

KAZAKHSTAN

VET GOVERNANCE COUNTRY PROFILE 2021



1. INTRODUCTION

Kazakhstan's long-term development strategy focuses on improving its population's quality of life and becoming one of the world's 30 most developed countries by 2050. The overarching, long-term strategic framework is the 'Development Strategy 2050', which envisages the seven long-term priorities. Knowledge and skills as the main anchors of the modern education system and human capital development are among them. Some of the more ambitious goals are to double the number of highly skilled graduates and increase the adult population's educational attainment.

A study was conducted between May and November 2020 in Kazakhstan, using an ETF VET Governance Inventory Tool and an assessment methodology to understand VET governance and financing effectiveness. The self-assessment instrument involved 21 key stakeholders, including ministries, government VET advisory bodies, employers, unions, and VET institutions. The focus was on 65 key indicators to enable analysis and

self-assessment based around seven core VET governance functions: formulation and implementation of overall policy framework, including strategic policy tools; provision of the legal and regulatory framework, management of the VET and skills provider network; alignment and coordination of financial arrangements; management of public-private partnerships (PPP) for VET & skills development; monitoring, evaluation and review of VET and skills policies, including research and development; management of information systems, including data and statistical provision¹.

This country profile paints a picture of VET governance in Kazakhstan, based on the findings of the ETF VET Governance Inventory tool.

¹ Results of the assessment on 65 key governance indicators are presented in the VET governance self-assessment results in Kazakhstan: Assessment Report, 2020 ETF

COUNTRY CONTEXT

The EU Strategy on Central Asia provides the overall framework for regional engagement. The Strategy, which focuses on resilience and prosperity, should support, amongst other priorities, Kazakhstan's transition to a green economy and the diversification of its economy. In 2020, the EU and Kazakhstan signed the Enhanced Partnership and Cooperation Agreement, whose remit includes education and training.

Kazakhstan has experienced high economic growth over the last ten years, strongly influenced by oil and gas prices. In 2019, its GDP growth was 4.5%. The country is seeking to diversify its economy to reduce its current over-reliance on raw materials and resources. The activity rate stood at 70%, in 2018, a high employment rate at 66.6% in 2018, and low unemployment, at 5% in 2018 (only 3.7% for young people). Although the country's population is growing, it is also ageing, as the younger cohort contracts.

Kazakhstan 2050, the country's Strategy for socio-economic development, calls for attracting inward investment and increasing Kazakhstan's competitiveness in new markets. Kazakhstan's State Education and Science Development Programme 2020-2025, the Strategic Plan for the development of the Republic of Kazakhstan (RK) by 2025, and the State Industrial- Innovative Development Programme of RK 2020-2025 provides the framework and directions for the country's continuing VET reform.



2. VET AND SKILLS POLICY

Sectoral ministries, including the Ministry of Education and Science (MoES), are developing sectoral-specific government policies and strategies. The State Education and Science Development Programme 2020–2025 (the previous one was for 2016–2019) is the key policy document for education, science, and VET. The state plays a key role in shaping VET policy. Most initiatives come from the Ministry rather than from local institutions such as colleges and regional state VET offices. Essential VET issues are discussed by the MoES together with various stakeholders, often at the Ministry level only.

The MoES coordinates overall policy and initiatives². The Ministry of Labour and Social Protection of the Population (MLSP) plays a minor role in VET development but a key role in developing the national qualifications system, skills, and labour market analysis. In addition, the sectoral State Productive Employment Programme of the Ministry of Labour includes several aspects of VET development (for example, short-term VET courses for unemployed people, the modernisation of centres of excellence).

The MLSP leads national policy formulation related to skills activation through active labour market policies. The policy regarding short-term training courses and career guidance for the adult population is dealt with by the MLSP. Within the MLSP, the Workforce Development Centre (WDC) provides information and analytical support on public policies to regulate the labour market and implement active measures to promote employment, methodological support for local employment authorities and employment centres³.

The Ministry of Finance (MoF) is responsible for funding the national state programmes and approving annual budgets related to education and skill policies. As well as implementing policies to support industrial development, the Ministry of the National Economy (MoNE) coordinates the development of the state budget and oversees the coordination and monitoring of the national state programmes⁴.

Regional education departments are public authorities of the Republic of Kazakhstan, overseeing the local executive authorities implementing the state policy on education. The responsibilities include pre-school education, general secondary education, vocational education and training, training children in special educational programmes, training gifted children in specialised educational organisations and VET⁵. Every 3–5 years, the State Education and Science Development Programme is adopted, including a section dedicated to VET. However, this section aims to solve medium-term tasks related to current problems rather than develop a long-term vision for VET development. Current goals and objectives do not involve creating a close link between supply and demand for skilled labour, including in the framework of advanced training for the economy and the principles of lifelong learning.

The VET sector has no long-term strategy but is integrated into the overall educational system with a minor role. However, recent initiatives of the MoES have moved VET policy towards an educational and financial autonomy approach. With a set of indicators, ETF VET Governance

Recommendations. 2020, OECD

5 Law on Education of the Republic of Kazakhstan of 27 July 2007, No 319 (with amendments as of 7.7.2020)

METHODOLOGY

ETF VET Governance Inventory 4.0 is a pioneering tool for assessing the institutions' readiness to advance policy priorities in the VET and skills sector. In 2020, it was implemented in 5 ETF partner countries – Albania, Jordan, Kazakhstan, Moldova, and Uzbekistan. This exercise's key focus is on a set of 65 governance indicators measuring progress in VET overall policy, management, and financing. The key objectives are: to keep abreast of ETF analytical and operational actions carried out in good multi-level VET governance; to provide analytical information and a comprehensive picture of VET governance to complement the findings and policy analysis provided by the ETF Torino process; to implement regular updating and monitoring of VET governance functions & arrangements focusing on VET overall planning, management, and financing, etc.

2 Governance Arrangements for Vocational Education and Training in ETF Partner Countries. Analytical overview 2012–2017. ETF, 2019

3 OECD Skills Strategy Kazakhstan. Assessment and Recommendations. 2021, OECD

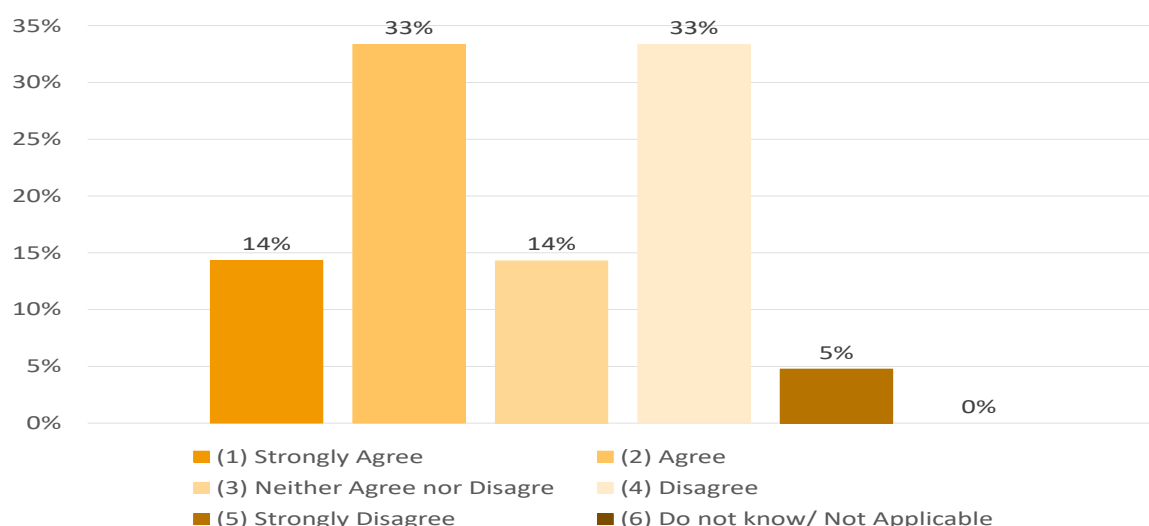
4 OECD Skills Strategy Kazakhstan. Assessment and

Inventory Tool assessed the quality of the policy dialogue. The findings confirmed that development processes are in place. Still, a policy dialogue should be improved and simplified, involving the participation of employers and state bodies from other sectors. This has been confirmed with the self-assessment results – 75% of experts/specialists and 71% of heads of departments confirm that the national policy for developing the VET system in Kazakhstan has been designed to cover several years. However, more than half of directors disagree with this point. (Indicator A4, See Figure 1.)

According to the OECD, Kazakhstan can improve stakeholder engagement throughout the policy cycle, both in policy development and implementation. Policymakers in ministries involved in skills policies need to collectively shift their mindset regarding their understanding of the role of stakeholders and how best to engage with them. They need to view them as contributions made in the common public interest⁶.

6 OECD Skills Strategy Kazakhstan. Assessment and Recommendations. 2020, OECD

FIGURE 1: Indicator A4 ‘the national policy for vocational education has a multi-year perspective’



3. INSTITUTIONAL ARRANGEMENTS AND LEGAL FRAMEWORK

The Law on Education of the Republic of Kazakhstan (n 319-27 July 2007) states that the MoES manages the quality of education, provides methodical and methodological support for the quality of educational services offered, develops, and approves compulsory state standards for all levels of education, approves the qualifications required for educational activities and lists the documents to verify conformity.

The TVET Department within the MoES is responsible for government policy execution in this area, including legal regulation, quality assurance, instructors' proficiency, equal access to TVET and strategic planning. In addition, the state-owned organisation 'Talap' (previously named Kasipkor) assists the MoES in collecting

and disseminating good practices in VET, creating, and upgrading VET content, and monitoring and analysing progress regarding VET policy and reform implementation⁷. Information-Analytical Centre (IAC), which is active across the education sector, including VET, is supporting the monitoring functions, as well as education database aspects.

The Departments of Education implement state policy on education and carry out the material and technical provisions of the state colleges that implement TVET educational programmes. They are under the Local Executive Bodies and receive financing through the local budget. Local TVET

7 Talap, NCJSC, <http://kasipkor.kz>



Offices have a limited number of employees (3-6 people). At the same time, there are training centres that provide methodological support to colleges in each region⁸. TVET Offices within the Departments of Education at the regional level are responsible for the conformity of the regional TVET system to state requirements and the region's social and economic development needs.

One of the essential tools of interdepartmental cooperation is the National Council of Public Confidence (NCPC), established in 2019 as an advisory authority under the President of the Republic of Kazakhstan. Among other functions, the NCPC develops proposals and recommendations on state policy on human capital development. For example, issues regarding VET modernisation were discussed jointly with the President and representatives of all key ministries at the third meeting of the NCPC in May 2020⁹.

Non-governmental stakeholders, such as the National Chamber of Entrepreneurs 'Atameken', with its regional chambers and employers' associations, shape VET policy on different levels¹⁰. Employers take part in curriculum development, assessment of college graduates and the allocation of state grants for students participating in the TVET Regional Councils. At the same time, the National Chamber of Entrepreneurs, 'Atameken', has strengthened its role in shaping and implementing VET policy. It represents the interests of employers through the legislative process.

The role of social partners, including on a sectoral level in some sectors, is increasing over recent years, fuelled by developments on the National Qualification Framework (NQF), Professional Standards and the related system of independent certification from the sectoral certification centres of employers' associations.

In 2012, 14 sectoral councils were created to manage an effective mechanism for developing social partnerships, the development of proposals for implementation of state policy on social and labour relations, and for considering the Sectoral Qualification Framework. However, the councils do not play a significant role in shaping VET policy

due to the lack of systematic work or a standard methodology, council members lacking a clear understanding of their tasks and a lack of expert knowledge¹¹.

Despite implementing effective VET instruments such as modular educational programmes, credit training, non-formal education and autonomous educational organisations, the regulatory and methodological basis for implementing the VET system needs further improvements¹².

The National VET Council, due to policymaking reforms, stopped functioning in 2016. There is no advisory-consultative body for coordinating VET stakeholders in decision-making.

ETF Governance Inventory Tool 4.0 assessed the quality of legislation and regulatory framework. According to the self-assessment results, most stakeholders noted that the regulatory framework is available, but the content is not always clearly stated; there are contradictions and frequent changes. At the same time, amendments are made with a long-time lap within ongoing reforms. Furthermore, the legal principle of 'what is not allowed is prohibited' applies among the VET actors. There is an opinion among stakeholders that specialists and experts in a branch, including those responsible for the legal 'purity' of documents, go so deep into the topics that regulatory acts are incomprehensible to other stakeholders. In addition, more than 43% of the stakeholders (half of the team leaders/coordinators and more than half of the directors) are of the opinion that the VET legal framework does not meet the expectations of both public and private stakeholders. (Indicator B1, See Figure 2).

11 Results of the self-assessment on institutional and legal framework indicators are available in VET & Skills Governance Inventory 4.0. Assessment Results Report: Kazakhstan. ETF, 2020 (unpublished)

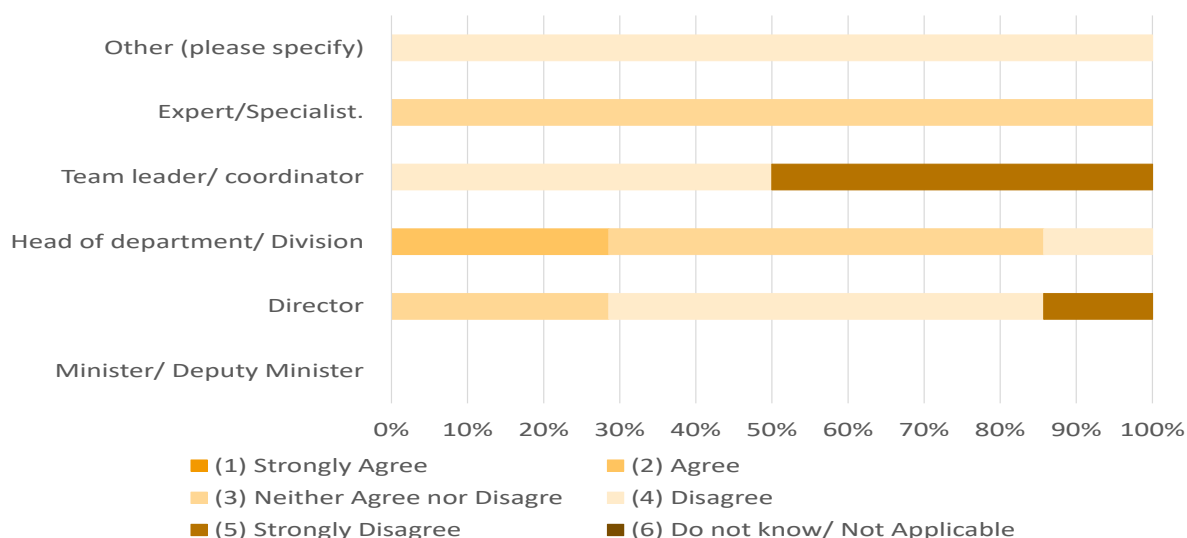
12 For more information see VET & Skills Governance Inventory 4.0. Assessment Results Report: Kazakhstan. ETF, 2020 (unpublished)

8 Torino Process Report. ETF, 2019

9 VET & Skills Governance Inventory 4.0. Assessment Results Report. Kazakhstan. ETF, 2020 (unpublished)

10 Governance Arrangements for Vocational Education and Training in ETF Partner Countries. Analytical overview 2012–2017. ETF, 2019

FIGURE 2: Indicator B1 'the legal framework for VET aims to meet the expectations of both public and private stakeholders' among groups of stakeholders



4. FINANCING ARRANGEMENTS

TVET colleges in Kazakhstan have two primary financial sources: the state budget and private financing.

The state budget is divided into a republic and local levels. Colleges are financed both from the republic and local budgets. Sources of state funding go towards the implementation of TVET government programmes and new initiatives. The local budget provides resources for the daily expenses of state colleges, including capital and ongoing repairs, equipment, salaries of instructors and management staff, etc.

A private source of TVET funding comes from tuition fees and other paid educational services (conferences, seminars, and short-term courses).

Funding from the local state budget comes as 'a state order' paid for each student. Therefore, state VET schools depend on the state order for most of their funding needs. Allocation of the state order depends on different criteria: labour market demand, quality measures, employment ratio of graduates, etc. However, shortcomings in forecasting and planning labour market demand lead to an inefficient allocation of the state budget towards financing training specialists that are not needed¹³.

Since 2020, per capita financing in TVET organisations has been fully introduced to

improve the quality and competitiveness of educational institutions and the independence of colleges in spending budget funds. The advantage of per capita financing is that it clarifies the cost of tuition.

The Zhas Maman Project, launched in 2019, attempts to create economies of scale by accumulating resources in the Centres of Excellence. The colleges selected as Centres of Vocational Excellence should become the main link in implementing and improving VET, including developing the WorldSkills movement at training camps, training teachers and managers, providing equipment and workshops, institutional development, etc. This project is one of the largest in the last two decades for developing the VET system and the network of colleges. The project involves about 180 VET colleges and 20 Higher Education Institutions.

The work by ETF highlights that Kazakhstan's Government considers PPPs as an effective and trustworthy mechanism for delegating responsibilities on policy implementation to the private sector. Kazakhstan has also established the PPP Project Support Centre under the MNE to support the implementation of PPP projects¹⁴. During recent years, several VET PPP projects were initiated by the Government, such as the transfer of colleges to trust management by large enterprises and the construction of dormitories

¹³ For more information see POLICIES FOR HUMAN CAPITAL DEVELOPMENT IN KAZAKHSTAN, An ETF Torino Process assessment, Kazakhstan, 2020

¹⁴ Public-Private Partnerships for Skills Development. ETF, 2020



for colleges and universities. However, according to the survey conducted by the ETF, employers state that there is no working PPP model for these¹⁵.

VET organisations have recently been given autonomy in making financial and educational decisions. The updated State Compulsory Educational Standard (SCES) has already had a certain degree of academic independence. For example, colleges can independently change up to 60%-80% of the content of educational programmes. However, the financial autonomy of colleges is limited to the legal form of state colleges when it is not possible to earn additional income for the development of the college itself.

¹⁵ Results of the self-assessment on financial arrangements are available in VET & Skills Governance Inventory 4.0. Assessment Results Report: Kazakhstan. ETF, 2020 (unpublished)

At the same time, large private businesses are interested in cooperation. In Kazakhstan, there are many sector-specific employers' associations that participate in horizontal and vertical discussions on staff training. These relate, for example, to a demonstration exam, improving the classification of VET occupations, occupational standards, and modular educational programmes.

Around half of the 800 TVET institutions in the country are publicly funded. Still, local, and regional business laws often curb their ability to earn money to support additional services, putting them at a disadvantage compared to private colleges. However, the per capita funding rule promises to increase competitiveness and independence in spending budget funds. Reforms introduced in 2020 also allow state colleges to adapt up to 60% of their teaching to labour market requirements and up to 80% for dual-education programmes run in partnership with local businesses.

5. QUALITY ASSURANCE AND MONITORING FUNCTIONS

One of the key elements in any VET quality assurance system¹⁶ is the role employers play. In Kazakhstan, the partnerships between employers and VET organisations is increasing. This cooperation is not limited to providing internships or subsequent employment for graduates; the labour market situation requires educational institutions to respond quickly to its changing needs. Thus, it is necessary to systematically monitor the demand for skills and adjust the content of education according to changes in the scope of qualifications. The self-assessment results indicate that cooperation between social partners and employers and VET institutions is effective (38%), although 34% are of the opinion that it is not effective (Indicator E5. See Figure 3). 57% believe that social dialogue plays an effective role at national and sectoral levels in forming and implementing the educational policy regarding TVET. This finding deserves further attention, as there are differences between sectors that are key for the economy of Kazakhstan, while the sectors where there is a presence of SMEs, the situation could be further challenging.

The State Planning System, approved in 2017, manages the stages of development,

implementation, monitoring, assessment, and control of the vital state strategic documents.

Most of the state development programmes, roadmaps, action plans and projects in the VET sector consist of qualitative targets that should be reached during a specific period. State programmes, for example, State Education and Science Development Programme, are monitored once a year at the end of the year. Closer to that period, the organisations stated in the programme document as responsible for the implementation and results collect data from other related parties. For example, the local authorities are responsible for providing the MoES with numbers relating to how many graduates are employed within six months after graduation. Colleges collect such data from the State Pension Payment Centre and offer them to the local VET offices.

An assessment is conducted every three years and after the end of the programme. The assessment results go to the Government, where they are discussed with the parliamentarians and the representatives of the public councils. After that, the results are sent to the President's Administration.

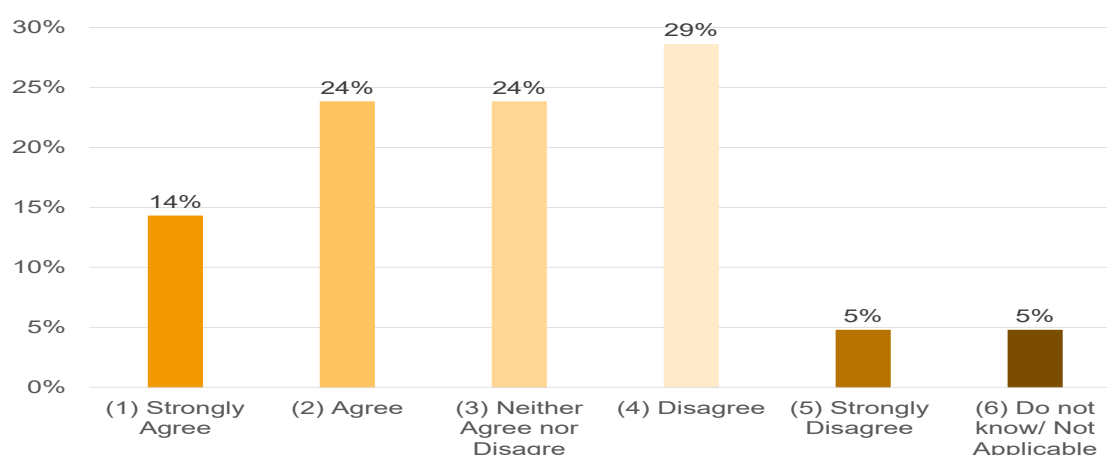
Reporting on targets and results of the developed state programmes and roadmaps is a crucial challenge for the Kazakhstan VET system. There

¹⁶ For more information see POLICIES FOR HUMAN CAPITAL DEVELOPMENT IN KAZAKHSTAN, An ETF Torino Process assessment, Kazakhstan, 2020

is no continuation of the targets from one programme to another. The responsible parties do not have enough time to analyse the results against the input. After finishing one programme, another programme for the next period needs to be developed, with other targets set.¹⁷

¹⁷ For more information see VET & Skills Governance Inventory 4.0. Assessment Results Report: Kazakhstan. ETF, 2020 (unpublished)

FIGURE 3: Indicator E5' social partners' & employers' cooperation with VET Schools is structured and effective, for instance, for having sound work-based learning policies and practices



6. POLICY POINTERS FOR MOVING FORWARD

In the light of such developments, the main policy messages to move the agenda forward are:

VET POLICYMAKING AND GOVERNANCE

1. Developing a long-term VET strategy based on qualitative indicators aimed at enhancing quality and responsiveness to the labour market and society needs
2. Increase the engagement and activities of stakeholders involved in the training management process, including through mutually beneficial public-private partnerships
3. Consider the National VET Council as an advisory body at all levels of VET policymakers, ensuring an effective way of exercising its role and responsibilities in VET governance

FINANCING ARRANGEMENTS

1. Change the legal and regulatory framework to enhance VET providers' financial autonomy and a possibility to earn money
2. Increase capacity of managers to prepare them to work with partners from businesses, to initiate and implement effective instruments

and activities within the given educational and financial autonomy

3. Develop further a credit training system following the lifelong learning principle
4. Review and improve the per capita financing methodology to distribute state orders for VET training effectively

QUALITY ASSURANCE AND MONITORING FUNCTIONS

1. Establish inter-ministerial and multi-level cooperation to improve a national system of VET assessment, certification, and quality assurance
2. Develop the Centres of Vocational Excellence as growth points for new initiatives and other VET institutions to ensure the highest quality provision
3. Digitalise VET business management processes and data collection procedures to support monitoring function
4. Strengthen analytical and quality development assessments to track the VET policy implementing path.



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