

the waiter/barman is relatively "remote" from the driver/deliverer in the occupational "area", so inevitably there are differences – but why is he present nevertheless? The two occupations have the following in common:

- a similar type of thought process which rates manual experience, dexterity and physical ease highly;
- the fact that these two jobs are performed in the same mental time and space (in this case, in the very short term and the immediate surroundings – the "here and now");
- we find the same referential framework, in this case organization (of time, space, tasks, etc.), though a somewhat higher level thereof is required of a driver/deliverer.

## Other uses

The methodology used in the ROME has a wider application than mere job placement. For example, one can discern a degree of convergence between the practical problems encountered by the ROME authors and those that must be solved by enterprises seeking to apply forward-looking management of jobs and skills: namely the need to take into account the diversity of jobs and titles used in the enterprise, while also encouraging mobility, career development and adaptation to organizational or technological change; and to meet the growing demands of multi-skilling while enabling the employee to keep his/her professional identity and to have a coherent assortment of individual skills.

There is also a marked convergence with the concerns of training institutions. Firstly, because the task of defining the trades, skills and subjects to be taught is very close to that of defining the features characterizing a job for purposes of placement. Secondly, because the problem of training systems today is less that of imparting technical skills than of helping individuals to "become professional" by learning to apply, in a variety of situations, the skills and knowledge acquired in the course of training.

Sources: *Répertoire Opérationnel des Métiers et des Emplois*. Paris. ANPE-Dokumentation française, 1993. *Grand Angle sur l'emploi* (Paris), No. 6, Oct. 1993. *Liaisons sociales* (Paris), 11 Oct. 1993. *International Standard Classification of Occupations*. ISCO-88. Geneva. ILO, 1991. Information supplied by the ILO's Labour Administration Branch and Statistics Office, Geneva, and by the ANPE National Employment Agency, Paris.

## Bridging the gap between yesterday's skills and tomorrow's needs in the Russian Federation

In September 1992 a commission of Russian and Western experts concluded that "millions of adults will need to change their occupation"; "Russians have no idea of the market economy"; "virtually the entire Russian legal profession" and more than 1 million accountants need

retraining; and 800,000 civil servants require instruction in the basics of the market economy. In what the Ministry of Labour described as the first step towards professional training in Russia, the experts urged short courses in banking, insurance, commercial law, marketing, office skills, business management and government economic management. Existing courses and teaching materials in these fields were found to be of a low quality, haphazard and in dire need of national standards.

The task of training millions of managers, workers and civil servants to perform adequately in a new economic and social environment is indeed one of the most daunting challenges facing the former Soviet Republics. While their different demographic and economic characteristics and the nature and pace of national-level reforms preclude straightforward generalization, the experience of the Russian Federation illustrates in magnified form many of the problems also confronting its smaller neighbours. First, the sheer size of its population and economy raises training and skill-related issues of unparalleled proportions; second, the political and economic reforms implemented in the final years of *perestroika* and in the aftermath of the disintegration of the USSR already call for new skills on a huge scale and for a radically different approach to the role of education and training in society; and, third, it has undertaken a comprehensive overhaul of its educational and vocational training systems.

The emerging pattern of changes suggests that the problem of generating skills for the market economy is being tackled on two fronts. First, a wide range of private and government-led initiatives have been taken to meet the immediate needs created by recent reforms. And second, the government has launched an in-depth reform of the country's educational system to lay the foundations for the acquisition of tomorrow's skills and help students make the right vocational choices for the new labour market.

Since 1991 these initiatives have been underpinned by a number of legislative instruments designed to adapt educational and vocational training systems to the emerging market economy they must now serve. But given the magnitude of the task at hand and the country's present economic chaos, the pace of actual change and the generation of marketable skills are bound to be slow. Even foreign assistance, which plays a significant part in reforming training systems in smaller transition economies, can make little more than a token contribution to reforming a system the size of Russia's.

## Generating skills to meet immediate needs

Occupations such as accountancy, auditing and commercial banking are vital to the success of market reforms, but training in them is not readily available in the formal system. In the field of banking, for example, existing training institutions produce a few thousand graduates every year, but actual needs run into hundreds of thousands. Law firms are having to hire students before they finish their studies. Private enterprises requiring such skills often

end up organizing training courses themselves, since all of them are short of qualified staff. To overcome the shortage of skills in the burgeoning insurance sector, which already employs some 250,000 people, one company, ASCO, has set up its own network of 50 schools where its trainees learn about the complexities of insurance services in a market economy. Private training facilities have also been established by many of the country's new auditing and accountancy firms, of which there were already over 200 by the end of last year. In order to cope with growth in demand for their services, the head of accounting at the Moscow State University – also head of the Association of Accountants of the Commonwealth of Independent States – estimates that more than 2 million new accountants will be needed in the next three to four years, including 100,000 with skills equivalent to those of chartered accountants. Two other areas in which demand for new skills has elicited rapid training responses are business management and the civil service.

## **Business management**

Russian managers are now required to be flexible, creative, knowledgeable and responsible for decision-making in a changing economic and political environment. State enterprise managers, whose job used to consist in fulfilling ministerial production plans, are going through a tough adjustment process, while a new generation of private entrepreneurs is emerging.

Russia's first two business schools were set up in 1988. At present, in Moscow alone there are about 2,000 institutions claiming to be business training centres, although the Russian International Association of Business Schools has only 80 recognized members. Many courses have also been arranged on an ad hoc basis in cooperation with foreign institutions or trading partners. However, the major obstacle to the further development of management training in Russia is the shortage of competent teachers. Attempts to send teachers for training at Harvard Business School, the Massachusetts Institute of Technology and other prestigious Western institutions have been disappointing, because up to 90 per cent of them fail to return to the institutions where they are supposed to teach: their salaries are too low and their prospects uncertain. Besides, the design of training courses adapted to the Russian business environment remains a major problem.

Leading Russian business schools are showing a growing interest in adapting two-year MBA-type courses to local needs. Many of them now offer 9-18 month courses generally aimed at 25- to 30-year-old graduates who have worked in business for at least three years. Others, such as the High School of Commerce of the Ministry of Foreign Economic Relations, offer specially targeted programmes that range from "enterprise management in a situation of economic crisis" to "personnel motivation in unstable

production conditions". The Government has set up a High School of International Business that offers a two-year course in business administration specially designed for the managers of state enterprises. The cost of these various courses varies from US\$5-20 per day for short seminars to US\$2,000-8,000 for a complete MBA programme. Such training is therefore confined to a very small minority of students or people whose tuition is paid for by an enterprise. As a basis for comparison, the most senior teachers in the state educational system were earning the equivalent of about US\$20 per month at the end of 1992.

## **Civil service**

At the beginning of 1992 a new government department, Goskadry, was established under the supervision of the First Deputy Prime Minister to take over the old network of communist party schools and convert them into civil service training centres. Its flagship training school is the Russian Academy of Management, housed in the former Academy of Social Sciences in Moscow. The highest echelons of the government and civil service will be taught there. Goskadry's responsibilities include rationalizing the civil service and drafting new legislation as well as establishing civil service universities, post-graduate colleges and "re-qualification" centres. In theory, everyone in the old government bureaucracy will have to be "re-qualified" in order to retain their job.

Detailed training programmes are being designed. About ten qualifications are being offered initially, including economics, management, archive-keeping and even office catering. However, everything has to be started from scratch, and textbooks are a particular problem. The head of Goskadry reckons it will take ten years to produce a competent civil service, especially since many of its most highly qualified senior officials have recently left their jobs for more lucrative prospects in private business.

A field in which the old bureaucracy is particularly ill-equipped to cope is that of tax administration. Complex new levies such as value-added tax or the delicate task of extracting money from private businesses and indebted state enterprises call for skills it did not have. A specialized institute in Moscow has therefore been providing a four-month course of basic training in business management and tax collection. In 1992 over 200 people took the course, though many graduates hope to use their new skills to go into business, not government service. About half the trainees are former army officers laid off because of defence spending cuts. According to the supervisor of the officer retraining scheme, former officers will be ideal in situations where tax collectors have to go and persuade enterprises to pay taxes.

## **Training for the unemployed**

The Russian authorities estimate that up to 50 per cent of the workers who lose their jobs in the course of the country's transition to a market

economy will need retraining. If they are to master new skills in time to avoid an unmanageable surge in unemployment, such retraining must be provided quickly, through shorter courses than those offered by the normal educational/vocational system.

Emergency measures to meet these needs were introduced under the 1992 Ordinance on the System of Vocational Training, Further Training and Retraining for Redundant Workers and the Unemployed. This instrument provides, *inter alia*, for the organization – by the Ministries of Labour and Education, Goskadry and other competent authorities – of a network of vocational, secondary technical and higher education institutions and enterprise training departments to provide training to jobseekers; the establishment of 20 regional training centres financed by the State Employment Fund (SEF); transfer of responsibility for training programme design and implementation to local authorities; and SEF financing of vocational counselling, training, further training and retraining for jobseekers.

In application of this Ordinance, the SEF has been concluding training contracts with existing vocational institutions and with the training departments of various enterprises, following their accreditation by the educational and employment authorities. The latter is based on an evaluation of their training facilities, teaching staff and tuition fees, the results of which are to be stored in a data base that can be accessed as specific training needs arise. Any vocational institution, public or private, may tender its services.

The 20 regional training centres provided for in the Ordinance should be multidisciplinary institutions providing training in more complex occupations and capable of responding rapidly to changes in labour market demands. In particular, these centres are to be responsible for training former military personnel, young jobseekers, certain categories of disabled persons and, for those located in rural areas, farmers and agricultural workers.

In order to counter the decline of in-service training provided and funded by enterprises, the Ordinance stipulates that enterprises will have to refund to the SEF the cost of any training recommended by the State Employment Service for workers made redundant without having received any in-service training within the previous two years. By contrast, it is interesting to note that on-the-job apprenticeships, which were traditionally looked down upon, appear to be becoming increasingly widespread as a form of hiring and might therefore emerge from the present economic crisis with a better status. This trend can probably be explained by the widening gap between the skills enterprises need and those formal vocational training schools produce.

## Initial vocational training in the educational system

In Russia's traditional, centralized vocational training system students completing their nine years of compulsory education had two basic options: vocational training schools and secondary technical schools. The first offered two-year programmes preparing trainees for manual occupations, while the secondary technical schools offered longer courses – usually over four years – preparing them for more complex manual occupations, supervisory tasks and a variety of white-collar occupations. The last two years of these courses were also open to students who finished their academic secondary education, up to eleventh grade. Many schools also offered evening courses for students combining work and study. Although changes are under way, this dual system of vocational training is still largely in operation today.

The Russian system of education is known for its high standards, particularly in the natural sciences and mathematics. Students join the different training schools with an excellent background and have – until recently – tended to receive a sound theoretical and technological preparation in most of them. However, the system is breaking down because of two major weaknesses that have been exposed and exacerbated by economic reform. First, it is heavily weighted towards the industrial occupations of gigantic, inefficient enterprises that will have to be severely downsized, creating unemployment and little if any demand for training school graduates. Second, budgetary constraints coupled with the technical bankruptcy of many Russian industrial giants that used to pay for training contracts have landed the system in financial crisis. As a result, its very future – let alone its ability to generate new skills for a market economy – is in serious doubt.

## Deep-rooted problems

The incongruity between what schools produce and what today's enterprises need stems from the fact that Russian industrial organization has always been very rigid and formal, with little use for initiative or responsibility on the part of workers. Since factories lacked incentives to innovate, trainees were not encouraged to be creative. Those with high potential and ambition therefore had to adjust to the plodding pace of daily work. But since enterprises are becoming more market-oriented and keener to capitalize on the high quality of basic education, the vocational training system is emerging as the weak link in the chain.

Another consequence of the interlocking of the traditional vocational training system with rigid industrial organization and centralization is excessive specialization: Russian schools still offer training in more than 1,000 occupations. The Ministry of Education has undertaken to reduce the number of trainable occupations, with a target of 280. This exercise is in line with a global trend towards reducing specialization as a means of increasing labour flexibility and mobility. But it is a slow and difficult process, as

illustrated by the experiences of Germany and France (see, pp. 259-264). "A job classification to facilitate occupational mobility"). In Russia, where specialization is much greater than in most other countries, a complicating factor is that, in the absence of clear training policy guidelines, individual schools are trying to rationalize their courses on their own.

At any event, with the decline of heavy industry and consequent shedding of redundant workers, the focus of formal vocational training will have to shift from occupations in this sector to services, light industry and self-employment. Russia's big industrial enterprises are believed to employ 20-40 per cent more workers than they need to operate efficiently, and vocational training in the corresponding occupations will have to be scaled down accordingly. A 1993 government report projected a general reduction in the number of trainees for most industrial occupations, with concomitant increases of about 20 per cent for the textile and other light industries and public utilities and 35 per cent for service sector occupations. The experience of Central and East European countries, such as the Czech Republic and Slovakia, suggests that scores of vocational schools in the metal-mechanic and other heavy industry fields will eventually be closed down.

## **Reforming the education and training system**

The first step towards reforming post-Soviet Russia's formal training and educational system was taken in 1991 in the form of a presidential decree "On priority measures for the development of education". But the biggest changes came in the new Education Act, signed into law in July 1992, to which all the country's academic and vocational education institutions – from pre-school to post-graduate – have been subject since academic year 1992-93.

Some of the main innovations brought about by this legislation were to allow private, municipal and cooperative educational institutions to operate alongside the state system, thereby giving parents and students a range of educational options to choose from; to decentralize the administration of the educational system, giving local education authorities and institutions much broader decision-making powers and complete freedom to choose their teaching methods, curricula and textbooks, provided that graduation examinations meet minimum government standards; to prohibit political parties and religious movements from any involvement in state and municipal establishments; to provide that only basic general education until age 15 (grades 1-9) is compulsory; to improve the status of teachers; and – in the words of the then Minister of Education – to introduce a fundamentally new role for education in society.

The new Education Act does not say much about the content of training courses, since this is now up to individual institutions, but it distinguishes four levels of vocational training, namely elementary, intermediate, advanced and post-university programmes. The elementary and intermediate levels correspond to the programmes of the existing

vocational training and secondary technical schools. The advanced level is the vocational equivalent of a university course and is open to secondary school and intermediate level graduates; the latter qualify for a shortened course. The post-university level is intended for advanced-level graduates, notably those wishing to further their teaching skills.

The new Act has introduced an important change in the way government educational institutions are financed. In the past, although the educational and training system was highly centralized from a technical point of view, district authorities used to receive a lump sum for social spending which they were then free to dispose of according to perceived local priorities. Local education authorities and schools therefore had to compete for funds with the departments responsible for refuse collection, health care, etc., with the result that some fared much better than others, depending largely on their political bargaining clout and not necessarily on the quality of the education provided. In practice, this translated into wide discrepancies – of up to 30 per cent – in the amount of education resources allocated per student from one district to another, and even between individual schools in the same city, although all schools were under strict instructions to teach the same subject, using the same methods and at roughly the same time from Saint Petersburg to Vladivostok. Under the new system the Government intends to ensure that all schools, including private establishments, are financed on the basis of an index-linked amount per student, with total government-guaranteed spending on education to be at least 10 per cent of GNP. This subsistence funding is to be supplemented by additional appropriations financed by local authorities, parents and – the Government hopes – tax-deductible grants from enterprises. Assuming that an enterprise's ability to contribute to the financing of a vocational school will henceforth depend on its success in the emerging market economy, the new system should give the most market-oriented schools an advantage.

### **The end of the old system ?**

Over the past two years growing domestic criticism has been voiced over the dilapidated state of most government vocational training schools. The transfer of responsibility for these schools to sectoral authorities and the system of enterprise training contracts that emerged with the breakdown of central planning in the late 1980s coincided with the onset of a sharp decline in industrial production. By 1991 such training contracts had become a substantial source of income for vocational schools, but since 1992 fewer and fewer enterprises have been willing to pay for training on this basis. The financial crisis experienced by the enterprises that were supposed to fund the system has had devastating effects on the schools, many of which are simply being closed down or leased to private managers who – much to the dislike of proponents of the old system – charge fees for tuition.



Teachers' salaries have been steadily eroded in value and sometimes not paid for several months; many of them have left the state system in search of better jobs in the private sector. There is no money to replace obsolescent school equipment or purchase raw materials and parts for practical work. According to a 1993 report, only 50-60 per cent of schools' needs for textbooks and teaching materials were met and only 1.6 per cent of their technical equipment was reasonably recent. School directors point to the imminent collapse of the entire system and blame the Government for sweeping the problem under the carpet, with dire consequences for tens of thousands of students.

Obviously, the stark question that must be asked is whether there is any point in supporting a vocational training system which produces graduates with unmarketable skills. Assuming that the Government can afford the political cost of pressing ahead with the reforms that have been initiated, it clearly makes more sense to ensure that vocational schools' resources depend on adjustment of their curricula to market demands. In this respect, the emergence of fee-charging schools, offering training in occupations that private enterprises really need, can be interpreted as a healthy sign of adjustment. Yet, the fact that most Russian families can hardly afford anything beyond basic subsistence cannot be overlooked. It is therefore highly unlikely that the Government will simply allow hundreds of schools to go bankrupt. A trade-off between economic desirability and political expediency will probably slow down the pace of actual change as in other areas of reform, such as defence industry conversion or the rationalization of large state industries, some of which have been technically bankrupt for the past two years. At any event, the sheer number of schools that have to be reformed in order to make the system economically viable poses a formidable challenge with far-reaching political, social and financial implications. In 1991 the Russian Federation had 4,300 vocational schools and 2,600 technical secondary schools.

### **Who will teach the new skills?**

Looking beyond current changes in the structure and financing of the system, however, the success of educational reform will largely depend on teacher training and retraining and on finding the means to enhance teachers' material and social status. The Ministry of Education, which still exercises nominal control over the higher teacher training schools, has established new "complexes of continuous pedagogical education", which integrate a succession of teacher training levels, while trying to coordinate the empirical changes in teacher training courses introduced by existing institutions. The stated aims of this process include maximum individualization of the process of education and a shift away from training teachers in "a subject-based paradigm" towards stimulation of their creative role in the development of pupils and students.

Since 1992, however, many teacher training institutions have turned themselves into universities that now also train lawyers, business managers and other professionals whose skills are in high demand. The Ministry of Education is concerned that this financially motivated trend is creating a gap in the teacher training system that will be very difficult to fill.

In a budget-cutting exercise carried out in September 1993 the Ministry of Finance proposed that all higher teacher training schools and a large number of other government higher educational institutions – which are still under the jurisdiction of 21 different ministries and departments – be transferred to local budgets and that, instead of receiving a fixed amount according to the number of students enrolled in them, government funding should be restricted to training programmes specifically designed to meet its needs. Institutions serving nationwide purposes were to be concentrated under the management of a single body, the State Committee on Higher Education. The present status of this proposal is unclear since the minister who submitted it resigned earlier this year, but if it is adopted, the institutions concerned would have to compete for government funds and many of them would lose the minimum support they currently receive. At the time when the proposal was first submitted, the Ministry of Education was alarmed about its implications for coordination between teacher training and school reform. Indeed, higher teacher training institutions would probably be forced to diversify in order to survive, thereby exacerbating the shortage of teachers mentioned above.

However, if public sector teachers are to contribute at all to the implementation of reforms, the schools employing them will need all the resources they can raise to give them more incentives to stay in their jobs. In practice, teachers' remuneration has not kept up with the pay increases gained by other government employees, not to mention the private sector. Many of them have to take on extra-curricular work to make ends meet. Others are simply leaving the profession. The 1992 Education Act provides that the average pay of university professors should be double that of industrial workers, and that the average pay of other teaching staff should not be less than that of industrial workers. Under the salary scale introduced at the end of 1992, after the Act had entered into force, a teacher's monthly pay ranged from US\$9 to US\$20 depending on seniority. In a private school teachers can earn up to ten times more. Clearly, market mechanisms and fiscal measures enabling state educational institutions – including teacher training schools – to obtain extra resources to attract and retain good teachers by paying them more and providing them with better working conditions will have a critical influence on the outcome of reform in individual educational and training institutions.

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## Devaluation of the CFA franc: Monetary measure, social challenge

At a meeting in Dakar on 12 January 1994 the representatives of the African franc zone countries decided to halve the value of the CFA franc. Although a devaluation had been expected, the decision was a psychological shock. The decision was presented in the media and perceived by public opinion as socially untenable and likely to destabilize many political regimes, some of them in the midst of a transition to democracy. Various commentators, economists and development experts have criticized the lack of preparation for devaluation and predict that it will not work. Others, especially IMF and World Bank experts, argue that devaluation was a necessary – not to say inescapable – adjustment without which the economies of the franc zone countries were headed for bankruptcy. Three months on, the facts do not seem to support the catastrophic predictions of the former, but the success expected by the latter remain subject to a whole range of conditions. Among these, social conditions are critical, since wage increases must be contained and any negative impact of the devaluation on the meagre incomes of the poorest social groups must be alleviated.

### The African franc zone

The CFA franc was introduced in 1945, at a time when the French acronym CFA stood for French Colonies of Africa. After the colonies gained their independence the acronym survived, but with two new meanings: first, as the franc of the African Financial Community, minted by the Central Bank of the States of West Africa (BCEAO) and in circulation in Benin, Burkina Faso, Côte d'Ivoire, Mali, Niger, Senegal and Togo; and, second, as the franc of the African Financial Cooperation, minted by the Bank of the States of Central Africa and in circulation in Cameroon, the Central African Republic, Chad, Congo, Gabon and Equatorial Guinea. The Comoros, whose currency is the Comorian franc, are also a member of the franc zone. The CFA franc has been pegged to the French franc since 1948. The fixed exchange rate used to be 50 CFA francs for 1 French franc, but this dropped to 100 CFA francs for 1 French franc on 12 January 1994. The Comorian franc was devalued by 33 per cent only.

Until the early 1980s this fixed parity, guaranteed by the Bank of France, was a factor of stability in the face of inflation and an asset for the