Please find attached the presentation by Mr. Roman Mogilevsky, Executive Director, Center for Social and Economic Research (CASE), Kyrgyzstan, delivered to the Session II (*Improving economic prospects in countries of emigration*), of the 13th OSCE Economic Forum, Prague, 23-27 May 2005.
Building of Human and Institutional Capacities to Meet Market and Economic Development Demands

Roman Mogilevsky
Center for Social and Economic Research

Presentation for
The Thirteenth Meeting of the OSCE Economic Forum
Prague, May 24, 2005

Institutions and Human Capital in CIS and their Linkages to Migration

- Emigration is partly driven by armed conflicts, natural disasters and other emergencies, but other important group of reasons – slow and unsustainable economic development of the countries of origin
- Conducive institutional environment and accumulation of human potential are necessary preconditions of sustainable economic growth
- Two components of institutional and human capacity are of particular importance in the economic development context:
  - education systems meeting market demand for labor force;
  - institutions supporting decision-making process analytically

Development of Education Systems in CIS

- CIS countries inherited from Soviet Union well developed and expensive educational systems
- Development of educational establishments had been comparable to those of high-income countries and much better than world average

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Pupil-teacher ratio, primary education

<table>
<thead>
<tr>
<th>Armenia</th>
<th>Azerbaijan</th>
<th>Georgia</th>
<th>Kyrgyz Republic</th>
<th>Moldova</th>
<th>Tajikistan</th>
<th>Ukraine</th>
<th>High Income OECD countries</th>
<th>World average</th>
</tr>
</thead>
<tbody>
<tr>
<td>18.8</td>
<td>12.4</td>
<td>19.4</td>
<td>24.5</td>
<td>20.5</td>
<td>31.0</td>
<td>19.6</td>
<td>26.8</td>
<td>28.9</td>
</tr>
</tbody>
</table>
Development of Education Systems in CIS (2)

- Majority of CIS countries can not afford maintaining these educational systems in previous form and scale
- Deterioration of quality of education is widespread
- Large reforms in education are unavoidable

PUBLIC SPENDING ON EDUCATION PER CAPITA

<table>
<thead>
<tr>
<th>Country</th>
<th>1990</th>
<th>1995</th>
</tr>
</thead>
<tbody>
<tr>
<td>Armenia</td>
<td>150</td>
<td>160</td>
</tr>
<tr>
<td>Azerbaijan</td>
<td>180</td>
<td>190</td>
</tr>
<tr>
<td>Georgia</td>
<td>210</td>
<td>220</td>
</tr>
<tr>
<td>Kyrgyz Republic</td>
<td>230</td>
<td>240</td>
</tr>
<tr>
<td>Moldova</td>
<td>250</td>
<td>260</td>
</tr>
<tr>
<td>Tajikistan</td>
<td>270</td>
<td>280</td>
</tr>
<tr>
<td>Ukraine</td>
<td>300</td>
<td>310</td>
</tr>
<tr>
<td>World average</td>
<td>350</td>
<td>360</td>
</tr>
</tbody>
</table>

Public spending on education per capita

Education System and Migration

- Education system should provide youth with adequate skills, which increase their opportunities for (self)employment at their countries of origin
- Education system should provide potential labor migrants with knowledge – language, profession in demand, information on their rights – which is necessary for them to successfully enter labor markets of destination countries and avoid marginalization
- Migration opportunities support demand for higher quality education in the countries of origin and therefore help to sustain education systems; this offsets partially the “brain drain” effect of migration

Analytical Capacity Building

- Applied research community was and is missing institutional segment in almost all NIS
- Governments and businesses lack necessary information and analysis of socio-economic development of the countries; this situation leads to ineffective resource allocation and inappropriate decision-making and results in insufficient economic growth rates
- Extensive efforts in analytical capacity building in CIS countries and in Central Asia in particular are needed and already undertaken by some international organizations including OSCE
Examples of Analytical Capacity Building Efforts

OSCE Academy, Bishkek, Kyrgyz Republic
Geographical focus – Central Asia
Tasks and activities:
- expert training and education (including master program in political science) in conflict prevention, management, resolution and post-conflict rehabilitation;
- demand-driven and practice-oriented research on relevant Central Asian topics aiming at national and regional security-building;
- exchange of information and scientific cooperation among Central Asian academic institutions and their international partner organizations;
- regional networking of professionals and researchers.

Examples of Analytical Capacity Building Efforts (2)

The Economics Education and Research Consortium
Geographical focus – CIS
Tasks and activities:
- Graduate level education (MA in economics) in Ukraine;
- Support to original policy-relevant socio-economic research;
- Research development program for younger scholars;
- Publication and dissemination of research results;
- Library Online with access to full-text academic publications (JSTOR, etc.)

Examples of Analytical Capacity Building Efforts (3)

CASE – Center for Social and Economic Research
Geographical focus – CEE and CIS
Network of think tanks with center in Poland and daughter organizations in Belarus, Georgia, Kyrgyzstan, Moldova, Ukraine
Tasks and activities:
- Applied policy research of transition economies;
- Advise for governments, international organizations and NGOs;
- Disseminating research results and economic knowledge via publications and other means;
- Public education and training.
Conclusions

- Capacity building in education and research is a high priority task in majority of CIS countries and it requires large support from international community including OSCE.

- Possible niches for OSCE in this process could be:
  - support to the components of education systems most relevant to OSCE agenda – education for minorities, migrants and other vulnerable groups, human rights, etc.
  - development of applied analytical capacity in interdisciplinary studies focusing on political, economic, social, environment problems of the region
  - information exchange and knowledge dissemination.