COUNTRY ANALYSIS 2005
KAZAKHSTAN
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Summary

Kazakhstan faces human resources development (HRD) challenges in its effort to diversify its economy, fight poverty and build democracy. The government has responded with an ambitious national education development programme planned for 2005–2010, which has so far not been sufficiently backed by realistic implementation measures or by parallel development of effective employment and social inclusion policies. However, the relative availability of national funds has already made it possible to start far-reaching education reform, which will require large external support in order to achieve systemic and lasting outcomes.

Analyses of national policies and recent donor activities indicate that assistance in developing labour market-oriented education and training in the context of lifelong learning, complemented by support to skills development for reducing unemployment and poverty at the local level, is a potential area for effective donor investment. Whenever justified, such as in HRD and labour market policies, or in developing frameworks for competences and qualifications, it will be important to promote regional cooperation with other Central Asian countries.

1. Current situation and trends in human resource and labour market development in Kazakhstan

Background

Kazakhstan is geographically the largest country and relatively the most developed economy of Central Asia, having long borders with Russia, other former Soviet republics in the region, and China. Independence in 1991 gave birth to a strong presidential regime that struggled in the 1990s with sharp economic decline and emigration; since 1999, however, the economy has grown steadily. Current issues include developing a cohesive national identity in a country which is home to a diversity of ethnic groups, expanding the development of the country's vast energy resources and exporting them to world markets, achieving sustainable economic growth outside the oil and mining sectors, and strengthening relations with neighbouring states and other foreign powers. The most recent message of the president calls for accelerated modernisation of the country and proposes a Union of Central Asian States.

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¹ Kazakhstan on the road to accelerated economic, social and political modernisation, February 2005.
Population

In 1999 (according to the latest census, which was carried out in that year), the population of Kazakhstan was 14.9 million, of which 56% lived in urban areas and 44% lived in rural areas. The total population has remained approximately the same up to now, although the birth rate in recent years has undergone a steady downward trend. Estimates in the education sector and on the labour market show that problems related to the decline in birth rate in the late 1980s and early 1990s will worsen in the coming years. A significant drop in the number of children born after 1987 will have an impact on the intake of young people in schools and their subsequent entrance into the labour market. An enterprise survey carried out by the National Observatory of Kazakhstan in 2001 indicated a shortage of skilled workers.

Migration is also an issue in this respect because of large outflows of Russians and people of other nationalities of the former Soviet Union since 1991, including most of the ethnic Germans (in 1990, the population of Kazakhstan was 1.5 million more than it is now). These outflows have been partly offset by the state-supported return of ethnic Kazakhs from other countries in the region, but the numbers of these individuals are much lower, and they often do not speak Russian and tend to continue their nomadic way of life. This has implications for the availability of qualified workers. For example, the largest region of Karaganda recorded a drop of over 10% in population in 1996, resulting in shortages of technicians and skilled specialists in that heavily industrial area.

Economy and poverty

Indicators of social and economic development in the Republic of Kazakhstan in the late 1990s reflect the impact of the transition process since the break-up of the former Soviet Union in 1991 (50% drop in industrial production, 46% drop in the agricultural sector, and 10% drop in construction) followed by a rise in economic activity from 1999 onwards. Thereafter, the country entered a period of economic recovery that resulted in an average annual GDP growth of almost 10% between 2000 and 2004, attributed to the enhanced performance of the oil, energy, metal and chemical industries, and the agricultural sector. The country has embarked upon an industrial policy designed to diversify the economy away from overdependence on exporting crude oil by developing processing and light industries. In agriculture, individual farms and household plots are gradually replacing agricultural enterprises.

Although Kazakhstan is not officially considered as a poor country, large income and social disparities continue to grow, with over 30% of the population living below the poverty line in 2003, according to official government statistics. Poverty is higher in the south and west of the country. It remains more pronounced in rural areas, where poverty incidence is almost three times higher than in urban areas. A special feature of poverty in Kazakhstan is the presence of small-sized remote towns with high unemployment, out-migration and poverty incidence. The first government Programme on Poverty and Unemployment for 2000–2002 dealt primarily with job creation and targeted social assistance to the low-income population. The Programme on Poverty Reduction for 2003–2005 sets the target of reducing the poverty level by a third as compared with 2003.

Employment and unemployment

In 2003 the economically active population aged 15 years and over amounted to 7.7 million people. Seven million people were employed (55% of the labour force as wage and salary workers, 36% as self-employed), while the unemployment rate was around 9% according to official figures. Between 1998 and 2002 the employed population grew from 87% to 90% and the unemployment rate dropped from 13% to 10%. However, the group of people below working-age providing new entrants into the labour force was diminishing considerably, while the above working-age population was growing, each by

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2 Statistical yearbook of Kazakhstan 2004.
3 US Congress Library country study for Kazakhstan, 1996.
4 In 2003, gross national income per capita was US$1,780 (Atlas method) and Kazakhstan ranked 119th out of 208 countries and territories. World Development Indicators database, World Bank, 2004.
approximately 10% during the five-year period. The official unemployment rate was 8.8% in 2003, but the real figure may be as high as 30% due to unregistered unemployment. Rural unemployment is widespread and families continue to vacate rural settlements.

The employment level is highest in the services sector and lowest in industry. In 2003 17% of the employed worked in industry and construction, 35% in agriculture, and 48% in services (trade, tourism, communications and public services). There has been an increase in the number of self-employed in rural areas, which accounts for the high level of employment in agriculture (in 1998 this was only 22%). In 2002–2003, following the process of economic stabilisation, the number of employed people in the industrial sector rose again by 5%. Small enterprises (up to 50 employees) play an increasingly important role in the nation’s economy. Of all small enterprises, 39% specialise in trade, and auto and household repairs. Overall, small enterprises make up 36% of all enterprises, and have a share of 11% of total employment.

Hidden, part-time and illegal employment has grown in scope over the last decade and now plays a significant role in the national labour market. It includes people involved in small trade activities, working on household plots or in the service sector, and family businesses or those employed without a contract in small enterprises. In larger enterprises awaiting restructuring, low-wage over-employment still persists, making additional jobs a necessity to make ends meet in many households. It is estimated that “unregistered” employment covers more than 38% of the economically active population. According to USAID, the shadow economy accounts for 20–28% of GDP.

There is a discrepancy in the labour force supply in terms of graduate qualifications. In 2003/2004 higher education graduates (102,700) outnumbered graduates from basic (33,400) and secondary (60,400) vocational institutions. The number of vocational education and training (VET) graduates with agricultural specialisations is going down (from 3,500 people in 1998 to 1,300 in 2002), while the number of graduates with economic and administrative specialisations has significantly increased (from 5,500 in 1998 to 16,600 in 2002). The country faces a large deficit of technical occupations and is forced to attract these workers from abroad. There is a lack of qualified workers in production, construction, maintenance and servicing, middle-level technical staff, and specialists in management, general and technical sales/marketing, research, production, and design.

Young people face serious problems in the labour market; those without relevant qualifications and work experience are not competitive. From the total number of unemployed in 2003, 21% in urban and 34% in rural areas were young people. Among the unemployed, 16% had a higher education diploma, 27% secondary vocational education, 11% basic vocational education, and 45% general secondary education. A trend of starting employment early (around 15 years of age) can be observed. As a rule, the jobs offered to young people are in the services and trade sector, do not require any specific skills and do not offer any social security (these jobs are often in the informal sector). According to official statistics, each year between 70,000 and 90,000 school leavers from secondary general schools enter the labour market without any possibility of receiving vocational education. 50% remain unemployed, while the other half can only find low-qualified jobs.

In recent years unemployment among women has been significantly higher than among men. Thus in 2003 over 58% of the unemployed were women. Women over 45 years of age with higher and secondary vocational education (in economic, banking or administrative occupations) stand virtually no chance of finding a job commensurate with their qualifications.

6 USAID Kazakhstan country page, April 2005.
7 Statistical yearbook of Kazakhstan 2004.
8 Statistical yearbook of Kazakhstan 2004.
9 Message of the president to the people of Kazakhstan, 18 February 2005.
Summary

Kazakhstan is a rapidly developing country aspiring to the role of a regional leader. It has embarked upon viable industrial and agricultural policies. However, due to a decreased birth rate, emigration, and mismatch between the supply and demand of qualifications, there are severe shortages of skilled workers, especially in middle- and higher-level technical occupations. Though a decrease in the unemployment and poverty rates has been observed recently, unemployment among young people and women remains high, particularly in rural areas. The imbalance between skills development and labour market needs hinders the efficient use of human resources.

2. Contribution of HRD to socioeconomic development

Education and training

As in other countries, education and training in Kazakhstan faces the issues of addressing fast changes in society and developing the required new knowledge and skills, contributing to employability of graduates and flexibility of the workforce, establishing close cooperation with enterprises, ensuring quality of education and training, and improving the status of teachers and trainers. In addition, higher education needs to significantly contribute to institution building, achieve international recognition of degrees, and eliminate corruption in higher education, in order to regain its credibility.

According to the Ministry of Education and Science, public expenditure on education has increased since 2000, accounting for a rise in the percentage of GDP spent on education from 3.1% in 2000 to 3.8% in 2004. However, the share of basic and secondary vocational education and training amounted to only 6.6% in 2000 and even decreased to 6% in 2004 of the total budget for education. As in previous years, these funds covered primarily payroll, meals and maintenance costs. Though the number of colleges providing secondary vocational education has increased, 64% of all students in state colleges have to pay full tuition fees while only 36% receive financial assistance from the state.

In 2000, 15.5% of all pupils could access vocational education institutions; in 2001 and 2002 the figure was 17%. In the period 1992–2002 the number of vocational school students more than halved from 203,100 to 89,600. In 2003, there were 534,000 graduates of general secondary schools, compared to 93,000 graduates (14.8%) from basic and secondary vocational schools. The decrease in the number of graduates is primarily observed in technical and agricultural specialisations. Access to vocational education and training also has geographical limitations: 43 regional centres – small and medium-sized towns – have no vocational institutions.

For more than a decade, basic and secondary vocational education and training has declined or stagnated, as the above data show. There have been several interlinked factors influencing this: a decrease in capacities due to the impact of transition on enterprise-based training, severe cuts in public funding of education, obsolete training methods and technical equipment, an inability to respond to the new labour market and a growing mismatch between qualification demand and supply, shifts in educational choices in favour of general and academic education, and an absence of education and training policy. The combination of these factors led to a downward spiral that must now be reversed. The acute requirement to restore the position of vocational education and training in light of Kazakhstan’s social and economic development needs has recently made this issue a high-priority policy focus for the national authorities.

Officially, a decentralisation of education and training governance is under way. In reality, however, the system is still very centralised and local authorities and regional education management bodies serve primarily as vehicles to implement decisions taken by the central administration. Schools do not interact sufficiently with their environment to work jointly with partners on the issues of employment, social inclusion and poverty reduction. The involvement of employers and trade unions in vocational education and training is still low due to a lack of incentives, strategies and organisational structures.

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The National Programme of Education Development

In October 2004 an ambitious National Programme of Education Development 2005–2010 (NPED, also known as the Programme) was declared by a presidential decree, aiming to improve education and training quality to meet personal and social needs and based on the priorities of the overall Strategic Plan for the Development of the Republic of Kazakhstan up to 2010. The main objectives are to provide access to quality education for each stratum of the population, to extend general secondary education from 11 to 12 years, to restructure the VET system, to improve provision of highly skilled and competitive staff for all sectors of the economy, and to increase the quality and international recognition of higher education. For the implementation of the programme in the six-year period the planned expenditure is KZT 330 billion (approximately €2 billion), in addition to the current budget for education.

The Programme anticipates that high-quality vocational education and training would create an environment for successful implementation of the Strategy of Innovative Industrial Development for 2003–2015 and serve as a trigger for developing industry, construction, small and medium-sized businesses and services, as well as the economy as a whole. It is planned to transform the present basic VET system into a two-step technical vocational education arrangement, and the present secondary VET into post-secondary vocational education, with progression routes outlined between the two and between the post-secondary vocational education and the bachelor-level programmes in higher education.

To develop technical vocational and post-secondary vocational education, the Programme expects to:

- develop and extend the network of vocational institutions at the expense of local budgets and the private sector;
- increase VET funding at the regional level from the state budget;
- establish a mechanism for encouraging private investment in technical vocational and post-secondary vocational education through preferential taxation;
- develop and implement textbooks and methodologies;
- provide technical vocational and post-secondary vocational institutions with information and communications technology;
- harmonise national general VET standards with the International Standard Classification of Education (ISCED 1997);
- introduce independent quality assessment of vocational education and training by establishing national and regional centres for awarding and verification of qualifications.

Based on the Programme, an action plan has been approved by the government of Kazakhstan for 2005–2007, the period of the first phase of the Programme’s implementation. This action plan includes measures and fund allocations to define new VET regulations, develop classifiers of occupations and qualification requirements, improve national VET standards, and introduce a credit-based system for linking the different levels of vocational education and training.

However, the far-reaching development of education and training in Kazakhstan set out in the Programme may be at risk of not being fully supported by an overall commitment to reform and capacity to implement changes. New ideas in the Programme appear sometimes to be only declared, without proper contextualising and defining indicators of achievement of change, which results in not very realistic action planning within short timeframes. There are problems of weak cooperation between governmental bodies, poor communication with other partners and high turnover among policy makers. The preparatory phase of the education reform, in which dialogue among the stakeholders should have taken place, seems to have been too short. Officially, the preparation has been completed, the discussion is over, and the focus is now on implementation.
Continuing training, employment policy and social partnership

In addition to the formal system of vocational education, there are around 15,000 continuing vocational training providers. They are not subject to state licensing and award their own certificates. There is also no link to formal education and training and no mechanism to guarantee the quality of continuing training. The most frequent courses are in business, management, information and communication technologies, banking, and foreign languages, as well as training for a number of other occupations that are in demand in the labour market (gas and electrical welder, plumber, electrician, and jobs in the services sector). In practice, access to non-formal training programmes is limited, especially for the rural population, the unemployed, those working in the informal sector and other socially disadvantaged groups, as these individuals cannot afford these relatively expensive services.

The government employment policy is not sufficiently effective in reaching these target groups, nor is it coordinated with education and social welfare policies. A number of obstacles are impeding the development of active employment measures, such as an absence of consistency of approach in identifying labour market needs when designing training for the unemployed; an absence of any system to facilitate negotiation between the interests of authorities, employers, and employees; an absence of vocational counselling and career guidance; and an absence of mechanisms for evaluating the impact of projects already implemented at the central and local levels.

The role of the private sector and social partners in education and training still has to develop, though there are examples of the effective involvement of these actors at the local level. Some employers participate in the funding of VET institutions through targeted training programmes and contracts to train their employees, or get involved in redefining occupational standards. Valuable experience of social partnership is being accumulated in the framework of pilot projects, carried out mainly by non-governmental organisations. But on the whole, social partners have not yet recognised human resources development as a priority and there are insufficient incentives for making good initiatives more widespread.

Summary

The system of education and training is still largely centralised, underfinanced and supply-driven, without the appropriate involvement of social partners. Access to education and training and the quality of provision are not satisfactory. Cooperation between education and training institutions, enterprises, employment services and non-formal training providers is weak. This situation leads increasingly to a lack of qualified workers and skills shortages on the labour market. Active employment measures to tackle unemployment, poverty and social exclusion require further development and capacity building, so that they can reach more people. The National Programme of Education Development 2005–2010 is an ambitious reform initiative, but much effort is still needed to identify priorities, work out realistic action plans, build partnerships and support implementation. There is now an opportunity for national stakeholders and international donors to join forces and make this happen.

3. Current EU HRD programmes

Tacis

According to the Partnership and Cooperation Agreement between the EU and the Republic of Kazakhstan, education and training activities focus on raising the level of general education and professional qualifications in the country, as well as technical assistance in support of employment. The EU Tacis Programme has financed the following main HRD projects in Kazakhstan in recent years.

In the 1990s, large EU grants were provided to the Kazakh Institute of Management and Economic Research, the Kazakh State Academy of Management, and the Diplomatic Academy.

The “Support to the Eurasian Civil Service Training Centre” project, implemented in 2003–2005, set up a new training institution for civil servants in Kazakhstan. The training centre will train civil servants working at central and regional levels as well as trainers in the regional civil service training centres of Kazakhstan and those in the national training centres of neighbouring countries.
The objective of the project “Vocational education and training linked to the development of small and medium-sized enterprises” is to support the development of a high-quality vocational education and training system in specific regions and sectors, thereby contributing to increased employability among Kazakhstan’s workforce. The two-year project has been implemented since 2003 in five areas of development:

- social partnership in the SME sector;
- VET governance and funding;
- development of curricula and teacher training;
- VET management training;
- dissemination of results.

The project has been successful at the pilot school level, but its results have not been used so far to inform the national VET policies.

The project “Support to the implementation of a national system for quality education”, planned for 2005–2006, aims to develop a sound and effective system of quality assurance and accreditation within Kazakhstan’s higher education system, consistent with international standards and able to meet the rapidly changing needs of a market economy.

In Kazakhstan the Tempus programme for higher education has focused in recent years on curricula development in priority subject areas such as environment, international trade, agricultural and rural development, the oil and gas industry, chemical engineering, quality management systems and energy-efficient technologies. Other priorities have included preparing universities for international accreditation; training for public administration reform, civil society development, justice and law enforcement; the introduction of quality management and assessment systems; the involvement of employers in the development of education systems; and the introduction of the three-level higher education system based on credit accumulation.

The Tacis Central Asia Indicative Programme 2005–2006 emphasises support for the reform and development of general and technical higher education, including the training and retraining of a new generation of teachers in general and technical education.

The European Training Foundation

The ETF has been active in assisting the European Commission in Tacis project identification and quality monitoring. For the above-mentioned project “Vocational education and training linked to the development of small and medium-sized enterprises”, the ETF carried out an interim review at the request of the EC Delegation in 2004. This year the ETF will do an “end of project” review, with a focus on the positive achievements of the project and how they could be built upon in the context of national VET development plans.

The ETF has also been implementing its own projects of cooperation with the partner countries supporting HRD policy learning. These include the two recently started regional projects “National qualification frameworks” and “Skills development for poverty reduction” in the four countries of Central Asia.

Other ETF projects during the last five years were “Training strategies for local development in a poverty alleviation context”, “Local enterprise development”, and “Management toolkit dissemination”. The National Observatory established by the ETF in 1996 has supported the development of VET and employment through sector studies, information dissemination and training.

Summary

The key focus of the EU HRD-related programmes has so far been on assistance to the Republic of Kazakhstan in training for SME and entrepreneurship development and related institutional capacity building, and in the reform of higher education. Less has been done in support of developing active
employment policies and vocational education and training systems, which need to become much more responsive to the labour market and to the priority development areas of Kazakhstan’s economy.

Similar to other countries, the sustainability and mainstreaming of results of technical assistance projects in the field of HRD have been problematic. Donor coordination, often left only to national authorities, has been very weak. Closer collaboration with and better involvement of the key ministries in HRD cooperation projects is necessary.

4. Significant investments by other donors in the field of HRD

At the end of the 1990s the Asian Development Bank (ADB) provided technical assistance and two loans for education rehabilitation and management improvement (US$20 million) and basic education (US$45 million). The ADB, in cooperation with the British Council, presented an education sector development strategy in 2004 which provided input into the government’s concept and planning for the National Programme of Education Development 2005–2010. The ADB and the Open Society Institute with its national Soros foundations are initiating a Central Asia Education Cooperation Network.

As the lead external development partner in the sector of education, the ADB plans to assist in restoring quality education services and deepening sector reforms to meet the needs of a market economy. According to the ADB, external assistance for education will now be coordinated by the World Bank, which is about to prepare a policy paper on education strategy. The government of Kazakhstan has indicated that it does not plan further borrowing for education.

The Korean International Cooperation Agency (KOICA) will provide US$1 million to establish the national and regional centres for the awarding and verification of qualifications. The Korean Research Institute for VET has organised training activities for high-rank officials and experts in the field of vocational education and training.

The German-funded GTZ has implemented a project on sub-regional cooperation in Central Asia and the Caucasus in the field of vocational education and training, and an SME development project in Kazakhstan. The ILO has widely implemented its training programme “Start and improve your own business” and a rural SME training programme. UNESCO has been supporting the establishment of local community learning centres and the UNESCO-ILO recommendations on TVET have been disseminated in Kazakhstan. The Soros Kazakhstan Foundation, USAID, GTZ and other donors have funded various education programmes.

According to the ADB, Kazakhstan’s fast-paced development has led to rapidly evolving priorities and occasional shifts in the relative importance of these priorities, which has added uncertainties to the delivery of assistance programmes that are set annually and prepared in advance. Greater flexibility and better synchronising with the government are needed for more effective and efficient assistance.

5. Main challenges for HRD and labour market-related reform and modernisation processes

Using the opportunity to further develop and implement the overall education and training policy, with a mid-term perspective of establishing a lifelong learning system

The recently declared, ambitious National Programme of Education Development 2005–2010 is an opportunity to implement the required systemic changes in education and training. But it is also a threat if it fails and if the planned national investment does not bring the expected results, thus undermining credibility of any major reform of education and training in the future. There are issues of commitment to reform at the different levels of the education system and of the capacity to implement changes. Successful reform will need to be accompanied by a wide and ongoing process of consultation in order

to enable more realistic reform planning, necessary prioritising and sequencing of activities, and commitment on the part of all key partners.

A lifelong learning system designed in the context of Kazakhstan’s economy, society and culture could be the still missing strategic vision that would steer development in the area of human resources in the longer term. It would frame, go beyond and extend the initiated NPED and serve as a safeguard to ensure that HRD will not be abandoned after the current programme is completed.

Improving the integration of education and training in development processes at the regional and local levels

Within the overall reform of education, the integration of education and training in development processes is the key challenge for improving the quality, relevance and attractiveness of education and training. This has already been recognised in the education development and employment policies of the Republic of Kazakhstan. Severe skills mismatches and shortages of qualified workers, especially in the middle range of qualifications, have already been recorded. It is foreseen that these problems will become even more acute due to the growth of the economy and demographic changes. There are no mechanisms in place yet that could identify new competence or skills levels and needs across the different priority sectors of the economy, such as the oil processing and manufacturing industries, services, agriculture and tourism. Clear frameworks for development will, however, need to be defined soon, in order to steer initiatives and manage the processes of change.

Improving the contribution of skills development to improve economic prosperity and social cohesion poses tremendous challenges for the reform of education and training systems. The conditions necessary for education in general to contribute to poverty reduction in the context of Kazakhstan’s transition, and the potential contribution of education, training and employment policies (including formal and non-formal skills development) to achieving poverty reduction, should become a focus of HRD policy design and implementation. Active employment policies should reach all groups within the population at risk of unemployment, social exclusion and poverty. These policies will need to extend beyond serving only the registered unemployed, and become more diversified and better targeted.

Utilising the potential of the regional space of education and employment to improve cooperation and mobility

Despite some attempts by the countries of Central Asia, supported by international donors in several regional projects, the space for wider cooperation in education, training and employment across borders in the region is still largely unused. In the case of countries with comparable histories and legacies from the last century, speaking a common language and challenged by similar problems in developing their education, training and employment systems, this is an opportunity from which all might benefit. Improvement in this area would also help to address some of the key issues of extensive migration in the region.

Improved regional cooperation has great potential for bringing benefits in different areas of policy and practice. Mutual exchange of information and experience on policies for developing education and training systems in support of employment, social inclusion and poverty alleviation would increase the compatibility of approaches and the overall effects of change.

6. Levers in HRD and related labour market policies through which sustainable system reform can be triggered

Three key levers are proposed below as a response to the main challenges involved. One is aimed at supporting national education reform and extending its horizon, while the other two address the crosscutting issues of an overall qualification system and of developing skills for social inclusion and poverty alleviation, taking the Kazakhstan context as the point of departure but exploiting the potential for cooperation among all countries in the region.
Supporting the national reform of education and training, and designing a lifelong learning system

The government of Kazakhstan has recognised the importance of education and training for the development of the economy and society by declaring the six-year NPED and by allocating funds for the first phase of this programme’s implementation. The Programme includes most of the key issues and modern approaches for addressing these issues, but further assistance is still needed to identify priorities, prepare realistic action plans and support implementation.

The education and training reform policy and sustainable implementation strategy will require coordinated national and donor investment in the coming years. So far it is not clear if, when and how the key international donors, such as the World Bank and the Asian Development Bank, will further contribute to the process of education development in Kazakhstan. It also remains to be seen to what extent the government will succeed in moving from rhetoric to action, and what direction the first phase of implementation will take.

Therefore, the ETF recommends that the donors respond to the challenge of education and training reform in Kazakhstan in two ways. One would be to assist in implementing the National Programme of Education Development 2005–2010 currently under way. At this stage it is tentatively proposed to support the development of secondary and post-secondary vocational education, as more labour market-oriented alternatives to attract students aiming at general secondary or higher education, and partly redirect excessive enrolment in universities.

The other response should be to invest first in the design and then contribute to the implementation of Kazakhstan’s system of lifelong learning, to be set up in the 2010–2015 timeframe. The design would follow from and build upon the NPED, its successes and failures, and provide another strategic vision for HRD. It would capitalise on the international lifelong learning developments that have taken place so far, and benefit from the experience to be gained over the next decade.

Supporting the development of a national qualification framework

A national qualification framework (NQF) will define levels of qualifications, quality assurance principles and guidelines, and methods for recognising learning gained in different programmes and contexts. An NQF will necessarily touch all major VET reform policy issues, bring all stakeholders together in the development and application of systems, and provide incentives and opportunities for vocational education and training providers to develop appropriate learning processes. An overall coherent national framework will accommodate all levels of qualifications and corresponding VET programmes across all sectors, and offer a way of developing learning pathways that people can follow throughout their lifetime. It will facilitate recognition of qualifications and promote mobility in the region.

The existing national education development plans already include the reform of current classifiers of occupations and related specialisations/programmes, because these classifiers no longer correspond to the realities of the labour market. This is a first step towards an NQF. Kazakhstan is also participating in the ETF regional project “National qualification frameworks in Central Asia” and is undertaking a pilot NQF development programme in the sector of tourism. If an NQF becomes national policy, it may become a priority for donor support.

Supporting skills development to reduce unemployment, social exclusion and poverty

The macroeconomic context of the Republic of Kazakhstan suggests that the potential for increasing employment, social inclusion and poverty reduction through economic growth lies, among other factors, in developing and utilising existing human resources more efficiently and in setting appropriate conditions for the development of skills in support of public and private initiatives at the local level.

The ETF therefore suggests that donors support national, regional and local governments, and possibly also NGOs, in those aspects of reforming education and training that will enable schools, teachers and trainers to reach out to groups and individuals affected by unemployment, social exclusion and poverty and develop their skills. Local partnerships and training networks will be facilitated for skills development
geared towards social inclusion and poverty alleviation, aiming also at skills in the informal economy, and at a level of skill and competence which would make it possible for people to move out of the low-skill informal sector where most of the poor seek their livelihoods.

This will also enhance the capacities of key stakeholders in designing and implementing HRD measures coherently integrated into poverty reduction strategies and policies, and will help to disseminate good practices among policy makers and donors on skills development for poverty reduction.

In the area of active employment policies, donors should focus on supporting training and retraining activities so that these activities match labour market skills needs and become more effective in terms of resulting job placement, and so that their scope is wider and their provision more diverse to better serve the different target groups. This would be combined with support for developing vocational counselling and career guidance as part of both state and non-state employment services, as well as developing career education in primary and secondary schools.

Coordination among international and bilateral donors will be an important issue for this lever as well as for the others, as it will guarantee a more efficient and effective investment in HRD in Kazakhstan.

This and the preceding lever will allow for regional and local approaches or programmes. National qualification frameworks also make sense when they are compatible between countries, and migration flows in Central Asia present a strong case in favour of such approaches. At the same time, skills development in support of employment, social inclusion and poverty reduction is often most needed in cross-border areas and cannot effectively be implemented solely on a country-by-country basis.
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