

TORINO PROCESS 2014

KAZAKHSTAN

EXECUTIVE SUMMARY



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Since the first Torino Process report was prepared in 2010, Kazakhstan has formulated comprehensive Vocational Education and Training policies. A key aim of VET policies is an overall modernisation of the system, in accordance with global developments, so that the VET system corresponds to international standards and expectations.

The Implementation of these ambitious policies has been advancing at a speedy pace. For this, an important success factor has been the close link between education related policies, such as the state programme for the education sector 2011-2020 and programmes supporting economic development, such as the state programme of accelerated industrial and innovate development 2011-2014, but also sectorial or regional development programmes. The focus on VET as a means to support economic development has meant that labour market requirements and the involvement of employers have been a key concern. This has led among others to enhanced involvement of employers in VET governance at all levels, an emphasis on enterprise involvement in training processes, notably through the introduction of a dual approach and a review of the qualification system. This latter development covers the introduction of a National Qualification Framework, the development of occupational standards with employers' involvement and a concern for more independent assessment of skills.

VET and labour market demand

Kazakhstan has experienced continuous economic growth for over a decade, with growth rates ranging from 7.3% (2010) to 6 % (2013) over recent years. As of 2014, decreasing oil, gas and metal prices are likely to have led to a slowdown of the economy. In line with the positive economic trend of the last decade, the employment rate of those aged 15 and above has been rising consistently, while unemployment has demonstrated a downward trend and amounted to 5.2 % in 2013. Youth unemployment (15-28) has also demonstrated a continuous downward trend and reached 5.5% in 2013. While in 2003 there was a difference of 3.9% between general and youth unemployment, this difference had decreased to only 0.3% by 2013.

Significant disparities can be noted among the 16 regions that make up the country. At the same time, important differences within the same region between urban and rural environments exist. The capital Astana (accounting for about 10% of GDP) and Almaty (20% of GDP) are mainly characterised by strong construction and services sectors. The Western regions are associated with oil and gas production (Atyrau region - 10% of GDP), while heavy industry is mainly present in the Eastern and Central regions (Karaganda region - 8% of GDP) and agriculture in the South and North.

Economic policy has had a strong focus on the diversification of the economy and small and medium enterprise growth, to become less dependent on raw material production. Changes in the economic structure are becoming visible, with a growing importance of the manufacturing and services sectors, both in terms of GDP and employment. Yet the economy continues to be dominated by large, often state owned enterprises. These accounted for 83% of GDP, while medium enterprises (10.5%) and small enterprises (6.5%) represented a minor part.

Indications as to the extent to which VET corresponds to labour market demand are mixed. By 2013 13.3% of companies surveyed, reported dissatisfaction with the quality of education and training, a steep improvement compared to the 50.5 % in 2009. At the same time, the Ministry of Economy reports a deficit of 61%-77% in technical specialists, while in 2014 68.6% of VET graduates are reported as employed within a year after graduation. Although the employment rate of VET graduates shows marked improvement compared to 2009 (61.2%), it could be expected to be higher, considering the favourable labour market situation. National authorities recognise that so far limited information is available on VET graduate employment, especially its quality.

Major efforts have been undertaken over recent years to ensure that state funded VET places correspond to labour market demand from a quantitative and qualitative point of view. Different prognosis tools, such as the « employment map », or the forecasting tool developed by the National Analytical Centre as of 2012, are under consideration, but not yet fully operational.

In terms of qualitative matching, major developments have been initiated and partially implemented. A National Qualification Framework was adopted, and sectorial frameworks are under development. Within 3 years, 350 professional standards have been developed considering employer requirements, and revision of VET curricula is under preparation.

In addition, independent certification of qualifications, under the responsibility of employers and sectorial associations is being explored since 2012 via the setting up of centres for six key sectors. It is yet uncertain whether such centres can take on board all certification of skills or whether this will partially remain with the Republican Scientific Methodological Centre, which holds this function at present for VET graduates, though with a more academic approach.

Qualifications have been developed at system level mostly with employers, notably since 2013 via the involvement of the Chamber of Entrepreneurs, as the organisation representing employers at national and regional level. Despite these very positive developments, the involvement of employers and especially the small and medium enterprise sector remains an important challenge.

The experience of large-scale reform of the qualification system has also led to the identification of further issues to be addressed, such as a review of the classifier for VET. The key priority, however, is a stronger involvement of employers.

VET and social demand

The favourable economic developments of the last 15 years have had a positive impact on demographic factors. Life expectancy has increased from 65.7 years in 2003 to 70.5 years by 2013 and birth rates have increased. Following 10 years of low birth rates in the late nineties, the country has been experiencing a constant population growth since the start of the millennium, so that youth aged up to 15 made up 26.5 % of the population.

The population decrease of the nineties has led to a decrease in education demand, including in VET. This trend is expected to last up to 2017-2019 and is mirrored on the labour market, as the supply of VET graduates has shown a downward trend, which may continue up to 2019, unless active measures are taken to increase enrolment.

The share of state funded VET students has grown from 36% in 2010 to 43% in 2014, with all remaining students having to fund their studies through own resources or sponsorship. State funded places are typically awarded on a competitive basis. It remains unclear how many students are not able to study due to lack of resources. There are indications that the relatively high drop-out rate of 13.5% in 2013 may to some extent be linked to economic difficulties of students.

At the same time, VET is used as a support tool for specific groups, such as students with special needs, orphans, youth from rural environments and persons of Kazakh nationality without Kazakh citizenship. For all these categories quotas have been established and the share of such admissions has been rising constantly from 26% in 2009 to 30% for 2013 (56,000 students). Students from rural environment made up the largest share (92%) within this group. This means also that 64% of state funded admissions were reserved for specific groups.

In 2012, only 6.7% of students in secondary education are in VET. As in many of its neighbouring countries students and their families continue to aspire to a higher education qualification and VET is not a preferred option. While it is possible to enrol in higher education with a VET qualification, VET

graduates need to take the national higher education entry exams, in addition to their VET final exam. This « double burden » may explain why, since 2012 only 10% of VET graduates successfully entered higher education. This is only half the share compared to earlier years. The difficult transition to higher education may have a negative impact on VET attractiveness.

The Ministry of Education estimates that each year about 22,000 general education graduates do not continue to study and enter the labour market without specific professional skills. As of 2015 the Ministry of Education plans to provide more state funded places for a first VET qualification. The aim is to gradually expand funding so that all school leavers have access to VET. Given the attractiveness problems that VET faces, in combination with possible challenges some student groups face, the VET system may need to become more flexible to cater for the needs of different student groups, in addition to offering more state funded places.

Internal efficiency of the VET system

The focus on labour market skills needs has led to numerous innovations and changes since 2010. Key areas of development have been the introduction of more flexibility for colleges and the introduction of dual approaches.

In 2012 the rather rigid state education standard was replaced by a more flexible standard. In 2013, so-called framework curricula and teaching plans were introduced, which provide colleges with the possibility to adapt up to 25% of teaching time to their specific local context and enterprise needs.

Extensive piloting and testing of different dual approaches has taken place over recent years and it is estimated that about a third of all colleges apply some aspects of dual education by now. At the end of 2014 a roadmap for the implementation of the dual system was approved. The roadmap, which was developed with the participation of the Chamber of Entrepreneurs, is expected to define the conditions under which dual approaches can be introduced and support the development of legal and institutional arrangements.

Though no national criteria have yet been defined, the dual approach foresees an important emphasis on enterprise-based practice, which can take up to 70-80% of the programme. In well developed dual experiences colleges and enterprises define the curriculum jointly and students alternate their time between the college and the enterprise, which may have contracted the student as an apprentice/staff member.

The experiences made so far can to a great extent be considered as positive. It should however be noted that successful cases typically involve large enterprises and colleges that have had a long track record of cooperation. Experiences involving small and medium enterprises are much more limited and are only starting to be develop, It is likely that a large number of colleges will continue to operate in a more traditional manner, so that a further exploration of work-based learning approaches, for different contexts is called for.

The Kazakh VET system has demonstrated the capacity to translate within a short period, pilot approaches to the system level. An independent assessment of professional skills, under the responsibility of the Republic Scientific Methodological Centre, was tested for the first time in 2006, with 362 graduates. By 2014 80% of the 140,000 VET graduates took part in the testing leading to the award of a VET qualification. Currently a review of the approach is under way, in order to improve the testing of both theoretical knowledge and practical skills. Alternative approaches under the leadership of employers (see previous section) are also being explored and could cover both VET graduates and working persons. In parallel, many large enterprises carry out their own certification, which is however not linked to a formally recognised qualification.

The budget allocated to education, as a share of GDP, has been ranging between 4.1% of GDP (2010) to 3.8% of GDP (2014), and thus has been lying below the OECD average. However, because of the overall growth of GDP, the budget available has actually been increasing by nearly 80% over this period. VET received however only 7 % from this allocation. VET is funded from national and regional budgets. Regional allocations to VET depend on the importance that regional authorities give to VET and the extent to which it is considered relevant for regional development. Thus considerable differences in resources available can be noted between regions.

Basic salaries offered to teaching staff, especially those with enterprise experience, are not competitive in comparison to salaries offered in the economy, so that about 3,000 highly qualified staff leave the system every year. A system of additional payments to teaching staff, based on their qualification level, experience and tasks carried out, has been developed.

Staff have to undergo a formal attestation procedure to be moved to a higher category. Participation in in-service training is seen as an important element for the progression of staff into higher categories. Formal in-service training provision reached 15% more staff in 2014 than in 2010 and involved 22% of teaching staff of state funded colleges within one year. Despite the positive trend on enhanced provision, formal in-service training is considered as too focused on theoretical knowledge with limited emphasis on practical skills. Furthermore, limited offer exists for school managers or teaching staff, to prepare them to make good use of the additional autonomy granted to colleges.

A new trend in staff development is enterprise-based training. This is organised in a systematic manner throughout the country and was available for 2400 staff in 2014. Enterprise-based training is typically organised with the support of regional authorities, the regional chamber of entrepreneurs or directly between colleges and enterprises. This may be an experience on which new and large scale innovative approaches to staff training could be based in the future.

Governance

The governance arrangements of the VET system are influenced by a number of factors, Over recent years an understanding has been reached among stakeholders at all levels, that VET can act as a tool for economic development and therefore cannot be considered in isolation or as part of education policy only. This also means that strong emphasis has been put over recent years on enhancing the involvement of employers and their associations in VET governance. The size of the country, the diversity of its 16 regions and ongoing developments that provide more responsibility to the regions also influence governance.

In order to accommodate all these factors a relative complex governance system has emerged since 2011, involving many stakeholders at national, regional and local (VET provider) levels. An important development has been the setting up 2011 of the National VET Council as a consultative body supporting inter-ministerial coordination. The Council provides an opportunity of employer involvement at a high level and should ensure that VET considers labour market needs. This was followed later by the setting up of 14 sectorial councils based on economic sectors, and 16 regional councils with a focus on the development needs of their region.

VET policies at national level are the responsibility of the Ministry of Education and Science while VET departments at regional level ensure that VET provision corresponds to the specific socio-economic needs of a given region. Developments since 2010 have seen an improved division of responsibility between different Ministries as well as between the Central and regional level. At national level, the development of profession standards has become the responsibility of the Ministry of Health and Social Development, which will also be in the lead for the development of a Continuing VET policy for the working population, starting as of 2015. The Ministry of Education has retained responsibility for the qualifications/education standards derived from the professional standards. Since 2010 a shift

away from tight control by the Ministry of Education can be noted, in favour of the creation of an enabling environment for VET, in which VET providers have more opportunity to adapt to specific needs.

Better involvement of employers and improvements to education-business cooperation have been a key concern. These have over time been considerably improved, among others through the setting up in 2013 of the Chamber of Entrepreneurs at national and regional levels. At national level the Chamber is mandated to provide input in VET policies, and has already done so in a successful manner during the finalisation of the roadmap for the introduction of the dual system in 2014. At the regional level, chambers provide valuable input to education-business cooperation, among other things on the organisation of practice for student, the setting up of dual education approaches as well as the training of VET provider staff in enterprises.

Since 2010 VET governance has progressed and stakeholders' involvement has increased in particular of employer organisations.

Priority areas

In order to reach the ambitious goal of a modern and competitive VET system, able to cater for national labour market needs and corresponding to international standards the following areas should be considered for further development.

1. Quality enhancement of VET provision at a large scale

Many VET colleges achieve high standards and have extensive experience with innovative approaches, like the dual system. Yet there are also many colleges, which perform less well or exist in challenging socio-economic contexts. The overall attractiveness of the VET system will also depend on the capacity of the system to deliver good quality in all different contexts. Tools allowing to better understand employers' needs in terms of skills requirements should be further developed as should mechanisms to translate these needs into relevant training approaches. These approaches should also be accessible to less performing colleges and those colleges that do not have strong enterprise partners.

In view of the foreseen increase in enrolment, VET will need to become more responsive to the needs of different student groups. Flexibility and the capacity to cater for different groups should become part of quality criteria. Adequate resources, in terms of staffing but also teaching equipment are important to support quality.

2. Increased education-business cooperation, with a focus on those economic areas where small and medium enterprises prevail.

Enormous progress has been made over recent years in contexts where large enterprise partners were present. It is likely that for more and better involvement of the small and medium enterprise sector in VET, different approaches to work-based learning should be explored. To be relevant to small and medium enterprises, VET provision will also need to increase its understanding of entrepreneurship and entrepreneurial learning.

3. Extend staff development

Appropriate staff development opportunities for VET teachers and managers will have to be provided on a large scale: As the VET system experiences a shift away from theoretical knowledge to more work-based learning, it will be crucial for VET teachers and trainers to gain experiences with real enterprise conditions and the world of work. All VET staff, but in particular managers, will need to understand how they can make good use of the autonomy granted to colleges and how they can enhance education-business cooperation at college-enterprise level. In-service training is already

provided on a large scale, but needs to become more demand-oriented and to deliver new and more flexible training programmes. Enterprises should be involved more in VET staff re-training.

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