

International Centre for Policy Studies

EDUCATION REFORM: INCREASING EMPLOYABILITY

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The purpose of this study was to assess the impact of civil society organizations (CSOs) on the formation of state policy regarding education reform, especially its link with labor market in Ukraine. This report is part of a project that includes similar studies on reforms in five other sectors: land, pension, consumer rights, labor law, and regional integration.

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Preparing qualified professionals for the labor market is generally considered one of the key goals of education. While recognizing the complexity of the education sector and the importance of reforming many of its aspects in Ukraine, which are often closely interdependent, this paper looks specifically at the link between the outcomes of education and the needs of Ukraine's economy, as a subject that is under-researched yet rising in importance.

Executive summary

The market and political freedom have radically changed the environment in which Ukraine's system of education operates. Still, the system itself has remained fundamentally unchanged. Some fine-tuning did take place, but the way that the basic institutions function, especially those that establish educational and professional standards, the way the quality of education is assessed, and the way that state-funded placements are both formed and distributed, have all been maintained from soviet times. In addition, the content of education no longer corresponds to the requirements of a democratic society and a competitive marketplace. New specializations and majors have emerged, but there is no basic education in civics or in the way that the individual needs to behave in a market. In other words, the links between education and labor market ensured by central planning have disappeared, but new ones have not emerged yet. **Thus, there is a clear need for civil society organizations (CSOs) to engage in policy influencing activities and become agents of change in the sector.**

Ukraine has every possibility to improve the quality of education and to ensure that it is connected to the labor market. **All stakeholders agree that reform is very much needed.** However, the means for undertaking such reforms and the depth of reform needed are seen very differently. On one hand, education reform has been outlined—not without criticism—in the Economic Reform Program for 2010 – 2014 “Prosperous society, competitive economy, effective government,” although there is little evidence suggesting that the Ministry of Education, Science, Youth and Sports (MESYS) is acting to implement them. On the other, **representatives of civil society such as employers and students are not sufficiently cohesive to influence the shaping of state policy or have not made a priority of the issue of how competitive education is.** Currently, there is no single public position on the cost of not undertaking reforms.

Nonetheless, there have been some positive signals, both from the Ministry, such as engaging employers in the process of formulating a National Qualifications Framework (NQF)—the actual mechanism for this cooperation has not yet been set in legislation—and on the part of employers, such as pushing for reform by, for instance, lobbying for the “State Targeted Program for the Development of Technical-Vocational Education in Ukraine for 2011 – 2014” to be adopted. The Bill “On higher education” proposed by MESYS, which contains a number of provisions related to the education-labor market link, has caused a considerable stir in Ukraine and adoption in the current version is strongly opposed by many student organizations, the university community, academics and independent experts.

To determine the best configuration of reforms that will ensure a real restructuring of the educational system in line with the needs of the marketplace and a democratic society, a clear **vision** of the reform needs to be developed and CSOs should play a role in this process. Moreover, CSOs should be more proactive in bringing the message of **the cost of not reforming** to underscore the urgency of reforms. Given the complexity of any broad reform, involving think-tanks, researchers and independent experts would make a positive difference, as they could bring the necessary **substance to the public debate** that is currently lacking. To demand real structural reforms that have long lasting impact, **agents of change** need to be supported among CSOs: firstly, by activating employer and student organizations to move the issue of education — labor market mismatch higher in their agenda. Secondly, by assisting those university associations that try to challenge the status-quo. In order to ensure that positions of all stakeholders are taken into account co-operation between all interest groups need to be developed based on clear public policy instruments.

Background

Most of the foundation of contemporary Ukraine's educational system was laid by Josef Stalin in the 1930s. Education was designed to produce dedicated workers and loyal disciples. Thus, it featured mandatory universal primary education, with a special focus on selected disciplines that were considered important for the economy. Innovations were controlled and promoted through central planning. A planned economy made it possible to train and distribute personnel according to the state's requirements, the so-called "state order."¹ Since there was only one employer, the state, there was no such thing as unemployment. While this suited the existing system, it became completely inappropriate for a market economy and democratic society. The new, competitive market required not just a new way of thinking, but also new kinds of skills.

Unfortunately, during the early years of independence, the link between education and the labor market was a priority for neither employers nor educational institutions. The former were concerned with the redistribution and acquisition of property, while the latter were simply trying to survive. When the economy finally turned around in 2000, the level of unemployment remained high, but demand for qualified specialists began to grow, especially skilled labor, engineers and managers. Employers now began to pay attention to the fact that, despite the relatively cheap cost of labor, Ukrainian products often remained uncompetitive on external markets. One of the reasons was the paradox of education: a level of human capital—as expressed in full literacy and high levels of education, in particular in tertiary education—that was among the highest in Europe against a level of productivity that was among the lowest in Europe and North America.²

¹ The "state order" used to refer to the number of placements in a given institution that are paid from the State Budget for potential government employees. Such graduates were required to work in the public sector at least three years. Today, the law no longer requires subsidized graduates to go into the public sector.

² See, for example, *The Elusive Quest for Growth*, William Easterly, MIT, 2002, p. 74.

Goal of the reform

The officially designated goal of educational reform in the Economic Reform Program for 2010 – 2014 called “Prosperous society, competitive economy, effective government” as: *“increasing the competitiveness of Ukraine’s education and integrating it into a single Europe-wide educational system.”*³

There seem to be no objections to the stated goal—that Ukraine’s system of education needs to become more competitive—, whether from opposition or from independent experts. However, some experts argue that the officially declared goal describes a process, without providing a clear picture of how the sector should look after reform. Moreover, Liliya Grynevych, Coordinator of Knowledge Society Division at the Government of Changes and the first director of the Ukrainian Center for Educational Quality Assessment, argues that the actions of the government not only do not correspond to the declared goal, but are actually undermining the positive results up to date and are pushing the system of education further away from the European education arena. To date, however, no political party has officially provided an alternate education reform program.

Ukrainian voters broadly agree that education should reflect the needs of society, including the domestic labor market. But, until recently, this particular aspect was given less priority than corruption, admission and funding of education. **It now presents opportunities to engage all interest groups, including civil society, in discussing what system of education Ukrainians are trying to build so that the link between education and the labor market is sustained.**

³ http://www.president.gov.ua/docs/Programa_reform_FINAL_2.pdf

Problems in the sector

The Economic Reform Program for 2010–2014 “Prosperous society, competitive economy, effective government” outlines problems that typify the situation in education in Ukraine and its link to the labor market, including:

1. *Education is not at the necessary level of quality for modern needs.*
2. *There is a growing imbalance between the training of specialists and actual demand for them on the labor market.* Tertiary educational institutions draw up admissions plans based on the idea of preserving the numbers of students and instructors.

This document addresses some of the symptoms of the problem, but does not point to the root causes of the problems—and the list is not complete.

The main problem is the incompatibility between the outdated system of administration and content of education and the current political and economic system. A strictly centralized, closed system that may have made sense 70 years ago does not meet the needs of a society that lives with a competitive market, political freedom and globalization.

Interviews with selected stakeholders reveal at least six key problems—indicators of this ‘structural incompatibility’—that need to be solved in order to recover the link between education and labor market:

1. **the isolated educational system:** Nostrification of foreign diplomas is highly centralized, which makes it a burdensome and timely procedure for applicants. Also publications in leading international periodicals are not recognized; there is no system of incentives to encourage instructors to participate in international projects;
2. **the limited financial, administrative and academic autonomy of educational institutions:** This restricts real competition among them and makes them less flexible in response to changes in the labor market. For instance, universities have no right to establish new post-graduate (doctoral) inter disciplinary programs;
3. **educational standards are developed without input from employers:** The system of qualifications is developed by officials from educational institutions and approved by the Education Ministry, which is contrary to world practice and means that professional standards are being substituted by educational standards;
4. **absence of external qualification assessment: There is no independent evaluations of acquired knowledge, competence and skills, which could guarantee a certain qualification level of graduates who enter labor market.** The evaluation of the quality of education is handled by the Education Ministry rather than through independent evaluating agencies on the basis of employer requirements (which should be updated on regular basis). This evaluation is based on **learning input criteria, rather than learning output ones.** Positive step has been made by the Testing Center at the Ministry of Health that established qualification examinations for doctors and pharmacists;
5. **poor level of monitoring of the labor market trends:** This affects the way the “state order” is determined and as a result how the money is spent. Problematic is also the fact that the Ministry of Economy projects demand for labor without involving employers. Moreover, the distribution of the budget-funded places is not based on criteria for the quality of education in various tertiary institutions. The lack of transparency in this distribution process raises the question of how fair it is. Some experts even argue that ‘state order’ as such is an outdated concept and while monitoring of

the labor market trends is needed, state funding should rather take forms of student grants or special loans;

6. **an inefficient funding system that is still largely based on soviet principles:** support for educational institutions—over 70% of funding goes towards salaries and utilities.⁴ There is no standard for the cost of educating a single student. Educational institutions also have limited options for drawing on and using charitable targeted funds or project grants.

There are other leftovers from the old system. For instance, a teaching load is about two times the load in most European countries and the existence of a Higher Accreditation Commission (that dates from the 1930s and whose original purpose was strict ideological control) that applies outdated methods despite the fact that Ukraine has joined the Bologna Process. In addition, there is lack of basic training in civic education and market skills.

The result is a number of symptoms clearly evident in the current educational system:

1. **Skill mismatch.**

Quantitatively, there is a mismatch at the *level* of qualifications. In Ukraine, there is an oversupply of individuals with a tertiary education compared to those with professional vocational education. Demand for graduates from vocational schools with technical-professional skills is currently especially evident. This also leads to underemployment, that is, individuals with high degrees doing low-level jobs.

Ukraine also suffers from a skills mismatch by *occupational profile*: an oversupply of graduates with degrees in economics, law and the humanities, compared to the number of jobs actually requiring those qualifications. Meanwhile, there is an undersupply of qualified graduates in other specific areas, such as technical/IT.

From the *qualitative* perspective, there are also skill gaps, that is, a disconnect between the quality of skills individuals have and the skills required by different jobs on the labor market. Not only workers, but even tec professionals with tertiary degrees display a low level of technological competence.

2. **Inefficient state funding of student places.**

This costs the state twice: first in training young specialists and workers who are uncompetitive on the labor market and later in paying out unemployment benefits and providing re-training programs.

3. **No effective professional development and re-training system.**

Societies today are far more dynamic and thus any knowledge gained quickly loses its value. Coupled with demographic factors, such as a graying workforce (growing number of individuals whose tertiary qualifications are two or more decades old⁵) this is leading to a situation where more and more people are finding themselves outside the labor market because their competencies do not meet current requirements.

4. **An outdated educational infrastructure and difficulty attracting qualified teaching professionals.**

This last factor is especially urgent in tec-voc schools because qualified master educators can find more lucrative work in industry. Moreover, lack of access to technologies, currently used in industries, often make tec education misaligned with labor market demand and therefore make new tec school graduates uncompetitive at the labor market, without additional training.

⁴ http://www.president.gov.ua/docs/Programa_reform_FINAL_2.pdf

⁵ There are nearly 4 million pensioners in Ukraine who have retired, not because of their age or because a disability. This is a reserve that not only is being underused but also creates additional pressure on the pension system.

5. **Weak links between education, science and business:** This effectively destroys the innovation research and development cycle.
6. **No incentives for employers to provide the first working place** for new graduates, as well as student internships.
7. **The low level of prestige of working professionals in Ukrainian society, and many more.**

This analysis of the problems related to this issue is hardly exhaustive if it does not take into account external factors that affect the relationship between education and the marketplace. Specifically, demand for education to a large extent depends on expected income levels. The relatively low salary levels in Ukraine compared to Western Europe and North America spur both a brain drain and a skills drain. Uncompetitive wages in certain professions, such as teaching, create a situation where there is actually demand on the labor market and the necessary number of state-funded places, yet there is a shortage of teaching professionals. A significant number of students take a state-subsidized teaching degree just for the sake of the diploma, without any intention of actually going into teaching.

While ensuring an effective system of labor market projections is an important aim, expert assessments suggest that no projection system can guarantee a perfect match between the quantity and quality of new graduates needed and available, as it is impossible to foresee with 100% confidence what a market will require in 4-6 years, the time that it takes to graduate bachelors and masters. Thus, students also need to gain new kinds of knowledge, competence and skills, such as the ability to adapt to a changing environment, teamwork, the ability to analyze and draw conclusions, and the capacity for lifelong learning.

The cost of non-doing

There is no single public position on the cost of not undertaking reforms. Still, statements from individual experts and our analysis suggest at least three major consequences:

- growing youth unemployment - among graduates who are not needed on the labor market : in 2009, for example, 46,000 university graduates and 27,000 graduates of technical-vocational institutions were registered at state employment centers.
- growing inefficiency in the spending of public funds to train specialists: The State Employment Service says that 40% of new economists end up as its clients.⁶
- shortage of qualified professionals on the labor market: nearly 20% of employers complain that the qualifications of their employees do not match the requirements of their actual jobs.

This all will lead to an accumulation of problems, declining quality of education and competitiveness of Ukraine's economy.

⁶ http://www.confedu.org/assets/files/Common/Conception_24_03_08.pdf

Policy decisions

Our analysis of policy decision is based on official documents issued by the President, Cabinet of Ministers and MESYS. The Economic Reform Program for 2010 – 2014 "Prosperous society, competitive economy, effective government" states that a number of policy decisions are needed to ensure the link between education and labor market, including:

- bringing qualification specifications, standards and curricula in line with the educational and other qualifications required in a given job descriptions;
- encouraging employers to get involved in the preparation of curricula, bringing them in line with educational and professional standards, reorienting teaching plans to increase practical components, and widely introducing programs involving practica in industry;
- changing the approach to establishing the state-funded component of post-secondary places for specialists based on applying projections of demand in the economy or region;
- developing a national system for evaluating the quality of education, setting up independent qualification centers to establish, among others, qualifications under the European standards system, and encouraging the establishment of an independent national rating of schools, technical-vocational schools and colleges, and post-secondary institutions;
- increasing the independence of educational institutions in managing their financial resources;
- instituting a National Qualifications Framework.

There are three main concerns regarding effective implementation of these policies:

1. Although necessary and vital, the solutions are not prioritized;
2. The solutions offer general direction for actions but are mostly declarative: their effectiveness depends entirely on what concrete steps are taken further.
3. No budget has been established for implementing these policy solutions.

Cabinet Instruction №1726 "On increasing the level of employment of graduates from post-secondary institutions" dated 27 August 2010 attempts to set up job search departments for students and graduates and is another government institutional policy aimed at aligning education with job market. However, the objective has been framed as "develop and approve a standard provision on job search departments" and there is no additional funding provided to support this, which makes it questionable whether and when this will happen.

One proposed policy merits attention - development of **National Qualifications Framework or NQF**,⁷ which is written into the Economic Reform Program and is one of Ukraine's commitments in the context of the Bologna process.⁸ The NQF determines what competencies a person need to possess after finishing each educational level. Its aim is to align educational specifications with labor market needs. On 29 December 2010, the Cabinet

⁷ The National Qualifications Framework is the multilevel system of qualifications, merged into a single structure that is recognized at the national and international levels and through which the results of studying (learning outcomes) are measured and the equivalency of educational diplomas is established. See http://www.confedu.org/assets/files/Common/Conception_24_03_08.pdf

⁸ Note that the commitment is only regarding a National Framework related to qualifications tied to tertiary education. This could explain the particular attention to tertiary education in this issue, compared to other levels of education.

of Ministers of Ukraine adopted a Resolution to set up a related working group⁹ that included employer organizations for the first time, although their role and decision-making power remain to be seen.

The big policy changes in education are expected to be formalized in the new Bill "On higher education." A Bill, prepared by Deputy Yuriy Miroshnychenko (PR) was not supported by the Verkhovna Rada. Other version of this Bill proposed by MESYS, which contains a number of provisions related to the education-labor market link, has caused a considerable stir in Ukraine. The Ministry Bill has been strongly criticized by experts and stirred protests among students in early 2011. As a result, it was sent back to committee. Among the most controversial issues were university autonomy, tuition fees, teaching loads, academic plagiarism, and the admission system.

Standardized external testing (SET)

The implementation of SET, a reform whose a primary goal is to ensure equal access to higher education, has less direct impact on the link between education and labor market. However, its importance should not be underestimated. Admissions reform, namely implementation of SET at the national level in 2007, has been referred to by many as the biggest reform in education since independence.¹⁰ SET has a high level of support by the public, around 46 % in 2011, which is more than in previous years and more than any other state program¹¹. But, over the last years there were attempts to reduce the importance of SET in admission process. Therefore effectiveness in implementation of standardized external testing should be seem as a signal of the willingness and ability of the Government to implement structural reforms in one of the most conservative areas, education.

⁹ Cabinet Resolution №1225 "On setting up an interagency working group to develop and introduce a National Qualifications Framework" dated 29 December 2010.

¹⁰ See for example <http://ua.korrespondent.net/ukraine/512485>

¹¹ http://dif.org.ua/ua/media_about_us/jbji

Analysis of stakeholder positions

It is possible to talk about a certain level of *consensus on the need* to reform education among interested parties, that is, around ensuring that the link between education and the labor market is maintained. Differences arise when it comes to choosing the *means* to reach this objective.

President/Government

The positions of the main state actors need to be distinguished: the President, the Government and the Ministry. Official documents, including the Economic Reform Program and the fact that President Yanukovich issued a Decree¹² calling 2011 the "Year of Education and the Information Society" suggest interest in reform on the part of the President. Indeed successful reform will improve the quality of education, the effectiveness of state-funded placements, and the competitiveness of the domestic economy. It will also reduce the imbalance between education and the labor market and hence the number of graduates who are unable to find jobs.

Education needs reformation, a fact that is widely acknowledged among Ukrainians. This means that reforms aimed at aligning education and the domestic labor market are likely to be politically popular. However, while the results of the reforms will be seen in the future, the full costs have to be borne today. In short, the closer to elections the President and Government are, the more reluctant they will probably be to take steps that require many resources for reforms to be implemented if the results are uncertain and do not have an immediate positive impact on their popularity.

Ministry of Education, Science, Youth and Sports (MESYS)

Successful reforms require fundamental institutional changes. For instance, developing an effective system for projecting demand for labor or professional standards will be impossible without the input of employers. Evaluating the quality of education is also impossible without setting up the necessary independent external qualification assessment. Raising the quality of education and responding actively to market trends are both impossible without establishing the autonomy of educational institutions. The natural conservatism of the education sector and the interests of some government officials in preserving the status quo **pose risks that stated policy decisions will be treated as mere lip service, and no serious structural changes will take place.** Moreover, problematic is the fact that even though reforms require structural changes, including delegation of powers from the MESYS to other institutions, Minister of Education, Science, Youth and Sport has been personally assigned responsible for its implementation. Recent declaration of MP Y. Miroshnychenko on the discrepancies in the Draft Law authored by MESYS and the Economic Reform Program is an indication of the differences in reform vision among the Ministry and certain representatives of the ruling party.¹³

The Academy of Science and sectoral academies

Academics at the National Academy of Science of Ukraine oppose the adoption of the new Bill "On higher education" in its current rendition. They argue that it will accelerate

¹² Presidential Decree №926/2010 "On measures to ensure the priority of educational development in Ukraine" dated 30 September 2010. <http://www.president.gov.ua/documents/12323.html>

¹³ <http://www.kommersant.ua/doc.html?docId=1656747>, comparative table at https://docs.google.com/document/d/1VLCXjfnDlCbSM2Z5fRIptewvA-Qr2sGmHy_vTGn2-bw/edit?hl=en_GB&pli=1#

the decline of the sciences in higher education and the level of student competence.¹⁴ They suggest submitting the Bill to public discussion.

The National Academy of Pedagogical Sciences favors joint work between universities and employers in the development of an NQF, but insists on taking different approaches to the Framework on higher education and on vocational education. It insists on the priority role of higher educational institutions in the development of the former.¹⁵

Educators

The positions of educational institutions at different levels and forms of ownership need to be distinguished. Public higher education institutions, represented by rectors and their faculty, are generally quite conservative. Most of these institutions would prefer to maintain status quo: to preserve sufficient public funding and maintain the faculty and administrative staff. In other words, a large proportion of universities that are working to establish direct cooperation with employers, including career centers and special professional programs, are actually quite passive in terms of affecting state policy. Some universities are actively promoting structural changes, including university autonomy—in 2005 eight universities joined in a Consortium on University Autonomy—, but such universities are in the minority.

Compared to state post-secondary institutions, private ones are more independent of state funding, although they still have to meet accreditation and licensing requirements. Indeed, private institutions more actively support reforms aimed at deregulating education, in particular at eliminating discriminatory measures towards private universities and solving legal issues.

Technical-vocational institutions are much closer to the labor market. They get relatively less public funding, the prestige of the technical professions is in decline, they are finding harder to hire professional faculty, so they are more actively in favor of reforming the current system. They are especially interested in establishing new professional standards in various sectors and to actively engage employers in doing this, to update their infrastructure, to increase the level of qualification of their graduates and to see them match the growing demands of modern technology and manufacturing.

Students

Students are interested in seeing educational reform. If their learning more closely matches the needs of the labor market, it will have a positive impact on their ability to get a job. Reform will also orient them better on the marketplace: what level of training, specializations and universities will help graduates get the job they want? But a closer look at the position of students reveals two main trends. Firstly, students are active in promoting their interests and trying to influence state policy in education, but reforms aimed at improving the link between education and labor market are a lower priority, compared to the "material" aspects: availability of state-funded placements, affordable tuition fees and accommodation. The most recent student criticism is geared towards the new Bill "On higher education."

Secondly, a number of student organizations work to increase student competitiveness on the market place by establishing closer ties directly with employers, rather than by influencing state policy (students are willing to seek internship opportunities, including abroad and to take part in employer-led professional development programs).

¹⁴ <http://osvita.ua/vnz/news/19017>

¹⁵ <http://www.tempus.org.ua/uk/national-team-here/219-nacionalna-ramka-kvalifikacij.html>

Employers

Employers support reforms and are interested in seeing education become more in line with the needs of the marketplace. But they are also generally passive in terms of affecting state policy. Employers note that the taxes that they pay and that go, among others, towards the educational system, do not give them a good return in terms of qualified employees.

Major business entities try to adapt to a situation in which the educational system does not adequately supply their need for qualified personnel by organizing their own educational institutions and corporate programs, of which there is a huge variety. For instance, DTEK and Metinvest train technical employees themselves. They take graduates from the educational system and re-train them to fit their future work profile, on the equipment that they will be using. Many banks, such as Aval/Raiffeisen Bank also have special academies where they train mid-level specialists and management. The SCM Group used the "Modern Education" Program to set up a national rating of post-secondary institutions called Compass, a Debating Club¹⁶ project whose goal is to establish dialog between the labor market and the system of higher education and the FormulaS project, in which the Group's top managers run master classes for students. Individual employers also work directly with universities. Despite the success of many projects, it should be stated that such projects are not systemic in nature and are an option only for the largest corporations.

¹⁶ <http://dc-ru.scm.com.ua/>

Obstacles to policy

Among the obstacles that could get in the way of effective reforms are:

1. The positions of the MESYS and some public tertiary educational institutions because their desire to improve the quality of education and bring it more in line with the labor market is in tandem with a lack of desire to undertake or support profound structural, especially institutional, changes that will reduce their powers or risk funding. The existing evidence suggests inconsistency between the policies implemented by MESYS and Economic Reform Program objectives.
2. The lower priority of the issue of education competitiveness on the agendas of students and employers, coupled with weak consolidation in these groups.
3. The absence of a mechanism for dialog among the stakeholders.

Timetable of the reform

The Economic Reform Program is the only official document that provides a timetable of education reforms and it establishes two main phases for reforms:

To end-2012:

- *Developing methodology for forecasting of labor market demand, establishing a procedure for forming and distributing of state-funded placements based on market needs, and controlling implementation.*

Minister Tabachnyk has stated that this year's state-funded placements are being formed with the Ministry of Economy differently: on the basis of socio-economic and demographic projections of places according to the needs of regional labor markets.¹⁷ As of 8 June 2011, however, no information has been made public on either Ministry site regarding changes to the way that state-funded placements are established based on market projections. The only change is a recommended reduction in the number of state-funded placements for bachelors for 2011, down 42%. The official justification is a decline in the number of graduates, rather than changes in the market.¹⁸ Here also, no official details have been posted regarding the exact number of state-funded places and specializations for 2011, as of 8 June.

- *Adopting the National Qualifications Framework.*

The draft NQF is currently being reworked and discussed in the working group.¹⁹ On 1 June, the draft was presented by the Ministry and Minister D. Tabachnyk announced October 2011 as the deadline for the final draft of the NQF. It should be noted, however, that it is unlikely that the draft NQF will be reviewed by the Cabinet prior to the adoption of the Law of Ukraine "On higher education," which the Yanukovych Administration has declared a priority objective.²⁰

- *Devising methods for developing standards that are based on competencies related to technical-professional education and clearly include a mechanism for employer input.*

One progressive step was the 13 April passing of the State Targeted Program for the development of technical-vocational education for 2011 – 2014, which is the first State Targeted Program aimed at supporting professional education since Ukraine became independent. Funding is UAH 3.4 billion. Part of this funding, UAH 788mn, is intended to go to re-equip tec-voc schools with modern equipment and technology. But response to the program has not been straightforward. On the one hand, it is the first state targeted program to develop tec-voc schools and it has a number of clear objectives, such as "implement around 300 state standards on specific professions for the new generation that will improve employment opportunities for graduates and ensure their professional match to current market needs." On the other, the program is not focused on solving structural problems, but is mostly a reaction to symptoms. The Program includes a number of provisions outlining cooperation with social partners, but no mechanism for cooperation is provided.

- *Improving legislation on the diversification of funding sources, expanding the autonomy of higher educational institutions in teaching, research and financial-administrative activities, and implementing a national endowment mechanism.*

¹⁷ <http://tyzhnevkyk-osvita.net/component/content/article/35-2011/43-16-17>

¹⁸ http://www.mon.gov.ua/newstmp/2011/13_01/4/

¹⁹ Project materials have been posted on the site of the Institute of Innovative Technologies and MeaniNQFul Education. www.iitzo.gov.ua

²⁰ <http://www.president.gov.ua/news/20050.html>

However, according to some experts, the new Bill 'On higher education' proposes the opposite—actually limiting university autonomy.

To end-2014:

- *Implementing the National Qualifications Framework.*
- *Developing new state standards for primary, basic and full secondary education, and implementing the standards based on competencies in vocational education.*

Not all policy decisions in the Economic Reform Program are reflected in the timetable. For instance, the provision on "*setting up independent qualification centers to establish, among others, qualifications under the European standards system*" is not followed through in the timetable for reforms or in the National Action Plan for 2011 regarding the implementation of the Economic Reform Program for 2010 – 2014.

Regarding the timetable for adopting the Bill "On higher education," according to Ministry Tabachnyk's statements to the press, "The public hearing of the draft has already undergone four rounds in 600 educational institutions. Currently, the working group is finalizing the Bill and...by June we plan to submit it to the Cabinet of Ministers."²¹ The finalized draft was officially submitted on 16 May 2011, where, according to the Ministry, all feedback from the interested groups was taken into account. But the document immediately sparked mass student protests. Up to date the draft, according to Minister D. Tabachnyk, is under discussion, due to a great number of comments from the Ministry of Finance, Ministry of Social Policy and other stakeholders and he is hoping to finalize it in July 2011.²²

²¹ Invest Gazeta, special edition, 30.05-05.06.2011, p. 11.

²² <http://ura-inform.com/uk/politics/2011/06/23/obrazovanije>

The European framework

In its relations with the EU, there are currently two agreements in force that regulate cooperation in education between the two sides: the Partnership and Cooperation Agreement (PCA) and the Ukraine-EU Association Agenda. The general framework and areas for cooperation are established in Art. 59 of the PCA, "Education and Professional Development." It specifically states, "raising the level of general education," "cooperation among educational institutions," "mobility," "participation in related programs," and so on. Still, the issue of cooperation in education did not end up on the list of priorities approved by the Committee of Senior Officials for 2010 and was not even raised for discussion during the update of the list in 2011.

The question of cooperation in education will be raised more specifically in the Association Agreement between Ukraine and the EU. Specifically, it will include "intensified cooperation" in such areas as "reforming and modernizing the system of higher education," "promoting convergence in the field of higher education deriving from the Bologna process," improving the quality of higher education, cooperation among post-secondary institutions, and increasing the mobility of students and faculty.

In the European Union, wide-scale reforms in education were launched by the signing, on 25 May 1998, of the Sorbonne Declaration by the education ministers of Great Britain, Italy, France and Germany. The goal was to harmonize national systems of higher education. One of the main features of this reform was getting countries in Europe who were not EU members to join in. Today, 47 European countries are participating in the Bologna process,²³ including Ukraine,²⁴ Russia, Kazakhstan, Moldova, and Azerbaijan.

Once it joined the Bologna process, Ukraine was faced with the task of harmonizing its national system of higher education with European standards embodied by the Bologna principles by 2010 (extended by 2012). Certain specific commitments were involved for Ukraine, including the adoption of a National Qualifications Framework regarding higher education, the institution of a credit-based modular system and the Diploma Supplement. Of course, the Bologna process did not require recreating a completely identical system of education in different countries. Still, it aimed at strengthening mutual ties and improving understanding among different systems.

To carry out this task, Ukraine needed political will and the desire of faculty, administrators and students alike to live, work and study according to European standards. This required of Ukraine to rethink the role of education and science in the evolution of society and in the carrying out of those tasks that the country had taken on itself. To this day, this has never been accomplished. While some commitments are fulfilled de-jure (e.g. credit-based modular system), the foundations of the system of education by and large remained unchanged. Still, this is now more urgent than ever before because if Ukraine continues to delay reforms, it risks finding itself outside the general European process of unifying and improving the field of education.

²³ The name comes from the city of Bologna, Italy, in whose University the education ministers of 29 European countries signed the Bologna Declaration on 19 June 1999. This document establishes the main areas for harmonizing national systems of higher education.

²⁴ Ukraine signed on to the Bologna Declaration on 20 May 2005.

Civil society impact

Ukraine's overall educational field features a large number of civil society organizations (CSOs), among which only part is active in improving the link between education and the workplace. For instance, such activist groups like teachers' unions have not shown initiative in this area.

There are four main groups of CSOs whose effort are aimed at influencing public policy in terms of bringing education closer to labor market: employer associations, student unions, university associations and analytical centers.

Table 1. *Impact of civil society on educational reform in Ukraine (improving the link between education and the labor market)*

Indicator	Civil Society Organizations (CSOs)			
	Employer associations	Student unions	University associations	Analytical Centers
Interest group	Big and medium business	Current students	Rectors, teaching faculty	—
Position on improving the link between education and the labor market	Pro	Pro	Pro (but largely within the context of the existing system)	Pro
Means of influence	Lobbying, research	Activism	Lobbying, research	Research
Institutional means of influence	Social dialog, participation in working groups to prepare and independently develop legislation, carry out research	Protests	Participation in working groups preparing legislation	Carry out research, participation in working groups

Employer associations

Typically, these groups are fragmented and poorly consolidated in terms of formulating their interests regarding educational reform. In general, there are some 20 sectoral employer organizations in Ukraine, of whom 17-18 are active, especially the Confederation of Employers of Ukraine, the All-Ukrainian Association of Employers, the Ukrainian Union of Industrialists and Entrepreneurs (UUIE), and some others. But working in education is not a priority for most of these associations.

Still there has recently been a flurry of activity among employers, connected to the process of drawing up the National Qualifications Framework. Among others, for the first time CSOs of employers were included in the interagency working group drafting the NQF. However, the representations of most of the organizations in this group are largely formal. The one that is actively engaged in the working group and in the question of organizing a mutual link between education and the labor market is the Confederation of Employers of Ukraine (CONFEU)²⁵, although this focus is new for the organization. CONFEU cooperates with educational institutions and international organizations, including the British Council in Ukraine and the Education Training Foundation (ETF).

The main effort of the organization is going into developing the NQF (the Confederation is involved in drafting and lobbying the Bill "On the National Qualifications Framework") and professional standards of a new type. An example of the latter is a pilot project in the food catering industry being carried out by the Kozyrna Karta company, the owner of a popular chain of restaurants, as part of the ETF's National Qualifications Framework Project.²⁶

²⁵ <http://www.conf.eu.org/ua/home.html>

²⁶ http://ipto.kiev.ua/index.php?option=com_content&task=view&id=104&Itemid=23

There is also research being done into the possibility of setting up sectoral skills councils in Ukraine based on employer associations that would then monitor the needs of the labor market and develop professional standards. The main problem that these employer associations run into, based on their own feedback, is the **lack of knowledge and capacity and the fact that the input of employers has not been legislated into the process of formulating state policy in education.**

Student unions

The impact of student CSOs on state policy in terms of improving the link between education and the labor market is marginal for two main reasons.

On one hand, those organizations that focus on policy do not consider the link between education and labor market a priority. As mentioned earlier, numerous student organizations, and organizations that support students initiatives, are engaged in policy influencing activities. For instance, the Direct Action Independent Student Union, Foundation for Regional Initiatives, and the Vidsich Civil Society Movement represent student interests and rely mainly on activism and direct pressure on policy-makers. But their program documents and past activities indicate that ensuring the competitiveness of education is not currently a high priority for most the student organizations, compared to the importance they place on other issues of a more social and political nature. Indeed, the new draft of the Bill "On higher education" contains many top priority provisions for students. A number of organizations, such as OPORA, work on admissions reform—that is, implementing Standardized External Testing—through advocacy and watchdog instruments. Student CSOs emphasize that if they hope to "make a difference," cooperation among organizations is vital.

On the other hand, those organizations that directly engage with students to break the gap between education and labor do not focus on policy. There are a number of organizations that work directly with students and employers, including AIESEC, ELSA, AEGEE, and the Board of European Students of Technology (BEST). Their main activities include career fairs, internship programs, and so on. For example, AIESEC is known for its successful international student internship programs, while Talent Fair gives students an opportunity to meet with top employers and another program is called "Skills Matter." Despite the success of many of these projects in bringing students closer to employers, they do not have a direct impact on educational policy.

University associations

Although University officials support the idea of improving the quality of teaching and the competitiveness of their graduates, the steps they are willing to take are largely limited to changing curricula and issue-based dialog with major employers,²⁷ not through helping shape state policy. Many university officials also insist that preparing qualified workers is undoubtedly important but hardly the only objective of a higher education.

There is one group of universities that are more active in their civic position, such as the members of the Consortium on University Autonomy,²⁸ who recognize that the path to raising the quality of education and the competitiveness of the country's universities and their graduates lies through the institution of university autonomy. They have run sociological surveys, engaged in publishing and expert activities, prepared legal arguments, lobbied and promoted ideas in academic circles and among the public-at-large.

²⁷ As part of a special project with the SCM Group, Fokus magazine established a rating of the best educational programs based on the criteria for cooperation between universities and employers. <http://www.focus.ua/charts/107046>.

²⁸ This was set up in 2005 with the support of the International Renaissance Foundation. It includes the 8 post-secondary institutions that are permanent members. <http://www.ukma.kiev.ua/news/addm/vystup.pdf>.

Such organizations as the Confederation of Private Higher Educational Institutions of Ukraine and the Association of Privately-Owned Educational Institutions promote the interests of private institutions.

In terms of cooperation with employers in policy-influencing activities, *post-secondary technical institutions and technical-vocational schools* have had a more productive dialog. For instance, at the end of 2010, a Memorandum on Cooperation was signed between the Association of Rectors of Higher Technical Institutions of Ukraine, whose president is the Rector of the Kyiv Polytechnical Institute (KPI) National Technical University of Ukraine (NTUU), Mykhailo Zgurovskiy and the United Movement of Employers of Ukraine. In terms of cooperation with tec-voc schools, the Confederation of Employers of Ukraine was involved in lobbying the approval of the State Targeted Program for the Development of Technical-Vocational Education for 2011 – 2015.²⁹

Analytical and research centers

There are two main groups of national analytical and research organizations. The first consists of organizations that work exclusively in education, such as the International Foundation for Education Policy Research,³⁰ the Center for Educational Monitoring,³¹ and the Center for Testing Technologies and Education Quality Monitoring. The other group consists of analytical and research centers, think-tanks that work on broad array of issues, including education policy. For instance, the Bureau of Economic and Social Technology (BEST),³² the Kyiv International Institute of Sociology (KIIS),³³ the International Center for Policy Studies (ICPS), and the Institute for Economic Research and Policy Consulting (IERPC).

International projects

A series of international organizations and funds are carrying out projects in Ukraine directed at improving the competitiveness of the country's education, including:

1. The British Council in Ukraine³⁴ works on organizing social dialog and disseminating international practice in developing NQFs. In its Skills for Employability project, the Council is working with government bodies and employers, especially the Confederation of Employers of Ukraine (CONFEU). Over 3–6 September 2010, a Ukrainian delegation was on a study tour in Great Britain.
2. ETF³⁵ promotes the development and piloting of specific policies and more effective mechanisms for improving the quality and relevance of the education and training system to satisfy the needs of the labor market in Ukraine. The ETF promotes European best practice and extends its support to the development and implementation of policies to develop Ukraine's National Qualification System and the National Qualifications Framework.
3. TEMPUS TACIS supports the modernization of higher educational systems in EU partner countries and neighboring states. The Tempus office in Ukraine considers the development of cooperation with enterprises and support for the development of qualifications frameworks its priority areas of activity. It supports the national expert team for reform in higher education.

²⁹ Approved in April 2011.

³⁰ <http://www.edupolicy.org.ua/ukr/index.html>

³¹ http://centromonitor.com.ua/?page_id=2

³² <http://best-ltd.com.ua/ua/partners>

³³ <http://kiis.com.ua/ua/news>

³⁴ <http://www.britishcouncil.org/ukraine-projects-employability.htm>

³⁵ <http://etf.europa.eu/web.nsf/pages/Ukraine>

4. The Renaissance Foundation runs the Education Program, mainly focused on education system of management and financing, education legislation and reform, quality monitoring and assessment, etc. It works with civil society and promotes dialogue between the public and government on designing a strategy for education development in Ukraine³⁶.
5. The EuropeAids project "Increasing the effectiveness of technical-vocational education management in Ukraine at the regional level"³⁷ has the goal of setting up an informational system for technical-vocational education, including a system for interaction among analytical centers at the three levels of technical-vocational education administration; to institute modern instruments for monitoring studies of quality and access to TVE institutions, that is, indicators of the effectiveness of TVE institutions.
6. The "Decentralizing the management of professional development in Ukraine" project³⁸ supported the institution of models of decentralized administration for the Ministry of Labor and Social Policy and the MESYS to improve the coordination of professional training in Ukraine. This project is supported by funding from the Government of Canada through the Canadian International Development Agency.
7. The World Bank most recent project Equal Access to Quality Education Project aimed at professional development of educators as well as strengthening the policy development and management capacities of the Ministry of Education and Science, other policy-makers (closed December 2010).³⁹

³⁶ http://www.irf.ua/index.php?Itemid=213&layout=default&option=com_content&view=article&id=9766

³⁷ <http://www.proftechinfo.org.ua/>

³⁸ <http://siast.org.ua/>

³⁹ <http://web.worldbank.org/external/default/main?menuPK=455719&pagePK=141143&piPK=141103&theSitePK=455681>

Recommendations to increase input from civil society

Ukraine has every possibility to improve the quality of education and to ensure that it is connected to the labor market. Any reform is unlikely to be successful, however, if it does not address key structural problems. All stakeholders agree that reform is very much needed, but differences arise when it comes to choosing the *means* to reach this objective. This opens the door for CSO engagement, to ensure that reforms are not mere lip service and have long-lasting impact.

CSOs should initiate discussions of a **vision** of education reform, that is, of what system of education Ukraine is trying to build, in order to formulate the best configuration of reforms and ensure a real restructuring of the educational system that will bring it more in line with the labor market. Indeed, CSOs should be more proactive in bringing the message of **the cost of not doing reforms** to both voters and the government.

Given the complexity of educational reform, the involvement of think-tanks, researchers and independent experts will be beneficial, as they can bring the necessary **substance to the debate** that is currently lacking.

It is important to reach out to and **activate those who support reform: employers and students**. Employers have a potential for influencing policy that is evident, for instance, from their recent involvement in drafting the NQF. Unfortunately, education policy does not appear to be a priority for the majority of employer associations. Moreover, those who are engaged in policy influencing activities say that since this is a relatively new area for them they lack knowledge on how to restructure the education system to ensure that the voice of employers is heard. Student organizations have a potential to influence education policy, in particular through direct action. Their activism had an impact during the debate of the Bill "On higher education." But the influence of student organizations will remain marginal in closing the gap between education and labor market needs unless they move the issue up on their agendas. In order to reach supporters in academia, it is vital to engage those **university associations** that challenge the status quo and call for "deep" reforms. CSOs that represent employers, students and educators should become agents of change for structural reforms, if they want the interests of their constituencies to be taken into account.

There is also a clear need to foster the development of **cooperation among all interest groups and policy-makers, based on clear public policy instruments**.