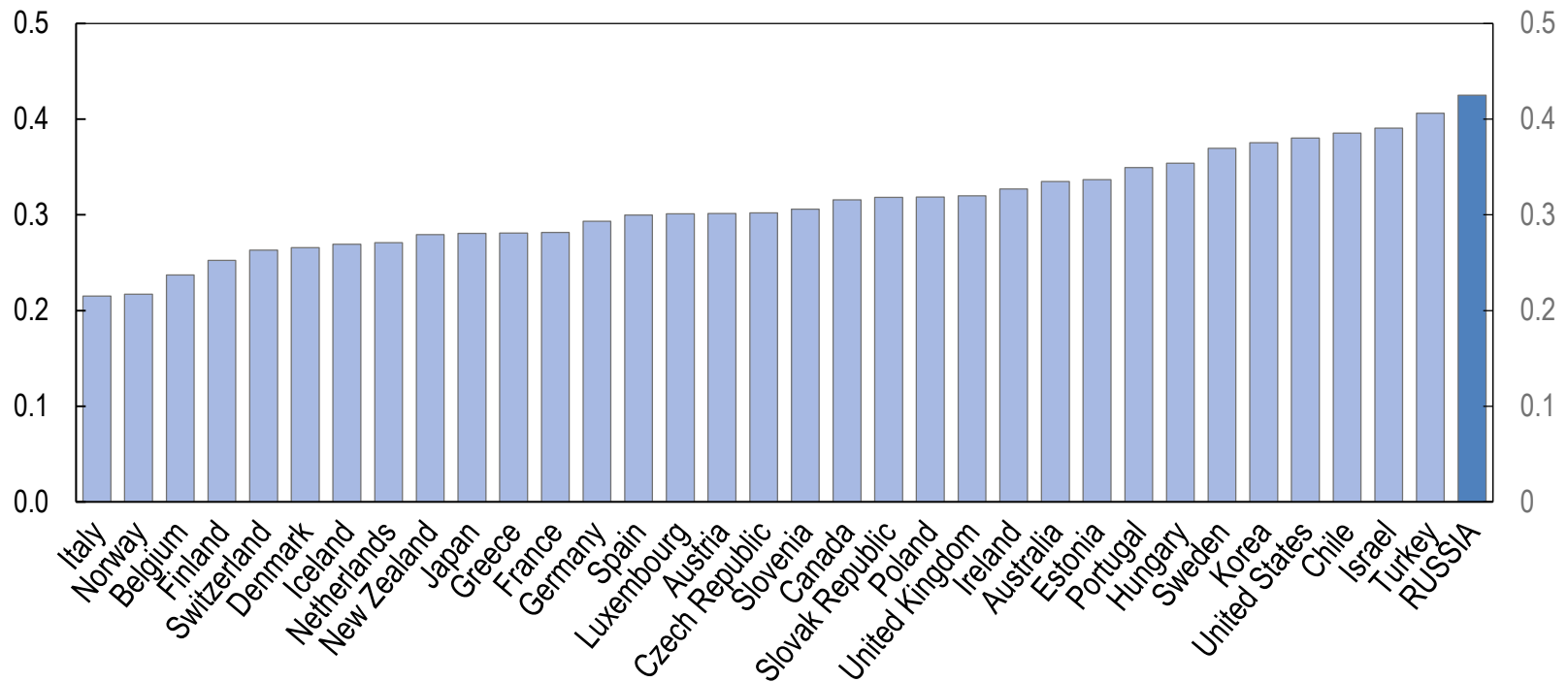
1. SKILL CHALLENGES



Skill Challenges (1)

- Level of unemployment is low
- Wage inequality is high

Gini Coefficient 2011

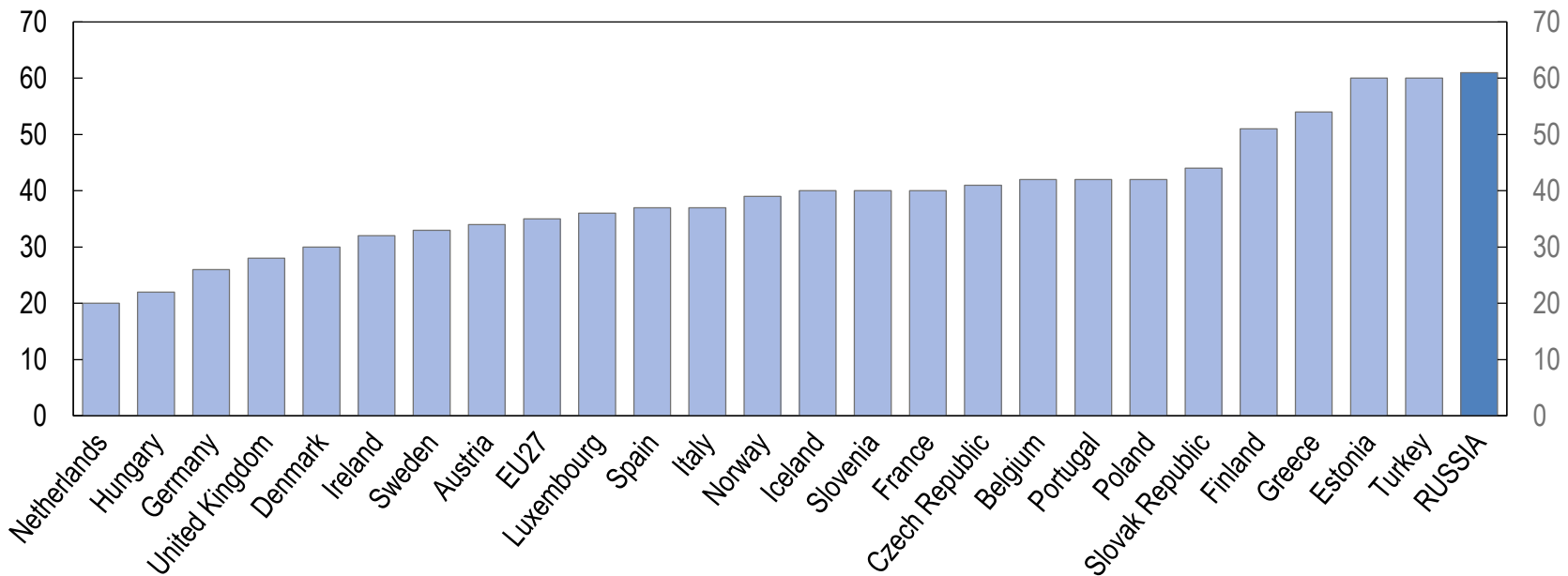




Skill Challenges (2)

- The highest share of tertiary educated population in the world: 51% of the labour force (25-64) in 2011
- Share of SMEs that have experienced a lack of skilled personnel is high

Survey 2009-2010





2. MAIN CHARACTERISTICS OF RUSSIAN LABOUR MARKET

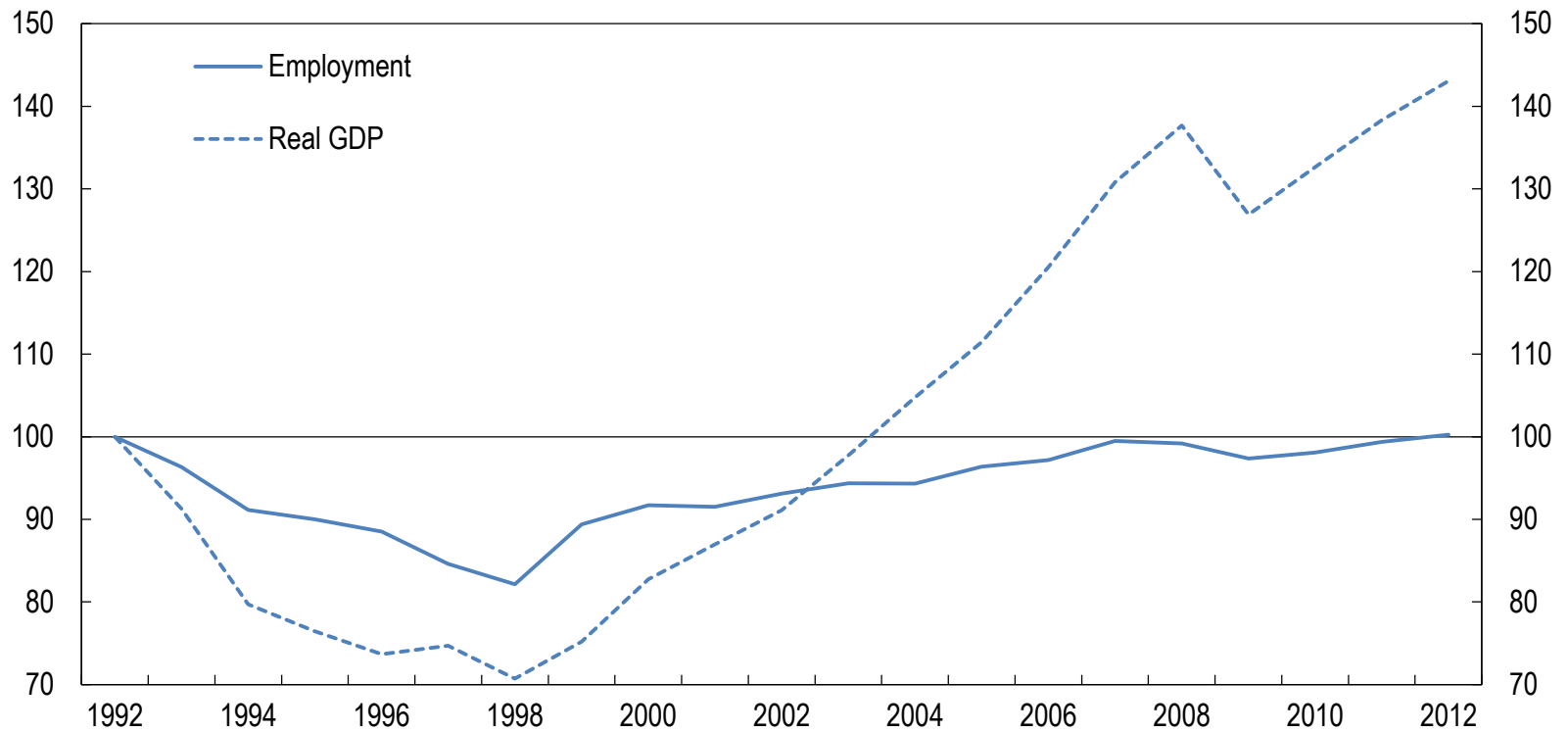


Main characteristics of Russian labour market

- Employment is stable over the economic cycle

Index 1992 = 100

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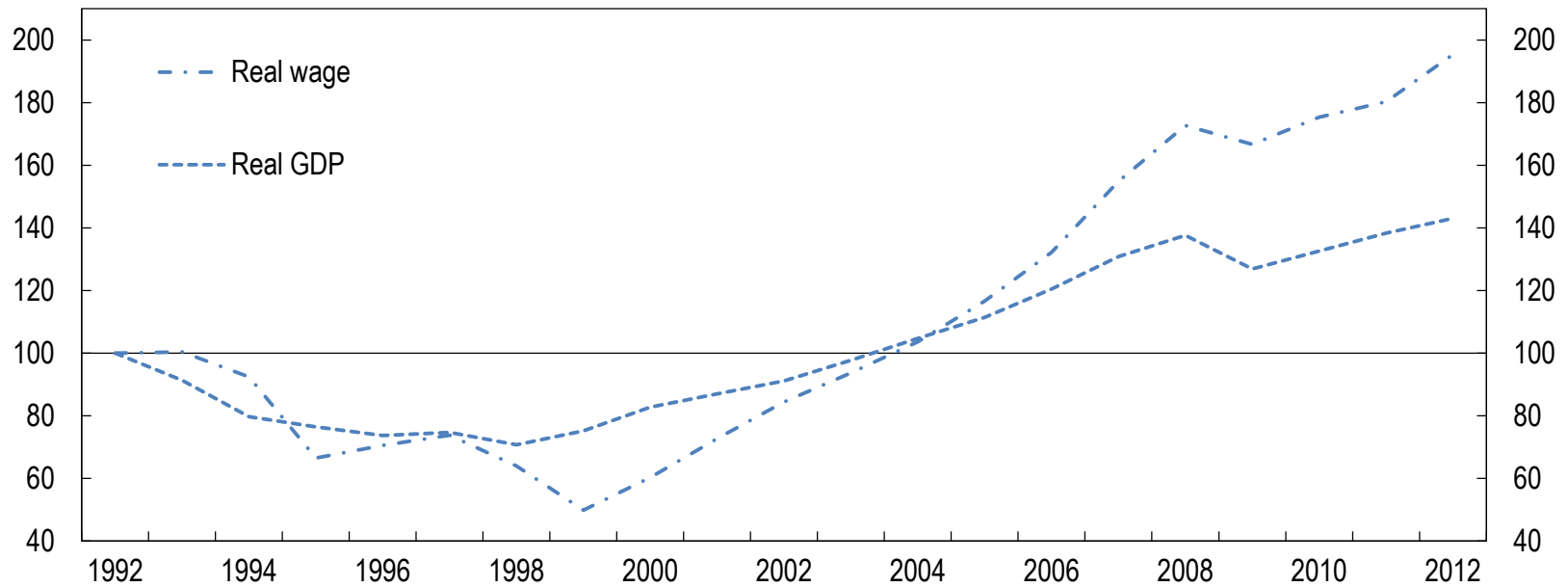




Main characteristics of Russian labour market

- Adjustment is mainly ensured by **wages flexibility**

Index 1992 = 100



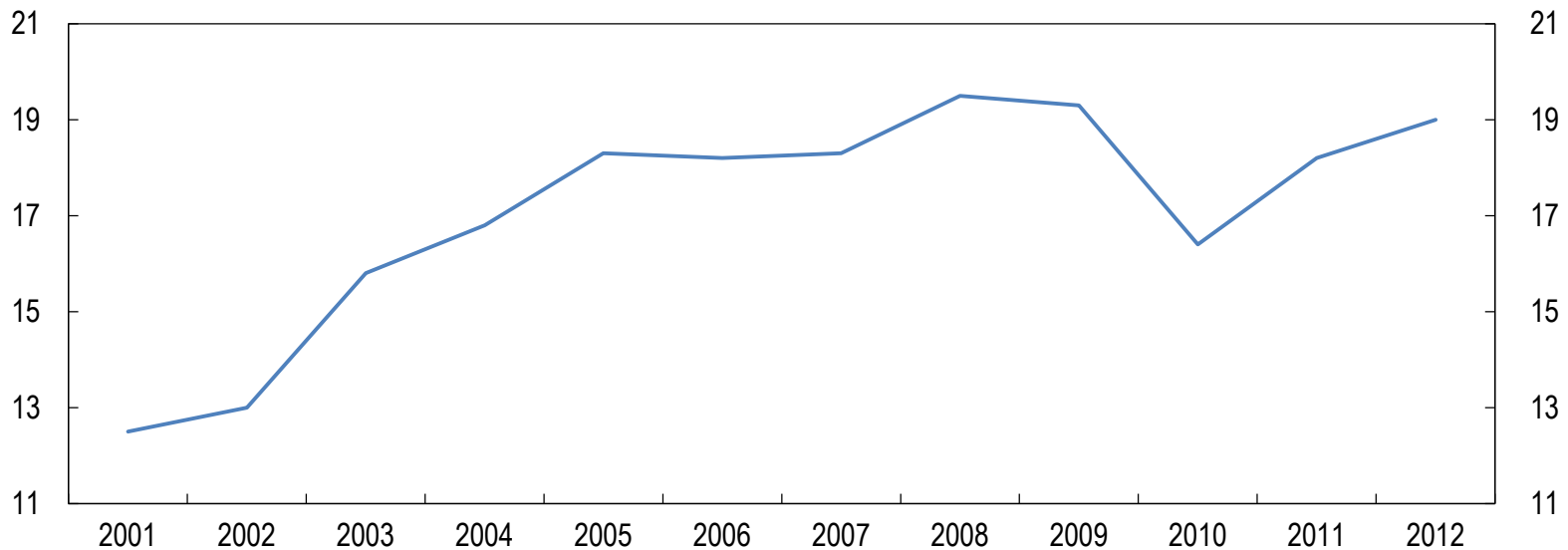
Index 1992 = 100

- Flexible part of wage=40% (against 5% in US)



Main characteristics of Russian labour market

- Many new jobs created in **non-corporate sector** (own-account workers; individual entrepreneurs, small farmers and their employees)
- Jobs in non-corporate sector as % of total employment)

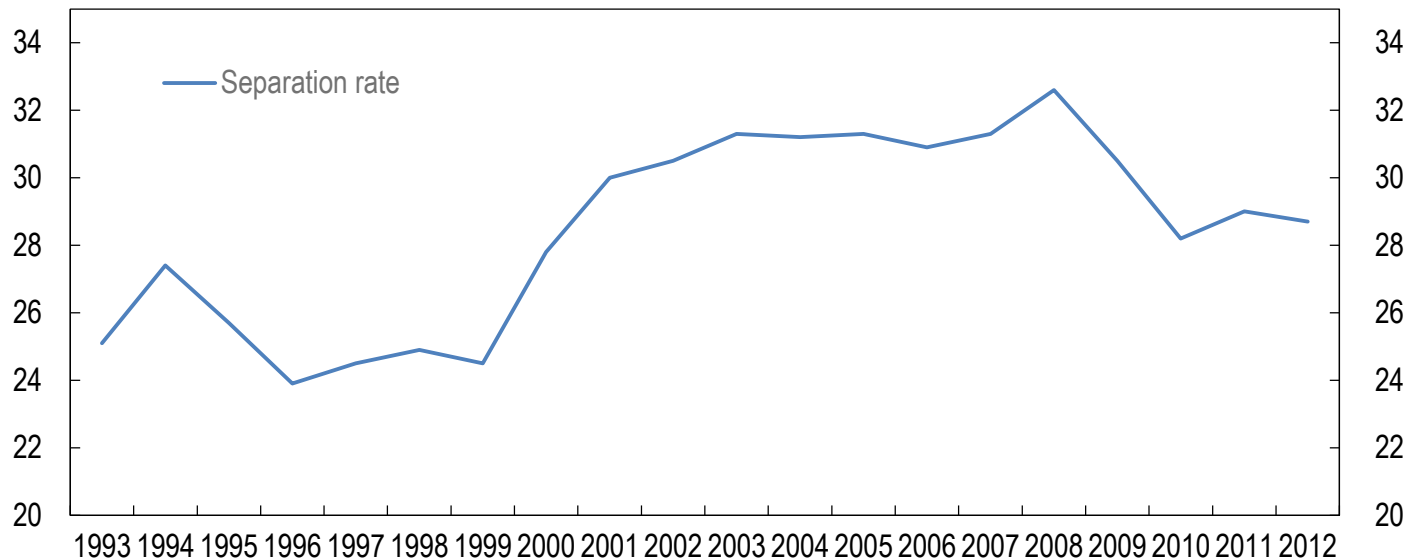


- Lot of jobs in the **informal sector** (Lehmann and Zaiceva, 2013):
 - About 20% of dependent employment is informal (7% according to lowest estimates)
 - dualism



Main characteristics of Russian labour market

- **Labour Turnover** (% of average employment)



- This is about twice what observed in many other OECD countries: e.g. it is less than 15% in Germany, Sweden, Norway, Netherland before the crisis
- Turnover is higher for low productive jobs
- Negative impact on human capital investment and growth
- Underinvestment from firms that fear of poaching/ workers (low value of skills specific to firms).



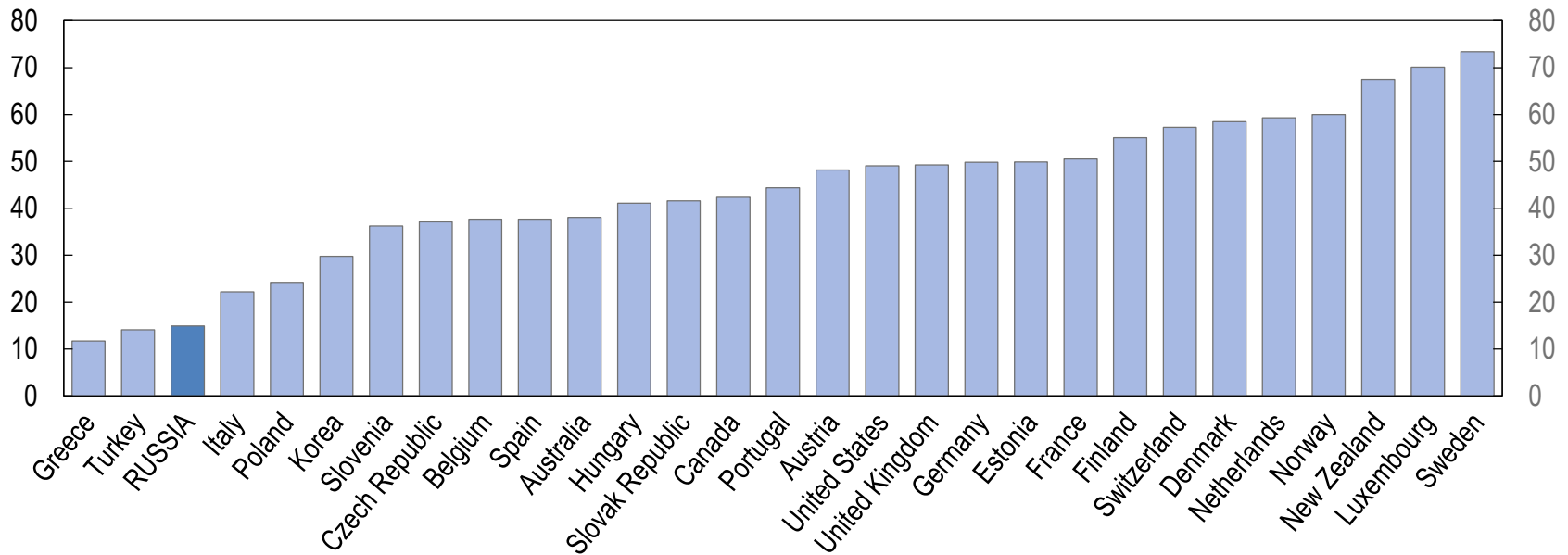
3. Main Recommendations for the labour market?



Main recommendations for the labour market

- LLL efficient to raise the human capital of workers, in particular in a context of technological change, to adapt their skills with new needs

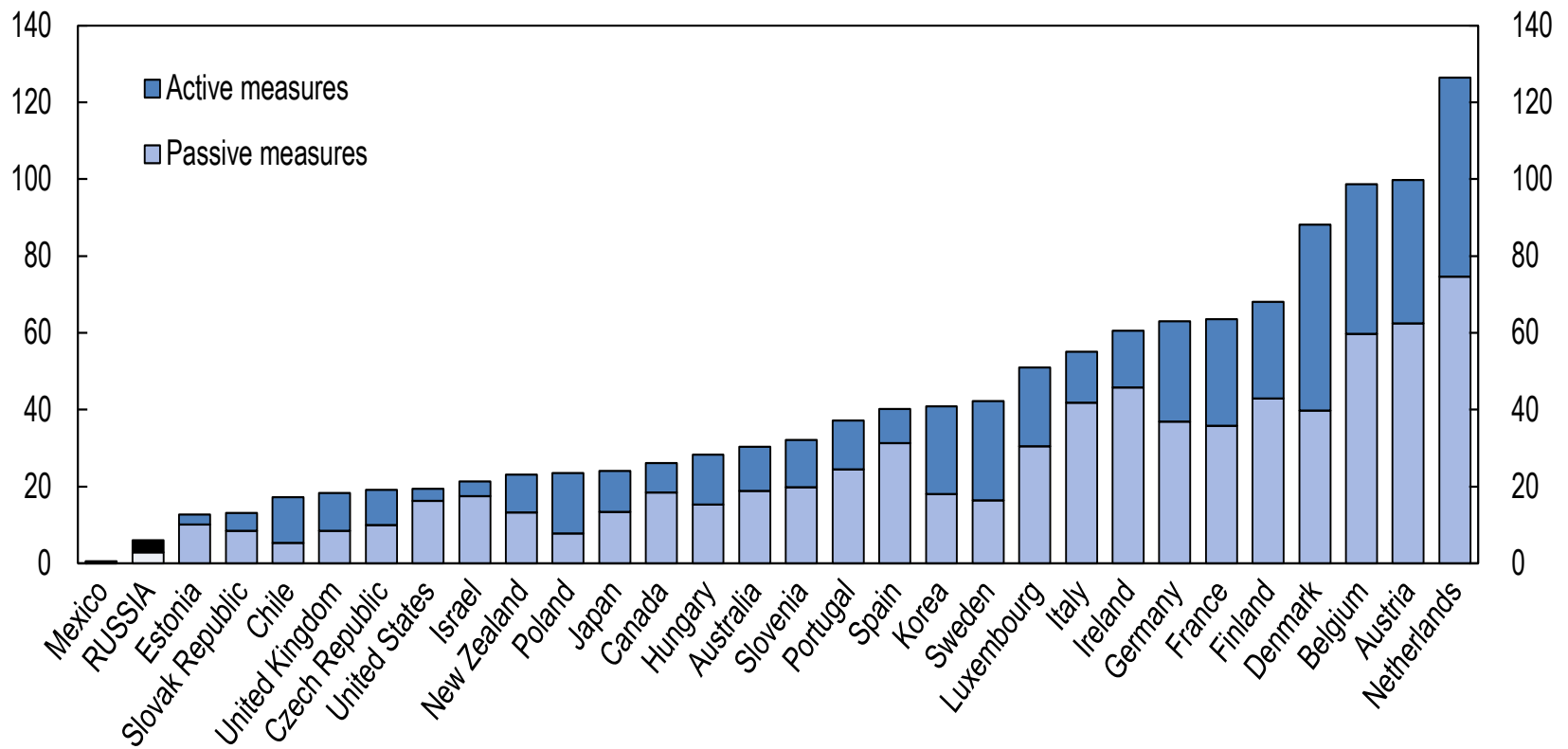
Participation to lifelong learning (2011)





Main recommendations for the labour market

Investment in active and passive labour market policies is low (2010)





Active and passive policies are two sides of the same coin:

- Activation policies help to reallocate labour from a declining to a growing activities, in particular training and efficient job search support
- Low UB is non efficient economically: it contributes to low unemployment but also to skills mismatch



Main recommendations for the labour market

- Better balanced dialogue between employers and workers:
 - Building block of the civil society
 - Economically more efficient by reducing the excessive turnover



Main recommendations for the labour market

- Recommendations
- Strengthen active labour market policies by increasing spending on training programmes
- Strengthen PES (caseload; IT tools)
- Develop monitoring and ex-post evaluation studies;
- Ensure the equality of support to the unemployed across regions.
- Provide stronger temporary income support to the unemployed while reinforcing job search requirements for all registered unemployed.
- Develop financial incentives for firms and workers to engage in LLL: through levies and training vouchers; recognising non formal education;
- Widen the scope for negotiating collective agreements at the enterprise level by enforcing collective agreements, strengthening bargaining power of workers and extending the right to strike.



Main weaknesses of educational system

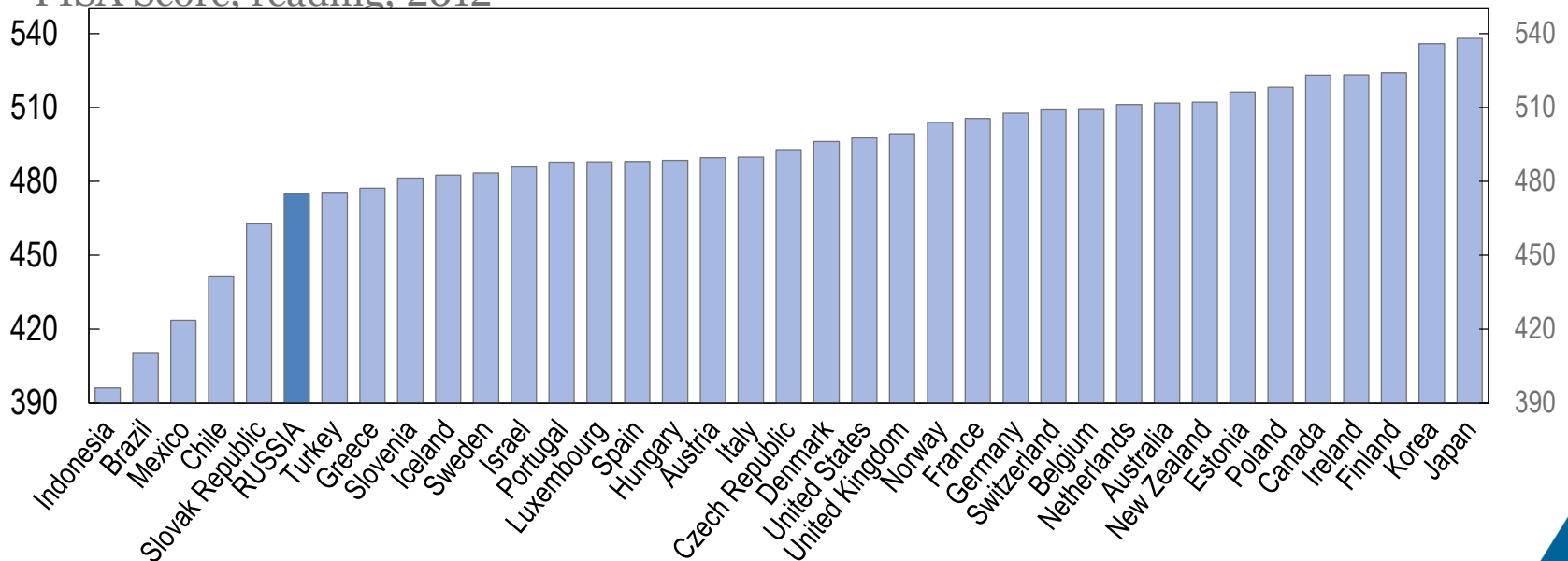
4. Main weaknesses of educational system



Main weaknesses of educational system

SECONDARY GENERAL EDUCATION

- Russia: top performer country when it comes to the enrolment rate in education but also to formal/academic learning: PIRLS, TIMMS, (reading, mathematics)
- Lower performance when it comes to applied knowledge (PISA)
- PISA Score, reading, 2012





Main weaknesses of educational system

VOCATIONAL AND HIGHER EDUCATION

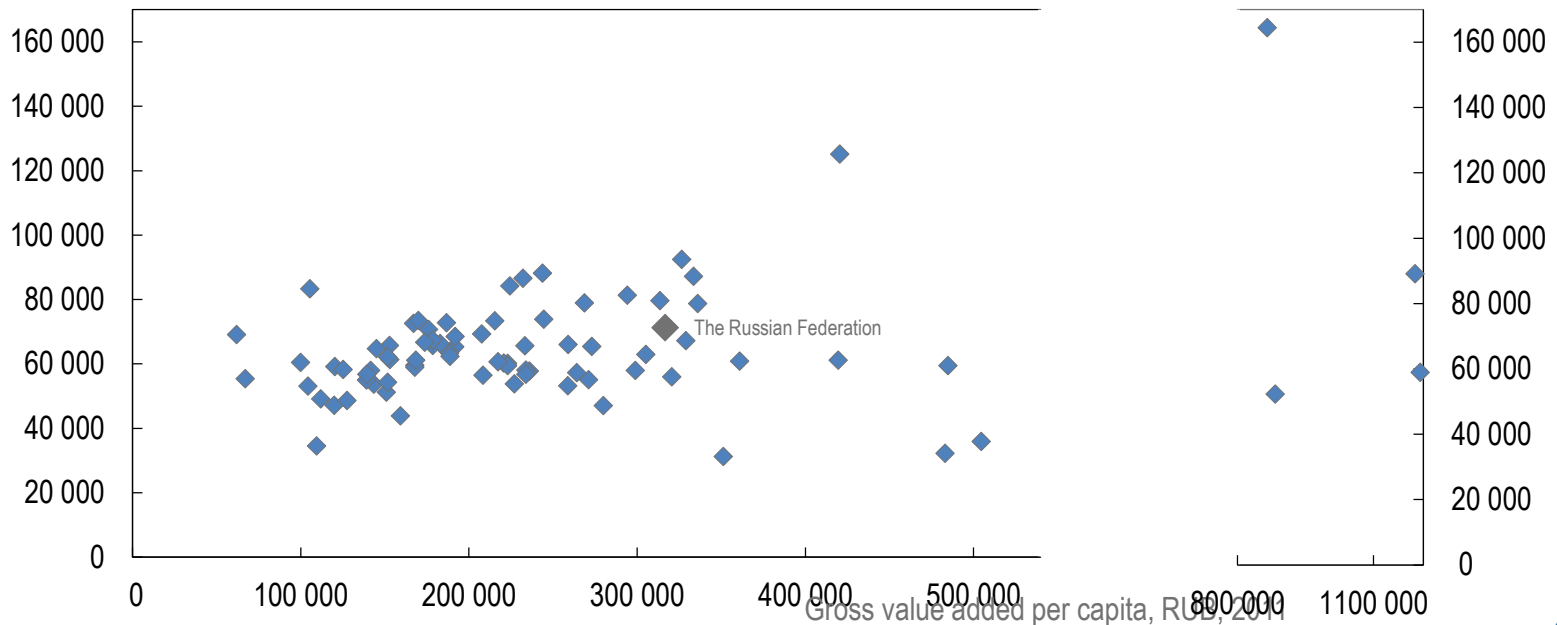
- Vocational and higher education institutions do not provide skills needed in the labour market
 - VET system inherited from soviet period
 - Firms complain that they have to retrain students
 - A large share of students do not work in their field of speciality
- Insufficient cooperation between firms and vocational, higher educational institutions



Main weaknesses of educational system

- GROWING INEQUALITY?
 - at regional: per student spending ranging from RUB 31 000 to 164 000
 - at tertiary level: low socio-economic background students have insufficient access to quality education; free study places allocated only based on academic performance/ raising share of students paying fees
 - at school level: risk of dualism associated with the rise of fees for optional courses

Expenditure per student for general education, RUB, 2011

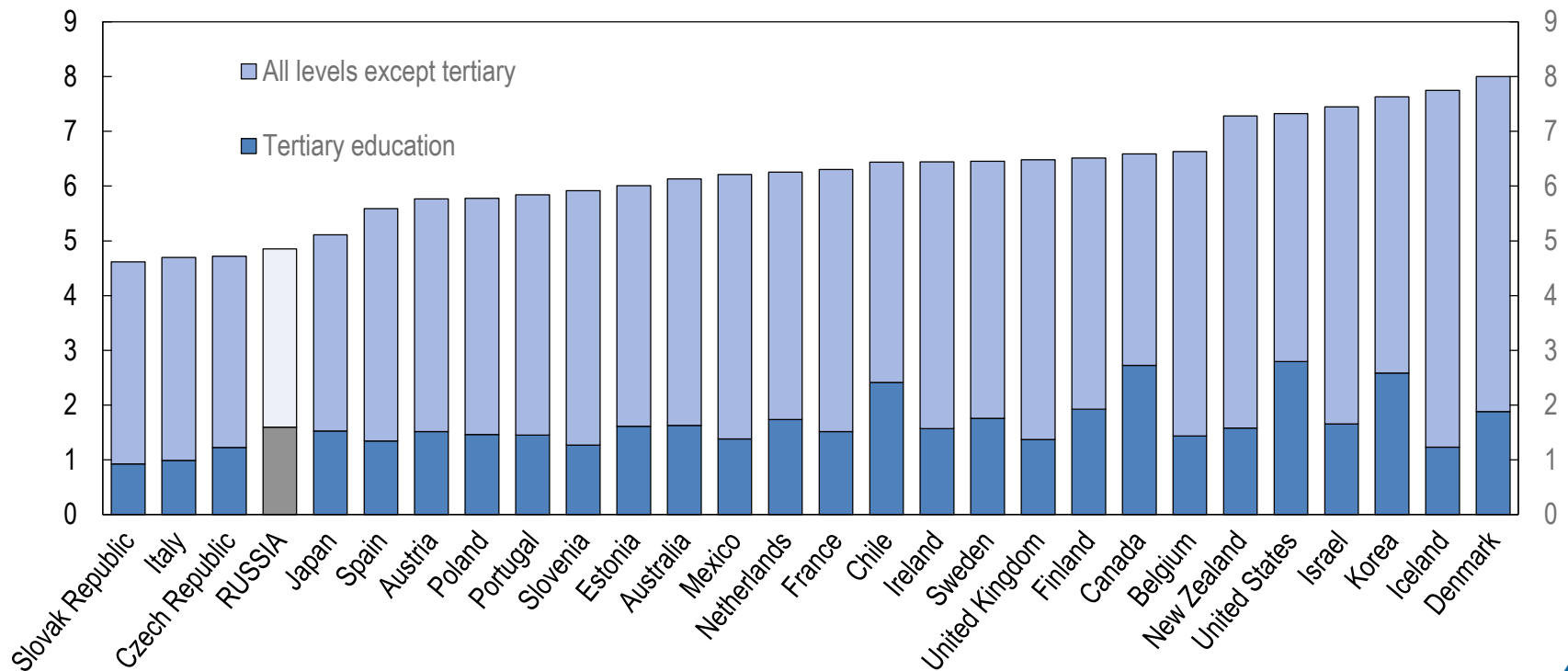




Main weaknesses of educational system

- Spending on education is lower than what observed in OECD countries, in particular below tertiary education

Spending in education % of GDP, 2010





5. Main recommendations on education



Main recommendations on Education

- Increase overall education funding, in particular in poor regions, while continuing to restructure education institutions.
- Continue efforts to develop updated professional standards for vocational education.
- Strengthen the co-operation between educational higher and vocational institutions, and businesses
- Link remuneration of teachers with their performance.
- Reconsider school fees for optional courses in primary and secondary education
- Implement income contingent loans for fee-paying tertiary and reduce the share of free study places allocated only based on academic performance



Спасибо за внимание!

