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# Strengthening the Labor Market in Mongolia: Skills for Employment Project

## Abstract

### Key Points

- The Government of Mongolia has been advancing technical and vocational education and training (TVET) as a measure for employment promotion.
- Major lessons that emerged from projects supported by development partners include (i) potential gains in efficiency and effectiveness could be achieved only if the development of training modules and materials, upgrading of equipment and facilities, and training for TVET teachers were better aligned with standards set in collaboration with employers, and industry and professional associations; and (ii) sustainable reforms of the TVET system require active public communication and consultations.
- The Skills for Employment Project for the Government of Mongolia will support the reform of the TVET system in Mongolia through (i) the development of an industry-driven TVET system, (ii) upgrading of selected TVET providers to implement competency-based training and assessment, (iii) the establishment of training systems for TVET teachers and managers, and (iv) support for secondary education career guidance and schools specializing in technology (basic engineering).

### Keywords

Mongolia, labor market, technical and vocational education, skills training

### Comments

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- Major lessons that emerged from projects supported by development partners include (i) potential gains in efficiency and effectiveness could be achieved only if the development of training modules and materials, upgrading of equipment and facilities, and training for TVET teachers were better aligned with standards set in collaboration with employers, and industry and professional associations; and (ii) sustainable reforms of the TVET system require active public communication and consultations.
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## SOCIAL PROTECTION BRIEF

## Strengthening the Labor Market in Mongolia: Skills for Employment Project

## BACKGROUND

Mongolia's economy has grown rapidly, resulting in significant changes to the employment structure and demand for skills. However, lack of skills has been constraining the growth of priority sectors with potential for employment generation, including construction, road and transportation, and agriculture. On the other hand, unemployment, low productivity and vulnerable employment, and underemployment have been contributing to poverty. Against this background and within the overall framework of sustainable and inclusive growth, the Government of Mongolia has been advancing technical and vocational education and training (TVET) as a measure for employment promotion.

Some key sectors of the economy face acute shortages of skilled workers. Despite favorable government policies which support the introduction of modern technologies in the production and processing of agricultural products, improvements in product quality and productivity have been slow due to lack of skills. Although the building construction sector has generated employment opportunities - following recent public and private investments in housing and public facility development the largest number of job vacancies of all sectors in Mongolia in the first quarter of 2013 - following recent public and private investments in housing and public facility development, serious shortages of skilled workers have often forced contractors to hire foreign workers. This is also the case with the road and railway construction sector where the government has invested to improve connectivity, both internally and with neighboring countries, given Mongolia's low population density and landlocked status.

In spite of the strong demand for skilled workers, the TVET system in Mongolia is confronted with a number of challenges that make it difficult to respond flexibly to labor market demands. A 2013 survey shows that only about 20% of TVET programs and courses had been offered with adequate training equipment and facilities. A small-scale opinion survey of TVET graduates conducted in 2013 also revealed that only about 26% of the respondents had used equipment similar to that used in their workplace. In this

regard, it should be mentioned that the level of capital expenditures in the TVET subsector has been low, disproportionate to the need for capital investment, and even compared to that in other education subsectors. Another challenge in the TVET system is the lack of technical and vocational skills and experience on the part of teachers. Currently, there is no institution in Mongolia that offers pre-service teacher education or in-service teacher training in TVET pedagogy and technical and vocational skills. Moreover, the majority of TVET institution managers have little industry experience and skills to develop and manage TVET programs and courses in collaboration with employers, and industry and professional associations.

To improve the quality and relevance of TVET programs and courses to labor market demands, competency-based training modules have been developed for certain occupations with the support of development partners by the late 2000s. Yet, many training modules rely heavily on competency standards and units developed for Australian training packages, without properly involving Mongolian industries and employers in the process. Focus group discussions and interviews conducted with employers, and industry and professional associations indicate that industries and employers lack sufficient understanding of competency-based training, and require training to get involved in the process.

The government of Mongolia assigns high priority to reforming the TVET system. The reform of the TVET system include (i) the development of an industry-driven TVET system by setting occupational standards in collaboration with employers, and industry and professional associations and by establishing an assessment and certification system using occupational standards; (ii) the development and implementation of a national qualifications framework; (iii) the establishment of training programs for TVET teachers in competency-based training and assessment, and technical and vocational skills; (iv) the provision of career information and guidance for secondary education and TVET students; and (v) the introduction of a credit transfer system between TVET, senior secondary, and tertiary education within the national qualifications framework.

Together with other development partners, the Asian Development Bank (ADB) has been assisting the government of Mongolia in introducing competency-based training and upgrading training equipment and facilities. Major lessons that have emerged from projects supported by development partners include: (i) potential gains in efficiency and effectiveness could be achieved only if various interventions – the development of training modules and materials, the upgrading of equipment and facilities, and training for TVET teachers – were better aligned with standards set in collaboration with employers, and industry and professional associations; and (ii) sustainable reforms of the TVET system require active public communication and consultations.

ADB's Strategy 2020 and its midterm review emphasize the importance of supporting TVET to address labor market gaps. The Strategy 2020 is to promote ADB's mission to help its developing

member countries improve their living conditions and quality of life by supporting three complementary development agendas: inclusive economic growth, environmentally sustainable growth, and regional integration.

## THE PROJECT

Skills for Employment Project for the government of Mongolia, which started in 2015, aims to improve the employability of graduates from TVET programs and courses in three priority sectors of the economy, agriculture, construction, and road and transportation. The project will support the reform of the TVET system in Mongolia through (i) the development of an industry-driven TVET system; (ii) the upgrading of selected TVET providers to implement competency-based training and assessment; (iii) the establishment of training systems for TVET teachers and managers; and (iv) support for secondary education career guidance and schools specializing in technology (basic engineering).

In collaboration with employers, and industry and professional associations, the project will support the development of an industry-driven TVET system in the three priority sectors by (i) preparing and validating occupational and other related standards for key occupations; and (ii) establishing assessment and certification centers with upgraded testing facilities and equipment, and certified personnel. The role of sector subcouncils in developing, approving, and registering standards—as well as assessment and certification—will be reviewed and strengthened.

The project will support selected TVET providers to implement competency-based training and assessment for key occupations in the three priority sectors by (i) providing up-to-date equipment and rehabilitating training facilities; (ii) delivering training programs to managers and teachers; (iii) strengthening industry partnerships based on sector or subsector human resources development plans and guidelines for teacher industry placement and student internships.

The project will help establish systems for training TVET managers and teachers for the key occupations in the three priority sectors by developing (i) a training program for managers in industry driven TVET management; and (ii) industry-based technical and vocational skills training programs for teachers that combine institution-based, short-term training courses at accredited technical and vocational skills training institutions, and workplace training through industry placement.

To help students make an informed choice of their further study and career and a smooth transition from school to work, the project will support (i) the provision of career information and guidance as part of junior secondary education curricula, and (ii) the development and implementation of elective courses in science, technology, engineering and math at the senior secondary level whose credits can be transferred to higher education institutions.

### THE BENEFICIARIES

The project will directly benefit young students enrolled in 2.5-3 year programs with selected TVET providers who generally come from underprivileged families and are academically less successful. It will also directly benefit adult students enrolled in short-time (less than 1 year) courses who are unemployed or looking for better employment opportunities. TVET providers in remote and disadvantaged areas will be prioritized upon review and verification of self-assessment reports and quality improvement plans against selection criteria. About 15,500 students will complete competency-based training programs (3,500 students) and courses (12,000 students) for the key occupations that meet the

standards set in collaboration with employers as well as industry and professional associations. As a result, their employment opportunities are expected to improve. The project will reach out to eighth and ninth grade students in all junior secondary schools (99,920 in the school year 2012/13) with career information and guidance to help inform their choice of TVET program, and between TVET and senior secondary education, and to better prepare them for work. Better preparation in earlier grades proves essential, in particular, to counteract high youth unemployment rates in Mongolia. Furthermore, the project will promote gender equality and women's empowerment by narrowing gender disparities in access to TVET.

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