

# UKRAINE

## VET GOVERNANCE ETF PARTNER COUNTRY PROFILE



### 1. GENERAL GOVERNANCE

Ukraine is a semi-presidential parliamentary republic. The president is head of state, elected every five years, and nominates the prime minister, who must be confirmed by parliament. President and government exercise executive power and legislative power rests with parliament. The prime minister heads a cabinet. Some ministries may be headed by cabinet members, while the president, cabinet and ministries can issue secondary legislation (decrees, directives, and resolutions).

There are 24 regions (oblasts), divided into 490 districts (rayons). The heads of the regions represent the central government in Kiev and govern locally elected assemblies. Ukraine is transitioning into a market economy and has ratified the three major conventions passed by the International Labour Organisation (ILO). There is a Law on Social Dialogue, and another on 'Employment of Population', which provides for employer-funded training to improve workers' skills, in return for workers staying with the employer for a set period.

### 2. VET GOVERNANCE

#### Key roles and functions

The executive bodies involved in VET governance at national level are the Ministry of Education and Science (MoES), and the Ministry of Social Policy (MoSP), which heads coordination of policy on on-the-job vocational training and organises activities of the Council for Vocational Guidance. The Ministry of Finance (MoF) is the main actor for VET financing and funding. Other ministries govern vocational schools (i.e. Ministry of Agriculture). The National Tripartite Economic and Social Council (NESC) is not directly involved in VET governance but is expected to integrate policy between interlinked policy areas. Social partners institutionally participate in the work of the influential State Employment Service (SES). Employers' role in formulating the VET national policy framework is also institutionalised, and employers are very active at regional level.

Between national and regional level, central executive bodies govern vocational schools. At regional level, VET governing bodies (VET departments of the regional administrations'

boards of education) implement state policy, and help develop and implement regional policy, while VET teacher resource centres back policy implementation.

The key functions of governance remain state-orientated. Despite progress at all levels of governance, fragmentation, centralisation and under-funding combine to hamper the prospect of good multi-level governance. But the MoES Action Plan and anticipated Law on VET show signs of bridge-building between the VET system and social partners. The latter's involvement in key VET issues is increasing nationally and regionally and at the VET provider level. But a multi-actor approach is more visible and influential at regional and sectoral level. Practices developed here, combined with policy learning from international projects, offer an opportunity for more effective multi-actor governance.

#### Financing

Up to 91% of vocational schools' funding comes from state and local budgets. They also receive fee income and grants. ISCED level 4 (mainly vocational education) makes up 6% of education spending. Relative lack of funding and the ineffectiveness of funding practice make VET less attractive – between 2000 and 2012 the proportion of VET students per 10,000 people fell by 13.1%. VET teachers' pay is reportedly inadequate. Financial division between state, regions and cities means the latter face reduced income from taxes, which clearly affects VET. Vocational schools are trying to boost income by offering more training to businesses and individuals, hiring out space and manufacturing products in training programmes and placements, and seeking charitable contributions. The National Education Development Strategy recommends per capita funding, a mix of funding including grants and loans and involvement from customers in funding skills training.

The state funds 137 VET institutions directly while the other 810 receive their funding via regional authorities. Budget proposals for VET programmes are prepared by the MoES for MoF approval. In practice resources for vocational schools cover basic overheads including wages (58%) and students scholarships and utilities (10%). A delay in vocational



schools being paid by the State Treasury Service is one problem. Another is that they cannot use the special fund facilities for skills training beyond the state order. A multi-actor, evidence-based model for allocating funds is seen as a solution. It is felt that decentralisation alone could merely increase the gap between well-off and poorer regions.

### Coordination mechanisms for VET policy making

The 'On Vocational Education' Act 1998 specifies responsibilities for implementing state VET policy at central and regional levels. Key actors in governance and policy making and implementation are public authorities. The MoES sets priorities for VET. It drafts legislation; lists the occupations to be trained in vocational schools; develops national standards, standard curricula and education programmes; sets up, reorganises or closes public vocational schools; and administers licensing and attestation of vocational schools. It also determines the scope of training in vocational schools, inspects vocational schools and institutions, organises VET research, and defines admission rules. The MoES is also the prime mover in VET reform, including the new VET law. But governance and steering of continuing vocational training is split with the MoSP.

The MoSP leads on setting and implementing employment and labour migration policy, and coordinates policy on on-the-job vocational training – important as 9% of employees do this training every year. But SEC does much of this work. It is governed by the Employment Insurance Fund, in which social partners have the same voting power at the government. The MoSP and SEC also coordinate adult education. The Ministry of Economic Development (MED) is responsible for skills training. VET institutions organise their own education, training, financial, and business activities, and autonomous public bodies associated with vocational schools play an advisory role in VET issues.

The MoES has prepared changes to the law aimed at decentralisation and deregulation by simplifying procedures, and involving employers more in sector development.

Institutionalised policy advice-orientated mechanisms could include the NESK, as its role as a policy integrator between interlinked policy areas could serve as a model for integrating VET with other areas. The Institute of Innovative Technologies and Education Content of the MoES

heads development and approval of curricula and academic programmes, defining VET content and affecting vocational schools' operation. This makes it influential in decision making as well as implementation. The Association of Ukrainian Cities has been an active policy advisor, providing evidence-based suggestions on legal decentralisation initiatives around issues like managing and maintaining state and community-owned vocational schools.

For public-private structure-orientated mechanisms, social dialogue is a requirement for adopting strategic documents, making employers very active. They have lobbied for a law on national qualification, which would establish a national authority to implement the national qualifications framework (NQF) adopted in 2011. The Federation of Employers established the Institute of Professional Qualifications to promote sector skills councils. As a result, social partners are helping set up training centres for introducing innovative technologies. But, while the VET Department seeks employers' participation, their lack of interest can be a problem. But there is good practice too. Social partnerships have led to plans to create specialised training centres in vocational schools. Social partners' and stakeholders' involvement in policy development and legislation is poor, partly because it is not institutionalised, and also because consultations are often short. Employers organisations' limited capacity makes the MoES the only key actor in the new VET Law process. Some private providers offer accredited VET programmes, and there is cooperation between the employment services and the vocational school system.

For knowledge creation-orientated mechanisms, ministers have passed resolutions for labour market demand forecasting mechanisms; procedures to form and place state orders for training; methods for working out the cost of training workers; and plans for employing trained graduates. The VET system uses data produced by a range of public authorities. Information and analysis centres in VET teacher resource centres are an effective tool in collecting, processing and using information. They monitor regional labour market demand, job placement of VET graduates, employer satisfaction with their skills, and manpower utilisation forecasts. The MoES's VET Department and the VET resource centres can give state-owned vocational schools methodological and research assistance, raising the prospects for evidence-based policy implementation. Also, a national database helps

disseminate centres' innovative solutions, while Ukraine's participation in international projects has strengthened national and regional capacity in evidence-based policy making and implementation. The 'On Employment' Act provides for an information and analysis system to monitor labour market supply and demand, while implementation of the Action Plan has started introducing software to forecast socio-economic indicators relevant to education and VET. According to the Plan of Priority Governmental Activities in 2016, it has been foreseen the elaboration of the new mechanism of the forming of regional order for training based on active employers participation.

Despite this, coordination between vocational schools and the labour market is poor and focus is weak on the national system for monitoring trends and forecasting needs in VET, and on bringing it in to line with European education. Nevertheless, VET has mechanisms for liaison and communication between levels of governance, and involvement of all stakeholders in policy development is a long-standing practice.

### Country typology

VET governance is hybrid, still affected by a centralised tradition undermining full multi-level governance. The state prevails in every policy function, from formulating the national policy framework, including the new TVET law, to mobilising financial resources and managing VET providers. But social partner involvement in policy making has become institutionalised (through participation in bodies like the State Employment Centre). Public-private partnership is strengthening, while social dialogue on policy is a requirement for legislation. And developing the NQF and National Development Plan for Vocational Education shows further progress, though lack of financial resources has constrained the latter's implementation.

Discussion of, and further progress towards, decentralisation, hinges on an overall governmental strategy to determine inter-departmental goals, targets, policies, funding allocation, and government priorities. It also calls for codification of the complicated existing legislation and simplification of procedures, as well as clear redefinition of institutions, agencies and bodies' tasks, responsibilities and liabilities. A system of checks and balances among national, regional and sectoral actors is also needed, together with the enforcement of the public-private governance

model in vocational schools. An inter-organisational body such as a national VET agency would address fragmentation.

### Development assessment

VET governance development is structured. Recent initiatives at all levels have moved it towards a multi-level approach. Development processes are in place but coordination and policy networks need to be improved and simplified. Policy dialogue is increasing and social partners' involvement in some governance functions is institutionalised. The Institute of Professional Qualifications is an important interim step to support qualifications reform. But there is a tendency to develop VET legislation without first developing commonly agreed policy. Good multi-level governance means modernising VET legislation, simplifying procedures, changing coordination mechanisms, and improving skills forecasting so the VET system responds better to labour market needs. Involving employers in upgrading VET will help achieve quality vocational education.

### Ongoing work in policy development

The strategy paper Ukraine 2020 is shaping overall transformation, providing the context for a VET national policy framework. The National Strategy for Education Development's targets for the VET system take the economy's needs into account. It also provides for national standards for occupations and cluster qualifications, including an updated list of occupations; an optimised network of vocational schools of different types; increasing independence for schools and the creation of industrial and training complexes; and an improved mechanism for state ordering of skills training that takes into account economic and labour market needs as well as social demands. If the MoES can implement the action plan, the VET system will be substantially improved.

Information and analysis centres in VET teacher resource centres aid research and development, data and statistical provision, and evaluation and review of VET policies. They will contribute to a bottom-up approach to evidence-based policy making and implementation in VET, providing insights on VET's actual and potential link to labour market needs.

Utilising Ukraine's collaboration with international organisations is an example of policy learning as well as managing VET provider networks. Taking part in the Torino Process has helped bring innovative



approaches to VET system analysis. Taking part in a twinning project on modernisation of legislative standards and principles of education and training has led to stronger MES capacity for efficient use of the NQF and development of the VET quality assurance system. Regions have also taken part in international capacity-building projects which have helped modernise the regional VET providers network and make VET more responsive to labour market needs.

### 3. POLICY POINTERS

These pointers are designed to promote further policy dialogue and/or implementation.

#### Overall planning and management

1. Complete and adopt the new VET law based on the national strategy and consultation with stakeholders, and codify existing legislation.
2. Start multi-actor policy dialogue on a national tripartite agreement on VET and skills, then draft and adopt it to create a legislative framework for social partners to take part in VET policy development.
3. Consult with employers and trade unions to optimise the network of VET institutions and extend on-the-job training from technical and technological activities to take account of labour market needs.

#### Finance and funding

1. Develop a policy dialogue on VET providers' financial autonomy and consult with their delegates, employers' organisations, trade unions, enterprises, regional authorities, and the Association of Ukrainian Cities. Include provisions in the new law.
2. Increase VET's share of the state budget to provide comprehensively for the system and support extra autonomy for providers. Also, look into creating a levy-like funding system and a national fund for VET.
3. Proceed with institutional arrangements to establish provisions enabling companies to take part in preparing budget proposals for VET programmes; diversify VET funding sources, focusing on financial incentives and tax allowances for companies and employers.

#### Coordination mechanisms for VET policy making

1. Establish a new inter-ministerial agency in overall charge of VET policy and function, with institutionalised formal participation of all key stakeholders.
2. Make VET more attractive, making it more publicly visible via social media and other promotion, focusing on enhancing the prestige of blue-collar occupations, creating a positive image for vocational schools and activating career guidance.
3. To promote the improvement of the mechanism of formation of national, regional and sectoral orders for training according to current needs of the economy, regional labour markets and society demands through active participation of employers whilst improving information provision for developing skills linked to labour market forecasts.
4. Simplify procedures at every function of VET governance, in line with the codified, simplified legal framework.