THIRTEEN YEARS OF COOPERATION AND REFORMS IN VOCATIONAL EDUCATION AND TRAINING IN THE ACCEDING AND CANDIDATE COUNTRIES

etf
SHARING EXPERTISE
IN TRAINING

THE EUROPEAN TRAINING FOUNDATION IS THE EUROPEAN UNION'S CENTRE OF EXPERTISE SUPPORTING VOCATIONAL EDUCATION AND TRAINING REFORM IN THIRD COUNTRIES IN THE CONTEXT OF THE EU EXTERNAL RELATIONS PROGRAMMES

HOW TO CONTACT US

Further information on our activities, calls for tender and job opportunities can be found on our web site: www.etf.eu.int.

For any additional information please contact:

External Communication Unit
European Training Foundation
Villa Gualino
Viale Settimio Severo 65
I – 10133 Torino
T +39 011 630 2222
F +39 011 630 2200
E info@etf.eu.int

THIRTEEN YEARS OF COOPERATION AND REFORMS IN VOCATIONAL EDUCATION AND TRAINING IN THE ACCEDING AND CANDIDATE COUNTRIES

WHAT ARE THE LESSONS TO BE LEARNED FROM THE PERSPECTIVE OF THE LISBON OBJECTIVES?

Prepared by Jean-Raymond Masson, ETF
October 2003

A great deal of additional information on the European Union is available on the Internet. It can be accessed through the Europa server (http://europa.eu.int).

Cataloguing data can be found at the end of this publication.

Luxembourg: Office for Official Publications of the European Communities, 2003.

ISBN 92-9157-347-7

Printed in Italy

It is very important to know what position in the Lisbon Programme the post-communist countries will hold at the end of this decade on the road leading to a Europe whose economy is set to be the most dynamic in the world. In this respect the candidate countries will be able to transform their weaknesses through current technological development by finding niches of economic development with strong potential.
This will demand research-and-development being introduced into the politics of aid, support for investment in education and science, and bringing the number of university degree-holders in the candidate countries up to European Union levels. At present this is far from being the case.

Bronislaw Geremek
former Polish Minister of Foreign Affairs
extract from an article entitled
'France Pologne: sortir du malaise
[France Poland: Getting out of Adversity]'
Le Monde (Paris), 26 February 2003

FOREWORD

This report by the ETF looks at thirteen years of cooperation and reforms in vocational education and training in the acceding and candidate countries. It provides a synthesis of a series of country reports or “monographs on lifelong learning and employment services systems”, produced at the request of DG Employment and Social Affairs in June 2000.

In 1998 the Commission launched procedures for carrying out employment policy reviews in the candidate countries. The objective was to examine the extent to which the countries had progressed in adapting their employment systems and policies in order to implement the European Employment Strategy upon their accession to the Union. The centrepiece of these reviews was the preparation by each country, in conjunction with the Commission, of a Joint Assessment Paper (JAP) on employment priorities. These papers aimed at identifying key areas for reform and preparing the further implementation of policies and measures. The procedure included an implementation phase for these priorities, with regular joint monitoring activities.

The ETF has developed a considerable wealth of knowledge through its analytical and assessment work in the field of vocational education and training in the candidate countries, and its contribution to the implementation of the special Phare programme for preparation for the European Social Fund. It is for these reasons that the Commission turned to the ETF with a request to prepare in-depth monographs designed to provide an analytical tool to assist the Commission and the countries themselves in the monitoring of the related JAP priorities.

The monographs have been used systematically by the Commission services and country representatives. They have proven to be a very useful contribution to bilateral discussions, and during meetings of the joint monitoring committees. In particular they have helped country officials to better understand where their education and training systems, their employment services and the related policies, stand in comparison with EU Member States.

This cross-country synthesis provides an interesting analysis by drawing a global picture of the analyses made in the country reports, and also enabling a comparison with respective developments in EU countries, particularly the so called cohesion countries of Greece, Portugal and Spain. It provides significant insights into the relationships between employment and unemployment and education and training policies. By providing a comprehensive analysis of the strengths and weaknesses of the acceding and candidate countries’ systems and policies, it contributes to identifying the priorities to be addressed in the National Action Plans for employment and by the Structural Funds, particularly the European Social Fund.

Antonis Kastrissianakis
Director
DG Employment and Social Affairs

The European Commission welcomes the report by the ETF on thirteen years of cooperation with the acceding and candidate countries and on reforms in their vocational education and training systems. It provides an illuminating overview of ETF's intensive work in this region since the very beginning of its activities in 1995.

The ETF has made a substantial contribution in the context of the European Union's assistance to the candidate countries. In the early years, the Commission asked the ETF to implement Phare programmes related to education and training on its behalf. Thus, the ETF successfully managed more than 30 different programmes covering vocational education and training (VET), distance education, higher education, management training and preparation for the future Member States' participation in the European Social Fund after accession to the European Union. With the reorientation of the Phare Programme in 1998, towards supporting preparations for accession and an increasing shift of the responsibility for its management from the Commission to the beneficiary countries themselves, the ETF was asked to focus its work on the analysis and preparation of reports on developments in the field of education and training in the candidate countries. The ETF started to produce an annual report for each candidate country called the "Review of progress in VET reforms", which was used by the Commission when drafting the annual "Regular Reports" on the candidate countries' progress towards accession to the EU.

This report on thirteen years of cooperation and reforms in VET is published at the right moment as it provides a global picture of the situation in the field of education and training a few months before the accession of ten countries to the EU. Thus, it highlights achievements and challenges, identifies transversal trends, and identifies policy options and recommendations for each country in order to continue the process of reforms launched during the pre-accession period.

By reviewing the main phases of the EU assistance to the candidate countries in the field of vocational education and training over the reform process, the report helps to explain why this field has been considered important since the very beginning. Initially, it was addressed through mainstream Phare assistance, followed by other measures, such as providing access for the candidate countries to the Community programme on vocational training, Leonardo da Vinci, alongside the ETF's activities. The report provides a thorough analysis of successes and difficulties during the period of transition. Based on its analysis, valuable lessons for future EU assistance to other countries can be learnt, notably the need to maintain the strengthening of the institutional capacity of the beneficiaries as a key priority.

Fabrizio Barbaso
Director-General
DG Enlargement

ACKNOWLEDGEMENTS

This study was prepared by Jean-Raymond Masson, who was assisted by an advisory group composed of representatives of the ETF's Advisory Forum: Rita Gilfellon (UK), Mary Canning (World Bank), George Panayides (Cyprus), Valdas Dienys (Lithuania), Stavros Stavrou (Cedefop), Marie-Jeanne Maurage (Cedefop), Miroslava Kopicova (Czech Republic).

The work was mainly based upon 12 country monographs prepared by Ulrike Schöner for the Czech Republic and Malta, Ulrike Damyanovic for Bulgaria, Helmut Zelloth for Poland, Latvia and Estonia, Haralabos Fragoulis for Slovakia, Henrik Faudel for Cyprus and Lithuania, Arjen Deij for Romania, Lewis Kerr for Hungary and Peter Grootings for Slovenia.

The author is particularly grateful for the important contribution and useful comments and advice provided during the whole drafting process by Haralabos Fragoulis and Jerzy Wisniewski. He would also like to thank ETF staff who discussed the document at three separate review meetings: Ulrich Hillenkamp, Guillermo Hakim, Vincent McBride, Arjen Vos, Alison Kennedy, Mircea Badescu, Søren Nielsen and Helmut Zelloth.

The author would like to thank Sabina Nari, Walter Barrera, Roberta Pinoni and Scarlett Charlier for their work in drawing up diagrams and tables and also Dominique Nongo-Adidi and Jo Anstey for their very patient and careful attention to the different steps of the publication process.

Finally, the author would like to express his gratitude to Levi Vermelho and Vittorio Campanelli from DG Employment of the European Commission who launched the monograph process in June 2000 in Brussels and gave the task of finalising this work to the ETF.

TABLE OF CONTENTS

1. INTRODUCTION

1

1.1 ILLUSIONS OF THE FIRST REFORMS AND THE METAMORPHOSIS OF PRAGUE MUNICIPAL HALL

In 1990, during the months that followed the 'Velvet Revolution', renovation work was started on the principal palaces and museums of Prague to clear away the accumulated dust from the 1970s and 1980s and bring back their former brilliance in order to welcome the tourists who had begun to flock to the capital of Bohemia; also, as expressed by Milan Kundera, it was to reappropriate the missing, part-paralysed half of Europe from before the fall of the Iron Curtain.

One of the fine examples of Art Nouveau architecture, the splendid Obecní Dum (Municipal Hall) in Republic Square, designed by the architects Polivka and Balsanek between 1904 and 1912, was one of the first buildings to benefit from this rejuvenation process.

It was quickly restored – its pictures regaining their shine – so that the first visitors to the bar and restaurant who passed through the wings of the building in autumn 1990 could feast their eyes on the paintings of Mucha and Spillar, while music-lovers could listen to the strains of Dvořak and Smetana in the concert hall at the centre of Obecní Dum.

But the work had been carried out too quickly and the restoration had been botched. It was soon observed that the paintings were cracking, that the interior refurbishment had been done without sufficient care to ensure that the building's structure was sound enough, and that the structure itself would require intensive treatment. The problem was so severe that after only a few months Obecní Dum had to close. The work was to continue for a further three years until its doors were reopened in the mid 1990s.

This image of successive renovations of the Municipal Hall serves as an analogy to the reforms in vocational training carried out in acceding and candidate countries since the beginning of transition. Many people in the East, as well as the West, at first considered a simple cosmetic make-over of teaching programmes; their

modernisation to EU standards, their immersion in a competitive environment would be enough. The idea was that vocational training (VET) would adapt rapidly to the demands of a market economy and democracy, and become actively engaged in the construction of an intelligent and qualified Europe alongside the countries of the European Union.

The education systems in the countries of Central Europe have long had a good reputation; education being one of the chief priorities of the socialist regimes. Illiteracy was eradicated a long time ago and the educational level of the population appeared high. The conditions appeared ripe for a rapid kick-start of the economy on a new basis, thanks in particular to the highly qualified workforce and the good quality of the education and training systems.

According to Ralf Dahrendorff[1] (among others) in 1990, however, some predicted a much longer transition period, which would affect the very foundations of these societies. The idea was that six months would be sufficient to adapt the institutional and legal systems, but it would take six years to change the economy and sixty years, that is at least two generations, to transform the cultural system and civil society. Twelve years after the fall of the Iron Curtain this prediction holds true, even though it seems to err on the side of optimism when one considers the struggle it will take to reconstruct whole sectors of the economy.

1.2 ECONOMIC AND CULTURAL HERITAGES AND THE DIFFICULTIES IN RESTRUCTURING THE ECONOMY AND THE VOCATIONAL TRAINING SYSTEM

The problems, therefore are extremely complex for systems of education and vocational training when one not only sees how closely they are linked to the structures of the economy but also how deeply rooted they are in the system of values and culture built up in most Central European countries over almost fifty years of socialism, as well as being part of the turn-of-the-century *Mittel Europa* carved up and ruled by neighbouring empires. The transformation stakes are multiple and essential.

Disillusionment crept in once the vocational education curricula reform began and the real state of the education and training systems became clear, particularly as economic restructuring had caused new damage that even the countries themselves had not anticipated. A straightforward curricular makeover was therefore not enough to deal with the crucial issues that training systems were faced with. It was necessary to tackle the structures themselves and their basic positioning. The strategic timeframe had to move from the medium to the long-term. In fact this applied to many subjects, particularly those that had to do with the reorganisation of the economy. It became apparent that even though the first attempts at privatisation were very effective and allowed certain business and service sectors to flourish and many small (even very small) businesses to get established, they were not sufficient to profoundly change the industrial base and even caused new problems for the modernisation of the agricultural sector. From then on, it was a case of restructuring whole sectors of the economy. This can be seen in the large steel-making complexes at Ostrava in the Czech Republic, at Galati in Romania, at Katowice or at the collieries at Walbrych in Poland, the naval dockyards in Gdansk, the Martin armaments industry in Slovakia, the large industrial areas of Maribor in Slovenia, or at Miskolc in Hungary, to give but a few examples. It could be seen even more clearly with the renovation of the Soviet-type nuclear plants at Kozloduy in Bulgaria or at Ignalina in Lithuania, which required massive ‘replastering’ before more radical solutions could be considered.

Thus, the acceding and candidate countries find themselves confronted with industrial restructuring operations on an unprecedented scale, no doubt greater

1 Sociologist, former European Commissioner.

than those borne by the countries of the European Union in the 1980s. In addition to this, for some there was the restructuring of agriculture which formed an important part of the economy in Poland, the Baltic States and even more so in Romania. It can be understood from this that these great "constructions" are far from being completed. What can also be appreciated are the extreme difficulties that existed, and still exist, confronting the vocational training system in this context.

It was also clearly apparent that there were wide gaps between the education and training systems of the acceding and candidate countries and those of the European Union – both in quantitative and qualitative terms. These gaps were potentially serious hurdles for the enlarged Europe in the short term. At the same time, the EU had committed itself to more ambitious objectives in the sphere of employment, training and education as a result of the Lisbon summit in March 2000 and had subscribed resolutely to the strategy of lifelong learning.

1.3 THE STAKES OF THE LISBON OBJECTIVES AND THE STRATEGY OF LIFELONG LEARNING

As a result, with the ink barely dry on the conclusions of this summit, the European Commission asked the European Training Foundation to proceed with an in-depth analysis of the situation in each of the candidate countries. It was a case of studying the type of education and training on offer, with of course particular attention to initial and continuing vocational training, and how employment offices contribute to the success of the strategies underway. The goal was to get as precise a picture as possible of the gaps between these countries and the EU or OECD countries, in particular countries such as Spain, Greece and Portugal, the so-called cohesion countries. The resulting monographs contributed to joint evaluations of the employment policies undertaken by the Commission in each of the candidate countries.

At the same time, with regard to the European Commission and the debate on the memorandum on lifelong learning and the employment guidelines, as well as the work and conferences carried out by the OECD[2] and the World Bank for the preparation of a knowledge-based economy, the candidate countries began the implementation of the strategies they had adopted.

Again it is necessary to analyse what the new lifelong learning approach means for the candidate countries and how they intend to put it into practice. The results of the consultation process in the 2001 memorandum, as well as the two conferences on the subject organised for the candidate countries by the World Bank in Paris in March 2002 and in Helsinki in March 2003, are enlightening. They revealed a series of ambiguities and partial, if not incomplete, interpretations of the problems faced. The priorities focus on higher education and the introduction of new technologies. The continuing training of adults is also a priority, and is primarily for the formal education system to take up and develop appropriate methodologies. According to the documents presented in Paris, the average level of educational qualification of the population and the quality of education systems are sufficient in themselves to justify wide-scale action only in the case of some elements.

So the monographs deal with vocational training systems (and employment services) in the context of lifelong learning, accentuating one of the key components of all education and training systems – even though this does not seem a priority to many governments of the acceding and candidate countries. The monographs aim at building a more realistic picture of the whole situation and at encouraging the awareness necessary to carry out the strategies indispensable to the success of the Lisbon Objectives.

As vocational training today lies at the heart of economic and social cohesion – of which the Lisbon conclusions strongly remind us – the strategies that the acceding and candidate countries will have

2 OECD - Organisation for Economic Co-operation and Development.

to put into force are crucial if, in the coming years, they wish to close the gap in the level of development as portrayed in the European Commission report on the cohesion of Europe. Even more so, these monographs arouse more heightened interest today since the signing of the Copenhagen Declaration in October 2002, in which the education ministers of an enlarged Europe (including the twelve candidate countries) committed themselves to reinforced cooperation in vocational education and training and, in the terms of the Lisbon Objectives, 'to construct by 2010 the most advanced knowledge-based economy in the world'. They are in effect an arena for presenting persistent problems and delays, as well as successes, to show the trends and challenges of the reforms in action or under study, and to set priorities for future action.

1.4 MONOGRAPHS ON LIFELONG LEARNING AND EMPLOYMENT SERVICES

The monographs were produced to coincide with the signing of the Joint Assessment Papers on employment policies over the last few years beginning with the Czech Republic and Slovenia in spring 2001 and finishing with Bulgaria and Latvia in spring 2003[3]. They combined interviews with decision-makers, observations on the ground in several typical regions and documentary analyses. The work was carried out by combined teams of experts, both nationals and Europeans, with the support of the National Observatories for vocational education and training. The final documents were the responsibility of the European Training Foundation, and the first presentation was given to the European Commission and the representatives of the candidate countries in Brussels on 27 September 2002.

The report presented in this document, constituted a synthesis of the monographs, enriched by complementary studies and analyses of the latest European and international indicators on education and training from the OECD, ILO[4], UNESCO[5], UNICEF[6] and the World Bank, as well as Eurostat, the European Commission and the ETF. The report is equally concerned with the situation of the labour market so as to recognise the responsibilities that weigh heavily on education and training when dealing with questions of employment and unemployment.

As Turkey, at the time of writing, was not the subject of a monograph like those produced for the other twelve countries (Bulgaria, Cyprus, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, the Czech Republic, Romania, Slovakia and Slovenia), there are not the same systematic analyses as with the others. Nevertheless, since indicators concerning Turkey are available, they are mentioned and certain analyses therefore make reference to Turkey.

By analysing the considerable changes that have taken place in systems of education and training since the start of transition, this report endeavours to identify their driving forces. Among these it is important to give particular space to the policies of assistance set in motion by the European Union since 1990 through a series of institutional and cooperational mechanisms, as well as the policy guidelines and means which were given to them. It is to this approach that Chapter 3 is devoted.

As a whole, the report is deliberately oriented towards the Lisbon Objectives laid down by the Lisbon Council for 2010. It is not a question of a new screening operation such as those that reviewed all

3 The calendar was as follows: Slovenia and the Czech Republic in spring 2001; Cyprus, Poland and Estonia in winter 2002; Hungary and Malta in spring 2002; Lithuania and Slovakia in summer 2002; Romania and Bulgaria in winter 2003; and Latvia in spring 2003.

4 ILO – International Labour Organisation.

5 UNESCO – United Nations Educational, Scientific and Cultural Organisation.

6 UNICEF is mandated by the United Nations General Assembly to advocate for the protection of children's rights.

chapters of EU “acquis communautaire”– including education and employment – and that were successfully completed before the decisions of Copenhagen Council in December 2002. It is rather a question of determining as precisely as possible the situation of the candidate countries with regard to the main objectives of education and training that were set out in Lisbon, to mark out the path already traversed since the start of transition, to understand the specific difficulties that continue to weigh heavily on their evolution, to appreciate the gaps between them and the EU, and finally to analyse what remains to be done before joining. Above all, it is a question of what happens afterwards with the help of the structural funds, and within the framework of reinforced cooperation in vocational training launched in Copenhagen in November 2002. It is not a matter of evaluating the assistance provided by the EU through the Phare Programme. However, a reminder of its successive stages and their relationship to the changes made and the reforms carried out in the candidate countries makes it easier to arrive at a better understanding of certain successes as well as certain difficulties encountered throughout the process. This analysis also enables us to draw on lessons learnt where future assistance strategies are concerned, first vis-à-vis Romania, Bulgaria and Turkey, but also future candidate countries such as the countries of South Eastern Europe.

2. EXECUTIVE SUMMARY

2

2.1 CHANGING VOCATIONAL TRAINING SYSTEMS: A DIFFICULT CONTEXT

In any attempt to measure the progress of reforms and the situation of vocational training systems in the acceding and candidate countries, account must be taken of the following: their previous situation, what state they were in under the socialist regime[7], to what extent they were constrained within the tight restrictions of a centrally planned economy, and the limited outlets that their narrow prospects offered to the students who took part in them.

It is also worthwhile remembering the extent of the demands made on both initial and continuing training from the beginning of the transition process by individuals and businesses, including rapidly-expanding small and medium-sized enterprises (SMEs) and foreign investors, while at the same time the donors (in the first instance the European Commission) proffered advice, finance and organisation a multitude of initiatives. The concurrent rapid rise in unemployment and the increase in inequalities contributed to the emergence of new needs within the context of growing financial constraints.

Another important factor is the considerable difference in the pace of change between the various countries, and also between sectors and regions. Thus the establishment of new services in the field of information technology and advice to businesses concentrated in the larger towns transformed training systems dramatically, whereas the hesitation and slowness of industrial conversion processes in predominantly steel-producing regions are still holding back and even crippling these regions.

It is clear from an analysis of employment and unemployment that there are now very contrasting situations in the candidate countries, with some experiencing major problems, as can be seen from the typology below:

7 This of course does not concern Cyprus, Malta and Turkey

Typology of candidate countries according to the situation regarding employment and unemployment	
1.	Cyprus, Malta, Hungary and Slovenia, where virtually all the unemployment indicators are below the European average, and are continuing to fall in Hungary and Slovenia. However, of these four countries, only Cyprus and Slovenia have comparable employment levels to that of the European Union, unlike Malta and Hungary where the levels are considerably lower. Youth employment is low and falling in Hungary and Slovenia, as is employment of those over 55 years of age (however it is rising again in Hungary). In both of these countries, there is a high employment level in industry, but stagnation in the services sector at a level far below that of the EU (particularly in Slovenia). Productivity is highest in these countries, and in the Czech Republic.
2.	Bulgaria, Poland and Slovakia have worrying unemployment rates of between 15% and 20%[8]. Youth employment levels are lowest in Bulgaria and Poland, while for older workers the lowest employment rates are in Bulgaria and Slovakia. The sectoral employment structure is relatively stable with a large number of jobs in agriculture still (particularly in Poland) and in industry (especially in Slovakia). Employment in the services sector is limited (except in Bulgaria, which has similar levels to Greece and Portugal).
3.	The Baltic States have high unemployment rates, but they are falling rapidly in Lithuania and Estonia, and less so in Latvia. Youth unemployment and that affecting older workers is high, and youth unemployment is rising (especially in Lithuania). Global employment is higher than in the other candidate countries, but below EU levels. Youth employment is diminishing considerably in Lithuania, while employment of older workers is rising in Estonia. These are also the countries in which there were most changes in the sectoral distribution of employment in recent years (dropping in industry, and particularly in agriculture, increasing in services) and also in which the highest growth, but also the lowest productivity, were recorded.
4.	The Czech Republic is a neighbour of the first group in terms of unemployment statistics, but with a higher level, particularly for young people; moreover, the downward trends are less marked. Global employment is above the European average, although falling slightly, while youth employment is falling rapidly. This relative stability is probably partly due to the fact that industrial employment is still very high, the highest in enlarged Europe as a whole, while employment in the services sector is increasing only very slowly.
5.	Romania has an unemployment rate which was below the European average until 2001, but is now rising sharply, without this increase affecting the young or older workers in particular. Global employment is still high – around the European average – with employment of older workers being the highest of all the candidate countries, and considerably above the European average. This must be compared with the special situation of agriculture which employs over 44% of the population, above the level reached in 1997, whereas services employ only about 30%, scarcely more than half of the level reached in the other candidate countries.

It is enough to remember that all of these countries[9] had almost full employment less than thirteen years ago to realise the extent of the constraints and changes facing the education and training systems. Of these systems, it is most certainly the vocational training systems that have experienced the most radical changes, and also the most serious problems in coping with the necessary adjustments. More than the general education system, they have experienced (and are still experiencing) the dual constraint of having to take account of the effects of globalisation and its technological, commercial and organisational consequences, while at the same time addressing the break with the socialist system. Thus they are still torn between short and long-term constraints, between businesses that have stopped investing in education and societies demanding more, between dynamic sectors and others that are falling behind in terms of restructuring, and between central administrations seeking to retain control and local and regional officials who are still most often ill-prepared to perform the tasks given to them.

8 A slight drop was recorded in Slovakia and Bulgaria in 2002 compared with 2001.

9 With the exception of Cyprus and Malta.

2.2 EUROPEAN ASSISTANCE AND COOPERATION

European assistance in the field of education and training has been constant and gradual, progressively incorporating elements of European policy developed in the EU. Roughly speaking two main periods divided into five stages can be identified:

In the first stage, the approach was supposed to be demand-led, the aim being above all to help develop a supply of continuing training that was diversified at local level and in sectoral terms. The second phase started in 1994 with increased focus on reforms of the basic vocational training systems that had been started under the aegis of the ministries of education. It was at this time that the European Training Foundation was set up in Turin and began work on reforms and on the management of a number of Phare programmes, on behalf of the European Commission.

The third phase began in 1997/98 with the publication of Agenda 2000 and the European Council meeting in Luxembourg which adopted the accession strategy and created a real turning point. The main instrument working for this strategy, Phare became a special tool for institutional developments and investment support needed in order to take on the Community body of legislation. Phare provides training support for human resources development in the context of Social Fund-style measures in key regions. The continuation of education reforms was still regarded as a priority, but one that should now be financed by the various states. At the same time, the Community programmes, particularly Leonardo da Vinci, were made available to the candidate countries. With the increase in the Foundation's activities, this stage can be regarded as a stage of deepening and intensification, although reforms of initial vocational training were a secondary priority.

In a fourth stage, launched after the review of the Phare Programme in 2000, the assistance helped to multiply the efforts to prepare for the Structural Funds. In some countries the support for the vocational education and training reforms which had started five or six years previously could be resumed. The aim was also to adapt employment services to the requirements of European employment policy. This stage was conducted in parallel with the strengthening of European education and training policies, the effects of which would be felt more and more directly in the candidate countries with the consultation process concerning the memorandum on lifelong learning and the process of joint documents evaluating employment policies.

The fifth phase started with the Barcelona Council in March 2002 and was underpinned in particular by the Copenhagen declaration on vocational training in November 2002. The acceding and candidate countries are now fully involved in the closer cooperation on employment and education policies. At the same time, under Phare, support in preparing for the structural policies is continuing and is being reinforced, especially in Romania and Bulgaria.

The European approach to preparation for enlargement in the field of education and training has thus been both constant and at the same time gradual, involving the step-by-step incorporation of the European policy emerging in the Union. However, whether VET benefited from sufficient funding from Phare can be questioned, particularly in the context of the priorities established by candidate country governments and later on in the context of the accession partnerships. Overall, until 1998, the "education, training and research" sector had received about 11% of the total Phare funds, but as part of this, VET reform received only 8%, i.e. less than 1% of total Phare funding. There are indications that at least since 2000, VET activities benefited from increased funds as human resource development was given even more support following the Lisbon summit, and new developments in the EU employment and lifelong learning strategies. Nevertheless, there is a feeling that Phare resources devoted to institution building have still been insufficient in view of the massive support in administrative training necessary for preparation for the ESF and the European employment strategy.

Furthermore, according to an external ex-post assessment of Phare programmes implemented from 1997-98 to 2000-01[10], the "social and education" sector is among the ones where the impact of Phare projects was the lowest. According to the report, "in these domains, not only did projects aim to create new institutions but the process also involved considerable networking with civil society organisations and enterprises in a semi-public environment. These projects often had a long penetration time and experienced problems with ongoing financing and therefore with sustainability". Another explanation is with the lack of continuity in many national policies when political changes occurred frequently in some countries, with priorities changing accordingly. Finally, the report mentions implementation delays and management difficulties linked to weak strategy-making processes in the management period.

As seen below, another limitation is the lack of coordination between education and labour ministries when managing Phare projects, with a predominant role played by the former on VET reforms in the first period and their subsequent marginalisation, when focus was put on preparation for employment policies, and responsibility given to labour ministries. As a consequence, an integrated view of the relevant issues and strategies has not been possible and adequate interministerial coordination has not been sufficiently promoted. It must be said that the ETF had been charged with the promotion of systemic reform, and did so from 1995 by way of analyses and assessments (facilitated, in particular, by the work of the National Observatories on vocational education and training established in each country), as well as through information, thematic seminars, targeted training courses and the provision of advice to decision-makers – mainly representatives of ministries and the social partners.

On the whole, EU assistance in all its components may be said to have played an important part in the reforms undertaken, as will be shown below, especially from 1997 on. However, the best results were obtained in those countries which already had clear ideas on the reforms they wished to undertake and which were therefore using the Phare Programme, the Leonardo projects and the ETF (as well as other international cooperation institutions) as priority instruments to implement these reforms.

2.3 ACTIVE POLICIES AND CONSIDERABLE, BUT CONTRASTING, RESULTS FROM COUNTRY TO COUNTRY

The reforms carried out are considerable in most of the key areas of vocational training, but took place in a context marked by the fact that priority was given to reforms of the general education and higher education systems. Three main factors came together in this process of change: first, the need to cope with the sudden changes that began to occur at the beginning of transition and, in particular, the withdrawal of companies from the funding of vocational training, and the rise in unemployment; next the will of governments to stamp education and training with their imprint of economic and social changes; and finally, the support of the European Union under the Phare Programme, the developments and limited resources of which did not always promote systemic reforms, and also the context of growing influence exerted by European employment and education policies. The countries which drew most advantage from Community support were those which, like Hungary and Slovenia, had embarked on the process in the 1980s.

The results are also impressive. The number of children attending school full-time has risen rapidly, particularly in higher education. The supply of education and training has been extended and diversified, especially in the context of the greater autonomy given to establishments and the development of the private sector. "Dead-end" courses are gradually disappearing and vocational education is

10 *Phare ex-post evaluation of country support implemented from 1997-98 to 2000-01, Consolidated report, Ramboll, May 2003*

Typology of candidate countries according to education and training issues	
The differences between the countries are such that it is difficult to sketch out a real typology. However, mindful of the existing indicators and of the evaluation of progress in reforms set down in the monographs, we can identify the following groups:	
(i)	Hungary and Slovenia, where the reforms are more advanced, the level of expenditure on labour market training is closest to the European average, and the rates of increase in full-time higher education are among the highest, against a background in which technical and vocational education are still enjoying a key position in secondary school education. However, public expenditure on education is still lower than the European average in Hungary, as is the continuing training of employees.
(ii)	The three Baltic countries, Cyprus and Malta, which share higher levels of investment in education[11] than the European average, in a situation in which technical and vocational education has only a limited place in the secondary school system. Of these countries, the reforms are most advanced in Cyprus, Malta and Estonia. The rates of increase of full-time higher education were the highest in the Baltic countries, as were the rates of increase in levels in mathematics and science between 1995 and 1999[12]. Continuing training activities are not well developed, however, except for the active labour market measures in Malta.
(iii)	The Czech Republic and Slovakia, which share the fact that they have the highest proportions of the population with at least one ISCED[13] 3 level qualification (the Czech Republic also has the best PISA[14] results) in a situation in which technical and vocational education is the most developed section of secondary school education. The Czech Republic also has the highest participation of employees in continuing training. However, reforms of the education and training systems have fallen behind, with public expenditure[15] on education and on active labour market measures limited, particularly in Slovakia. The numbers taking part in higher education increased only slightly.
(iv)	Poland, where public investment in education[16] is close to the European average and where the rate in increase of the numbers taking part in higher education has been among the highest. A lot of reforms have been initiated, but their pace of implementation has not been optimal, and they are suffering as a result of a blatant lack of resources from the government and from companies in relation to continuing training.
(v)	Romania and Bulgaria, where the results are lowest in almost every respect. The implementation of reforms is being seriously undermined by the lack of resources. Public expenditure on education[17] is lowest here, as are the rates of participation in continuing training. However, the numbers taking part in higher education have risen considerably in Romania.

now offering access to higher education. The rate of school-leavers without qualifications is 50% less than the European average, and is falling in most acceding countries. The population's level of education is gradually increasing, although negative trends have been observed in some countries. Decentralisation is in progress in the larger countries, which should promote the formulation of training strategies that are closer to their needs and ensure better public resources management. Most countries have a suitable legislative framework in place.

Given this, it can be said that education and training systems have (at least partially) met the needs of the economy and the expectations of individuals and of society, as well as the requirements of the European Union in the context of enlargement. But the same priority was not given to the specific vocational training components as to other components. Moreover, the reforms undertaken in this

11 As a % of GDP.

12 According to international studies (see chapter 7, part 1).

13 ISCED – International Standard Classification in Education.

14 PISA - Programme international pour le suivi des acquis des élèves (see chapter 7, part 1).

15 As a % of GDP.

16 As a % of GDP.

17 As a % of GDP.

area are medium or long-term, and actual implementation depends on a number of factors, some of which are far from being met. In short, vocational training systems are still experiencing considerable problems at the present time.

The situation is obviously very different from one country to another. Differences in terms of the progress in reforms are very marked between Cyprus, Slovenia and Hungary on the one hand, and Romania and Bulgaria on the other. With regard to the numbers in full-time education after the age of 18, the levels in Poland, Hungary, Slovenia, Lithuania and Estonia are close to or even exceed the EU average, while those of the Czech Republic and Bulgaria are lagging behind. The rate of those leaving the education system without qualifications are lower than in the EU countries, particularly in the Czech Republic, Slovakia, Poland and Slovenia. Public expenditure on education[18] is higher than the European average in the Baltic countries, Slovenia, Cyprus and Malta, but still well below this average in the Czech Republic, Hungary, Slovakia and, above all, Romania, Bulgaria and Turkey.

Participation in continuing training schemes by employees ranges from the Czech Republic and Slovenia, where the results are close to the European average, to Romania and Lithuania, where they are over two and a half times less.

Lastly, Slovenia and Hungary have the same levels of public expenditure[19] as Italy and the United Kingdom for labour market training (which is, however, below the levels in the cohesion countries and below the European average), while Romania and Slovakia, and even more so Bulgaria, are very far behind. Malta is at the same level as the European benchmark of 20% for the participation of the unemployed in training, with Slovenia exceeding this benchmark and Poland not reaching even one-quarter of it.

2.4 SECTORS THAT DESERVE SPECIAL ATTENTION

If the acceding and candidate countries are compared with the cohesion countries[20], we can see that the former are slightly below the latter in terms of higher education numbers, while half of them spend slightly more[21] on education[22] and the rate of school-leavers without qualifications is lower. The gaps relating to continuing training are bigger, with the participation of employees and above all of the unemployed, being higher in the cohesion countries. However adult education, still steadfast in the acceding and candidate countries, partially compensates for these gaps, but certainly not as far as excluded groups are concerned. In fact, the latter are the main challenge for the reforms of vocational training in the acceding and candidate countries.

Considerable efforts in the labour market training sector, in other words in retraining adults, is therefore a top priority in almost all the acceding and candidate countries. This involves a bigger role for the public employment service, considerably more resources, better training for the staff of these services and more flexible functioning in liaison with local authorities. These efforts must ensure that employment offices are capable of really dealing with the most underprivileged, including the Roma and other excluded groups, particularly in rural regions and regions undergoing industrial conversion.

The second key sector is that of vocational secondary education, for the following reasons: the very high rates of unemployment of secondary school-leavers and the dropout rates, which are higher in vocational than in general education; the fact that many students register as unemployed as soon as they leave school; the obsolete technical equipment and the lack of teacher training; plus, the length of time it

18 As a % of GDP.

19 As a % of GDP.

20 Spain, Greece and Portugal.

21 As a % of GDP.

22 But this provides no indication of vocational training due to a lack of suitable indicators.

takes to introduce new curricula. This indicates that modernisation is largely incomplete in most countries.

Yet forward-looking studies on qualifications in Europe indicate that by 2010 the labour market is going to continue needing intermediary qualifications at ISCED 3B and 3C levels[23] at a sustained pace,[24] but slightly less than higher education qualifications for which demand is set to increase. Another reason to intervene vigorously at this level is the special role that this training can play for schoolchildren in difficulty, particularly in rural areas.

The third priority is to develop employee training. This will require increased efforts by all the partners concerned (businesses, individuals, the state and local authorities) in the context of increased dialogue and partnership and global awareness of the need for training, and the decisive role played by human capital in economic and social progress in the performance of businesses and in individual success. It is the state's job to implement the necessary incentives and to ensure more equal treatment of sectors, regions and categories.

Lastly, another factor is the crucial importance of new, short vocational higher education courses in the context of all the higher education courses being developed so quickly today. There is no precise information available, but it would appear that short, vocationally-oriented courses are still being neglected in some countries to the benefit of 'long', more 'academic' ones. Yet, in addition to the secondary school qualifications mentioned above, higher technician, engineer and supervisory qualifications are essential to respond to the needs of the economy. The challenge is all the more crucial in that these 'short' courses scarcely existed in the socialist countries and that they should become a natural opportunity for most students from technical secondary schools who now have access to the *maturita*. Accelerated development of these basic and continuing training courses and the integration into the labour market of their graduates should be carefully monitored by the officials from the ministries concerned, the social partners and the establishments providing the courses, in particular universities, with which some form of partnership is no doubt desirable.

2.5 KEY ISSUES AND CHALLENGES IN THE PURSUIT OF THE REFORMS

Turning now to an analysis of the main reasons for the gaps and to the identification of the challenges facing their reduction, the first question that arises is the insufficiency of resources and the often less than optimal use of them. The first issue concerns the active labour market measures, the level of which is quite insufficient, except in Slovenia, Cyprus and perhaps Hungary. This prevents massive needs being met – those of the unemployed and those of excluded groups such as the Roma – and what is more, prevents the implementation of pro-active measures needed as a result of current and future restructuring of industry and agriculture. Next, there is the question of employee training in businesses which, with the exception of the Czech Republic and, to a lesser degree, Slovenia, is still far short of European standards, and in relation to which there are considerable inequalities as regards sectors, regions and categories of employee. Lastly, there is the question of vocational education, with the probable exception of the Baltic States, Cyprus and Slovenia where the situation of teachers – in particular their training – and the technical equipment available need to be given special attention.

As stated in the recent Commission communication on investment in education and training, enlargement will accentuate

23 In other words, vocational training within upper secondary education.

24 According to the analyses in the last Cedefop report on education and vocational training policies in Europe (*Learning for employment*), with reference to 2010, 'almost half of the net additional jobs are, therefore, projected to be for people with tertiary education, and just under 40% for those with upper secondary education, leaving under 15% to be filled by those with only basic schooling'.

the problems (in achieving the Lisbon objectives) because of the public and private under-investment in the candidate countries. The aim for the candidate countries is to manage existing investments better, as recent work on the return from public investment in education and training in the EU would appear to indicate, and they also need to invest more. Evidently the critical threshold for a number of vocational training components has not been reached in most countries. Consequently, a considerable increase in investments targeted to specific aspects, even in current conditions of use, would gain by being applied more efficiently.

In addition, the pursuit of the reforms implies a deepening of the following issues:

(i) the development of the prospect of vocational training qualifications and research;
(ii) the accelerated establishment of qualification and certification systems and curricula;
(iii) the promotion of transparency and recognition of qualifications;
(iv) the improvement of quality;
(v) and the encouragement of all individuals as regards training.

Of course, these questions also arise in EU countries, although to a lesser degree in most cases.

This also means that better inter-ministerial and administrative coordination are needed, as well as the active involvement of the social partners at every level of development of education and training systems.

An appropriate level of resources for each component of vocational training is therefore the main condition for the success of the reforms. In addition to the funding from the European Social Fund, the resources which governments intend to dedicate to vocational training would reflect the degree of priority they allocate to this. Modernisation and the smooth running of the institutional system are the second conditions governing success. This will certainly require increased administrative training at every level.

The economic developments in progress will continue to affect the pace and scope of vocational training reforms. Thus the problems in some sectors may well hamper the necessary changes, but it is now the task of a modernised vocational training system to help anticipate these changes. Lastly, cultural and social obstacles to change persist in countries that have experienced several decades of socialism and managed economies. These obstacles are particularly powerful in the minds of most populations and are blocking the ‘culture of training’ which is needed to pave the way for the Lisbon objectives.

2.6 OUTLOOK AND RECOMMENDATIONS

Following the signing of the Copenhagen Declaration, as well as the implementation of the programme on specific education and training objectives and the very recent employment guidelines, the acceding and candidate countries are fully involved in closer cooperation on vocational training and the implementation of the Lisbon objectives. Thus they will take part in a series of working groups dealing with some of the key issues analysed above. Moreover, the gradual introduction of the Structural Funds will promote the implementation of the necessary reforms.

In addition to this, certain recommendations might be made:

1. Mobilisation and the proper coordination of ministries of education and employment are essential, but given the importance of the challenges and the resources needed, there must be awareness at the highest levels of government.
2. Target the future use of the European Social Fund to the key sectors identified above, and in the first instance to the unemployed, groups at risk of exclusion and the retraining of adults in general.
3. In the countries where decentralisation is in progress, the dialogue between the State and the new regional authorities must be strengthened on matters of vocational training and in particular prospects, resources, the school charter and the optimisation of their networks. The dialogue, based on a coherent national framework, must also promote quality, deal with the question of disparities between regions and implement corrective measures.
4. The introduction of new curricula must be speeded up, but in a situation in which the support measures for teacher training, equipment and partnerships with businesses are implemented simultaneously, otherwise the effects could be counter-productive.
5. An active partnership between the state and universities must be established on vocational training issues, in particular as regards the development of short higher education level vocational courses, and the basic and continuing training of teachers in secondary-level vocational education and of continuing training trainers.
6. A dialogue should be initiated with teaching unions on the question of promoting the profession in conjunction with the modification of teaching practices using in particular information and communication technologies (ICT).
7. Schools should be encouraged to get involved in continuing training and ensure that the teaching innovations achieved in this domain are also applied in initial training.
8. A systematic partnership between schools and businesses should be promoted in relation to alternate work/training schemes, teacher training, training content and methods connected with qualification needs, technical equipment and communication technologies, and the employment of young people.
9. The dialogue must be reinforced with the social partners on issues relating to the development of continuing training of employees, and incentives for individuals and businesses must be introduced.
10. Campaigns to promote awareness of the role of human capital and the development of human resources in economic and social development strategies, particularly with respect to the Lisbon objectives, should be launched in every country with all the partners involved, including the media and the NGOs concerned.
11. The role of the social partners in these changes should be improved by developing the appropriate training actions and by reinforcing institutions.
12. Quality in training should be promoted by developing pertinent criteria and flexible methodologies based in particular on self-evaluation mechanisms rather than on the implementation of bureaucratic controls.
13. Advantage should be taken of experiences acquired in EU programmes, for instance in the context of the action plan on the development and evaluation of the Leonardo da Vinci community programme.
14. The social partners must be fully involved in all the measures proposed above.

3. EUROPEAN POLICY ON ENLARGEMENT AS IT CONCERNS VET*

3

3.1 SUMMARY

EU policy on enlargement as far as vocational education and training is concerned can be seen as a gradual process, starting with a 'technical assistance' and demand-driven approach from the beginning until 1997. This developed into the 'accession-driven' phase until 2002 mainly characterised by the preparation for the implementation of the *acquis* following the Luxembourg summit in 1997 and preparation for the EU employment strategy, and pursuing an 'integration' phase and the preparation for a European area of knowledge, particularly after the decisions taken at the Barcelona meeting of the European Council and the Copenhagen Declaration. As a whole, the EU has actively supported vocational education and training in the candidate countries. This was mainly done through the support of the Phare Programme, considerably developed since 1990, but also through participation in the Leonardo da Vinci programme, and since 1995 through the ETF. Two main periods divided into five stages can be identified:

In the first stage, a demand-led approach was adopted, directed mainly towards helping to create a body of continuing training measures, diversified at local level and in a sectoral context. Apart from in very few countries, VET reforms were not seen as priorities at that time. Set up by governments, priority went to general education and higher education. Thus, this phase included the beginning of the Tempus programme for the reform and development of higher education. The programme continued in these countries until 2000.

The second stage, which began in 1994, laid greater emphasis on systemic reforms of initial vocational training under the auspices of education ministries. But these reforms concerned exclusively the formal education system. This approach may be deemed to have been in line with demand in so far as the beneficiary countries

* As the data used in this publication is from different periods, the forthcoming chapters will refer to candidate countries, which includes acceeding countries (Cyprus, the Czech Republic, Estonia, Hungary, Malta, Lithuania, Latvia, Poland, Slovenia and Slovakia), accession countries (Bulgaria, Romania) and Turkey (as indicated in a manuscript completed in September 2003: Employment in Europe 2003: Recent Trends and Prospects, European Commission, DG for Employment and Social Affairs).

continued to set priorities within a political dialogue with the Commission's services. At the same time, the European Training Foundation became fully established in Turin and commenced operations, concentrating on systemic reforms and on the management of a number of Phare programmes for the European Commission.

The third stage began in 1997-1998 with the publication of Agenda 2000 and the adoption of the accession strategy by the Luxembourg European Council, which marked a real turning point and the beginning of the second period. As the main instrument of this strategy, Phare became a priority tool for institutional development and for supporting the investment required for adoption of the Community acquis by all economic and social players in the candidate countries. The emphasis in the training field was on preparation for the application of the European Social Fund. Phare provided support for the development of human resources through "Social Fund-type" measures in priority regions. Education reform was always deemed a priority, but was henceforth to be state-funded. Phare funds for human resources development were channelled through labour and employment ministries and through regional development ministries or agencies with difficulties in coordinating both. At the same time, the Community's Leonardo da Vinci, Socrates and Youth for Europe programmes were opened up to the candidate countries with Phare support. During this period, too, the Foundation's projects were gathering pace, with particular emphasis on the analysis of labour market needs, the role of continuing training, quality issues and the involvement of the social partners; at the same time the ETF continued to promote the deployment of vocational training standards based on key competences, as well as innovation in vocational education and adaptation of teaching staff training.

The fourth stage continued the process of encouraging adoption of the *acquis*. Commencing after a review of the Phare Programme in 2000, the assistance provided through it was directed to a greater extent towards preparation for the Structural Funds. This allowed national and regional approaches to exist alongside each other. In some countries, it became possible to resume the support for vocational training reforms initiated five or six years earlier. Another aspect was alignment of employment services with the requirements of European employment policy. This stage proceeded in parallel with the strengthening of European education and training policies. From then on, the effects of these policies were felt increasingly directly in the candidate countries, in particular with the consultation process on the memorandum on lifelong learning and the process of Joint Assessment Papers on employment policies.

The fifth stage began with the Barcelona Council in March 2002 and was bolstered, in particular, by the Copenhagen Declaration on Vocational Training of November 2002. The candidate countries were now fully involved in the process of enhanced cooperation in employment and education policies. At the same time, Phare continued and intensified its support on preparation for the structural policies as well as for the education and employment policies with particular emphasis on lifelong learning, especially in Romania, Bulgaria and Turkey.

The European approach to preparation for enlargement in the field of education and training has thus been both constant and at the same time gradual, involving the step-by-step incorporation of the European policy emerging in the Union. However, it can be wondered whether vocational training benefited from sufficient funding from Phare, in the context of priorities set up by candidate countries' governments and later on in the context of the accession partnerships. Overall, until 1998, the "education, training and research" sector had received about 11% of the total Phare funds, but as part of this, vocational training reforms received only 8%, i.e. less than 1% of the total Phare funds. There are indications that at least since 2000, vocational training activities benefited from increased funds as human resource policy developments were given even more

support in reference to the Lisbon summit, new developments in the EU employment and the lifelong learning strategy. Nevertheless, there is a feeling that Phare resources devoted to institution building have still been insufficient for the huge support needed in administrative training for the preparation for the ESF and the European employment strategy.

Furthermore, according to an external ex-post assessment of Phare programmes implemented from 1997-98 to 2000-01[25], the "social and education" sector is among the ones where the impact of Phare projects was the lowest. According to the report, "in these domains, not only did projects aim to create new institutions but the process also involved considerable networking with civil society organisations and enterprises in a semi-public environment. These projects often had a long penetration time and experienced problems with ongoing financing and therefore with sustainability". Another explanation is with the lack of continuity in many national policies when political changes occurred frequently in some countries, with priorities changing accordingly. Finally, the report mentions implementation delays and management difficulties linked to weak strategy-making processes in the management period.

However, the Phare MOCCA[26] programme implemented in Slovenia gives an interesting example of a project in situation of failure at its end because of a lack of agreement among national stakeholders on the reforms proposed, and a final surprising rescue: "The ex-post evaluation discovered that the project had created a community of stakeholders who kept promoting the reforms and who eventually unblocked the policy-making process, enabling the implementation of the proposed reforms outside the scope of the Phare intervention". Furthermore, it is interesting to see that MOCCA was a "second phase" programme, set up as a follow up to the first Phare VET reform programme, and which allowed for the consolidation of on-going reforms and in particular the involvement of Slovenia in EU debates on education and lifelong learning.

As seen below, another limitation is with the lack of coordination between education and labour ministries when managing Phare projects, with a predominant role played by the former on vocational training reforms in the first period and their marginalization in the second period, when focus was put on preparation for employment policies, and responsibility given to labour ministries. As a consequence, an integrated view of the relevant issues and strategies has not been possible and adequate inter-ministerial coordination has not been sufficiently promoted. It must be said that the ETF had been charged with the function of promoting systemic reform, and did so from 1995 by way of analyses and assessments (facilitated, in particular, by the work of the National Observatories established in each country), as well as through information, thematic seminars, targeted training courses and the provision of advice to decision-makers – mainly representatives of ministries and the social partners.

On the whole, EU assistance in all its components may be said to have played an important part in the reforms undertaken, as will be shown below, especially in the second period, from 1997 on. However, the best results were obtained in those countries which already had clear ideas on the reforms they wished to undertake and which were therefore using the actions of the Phare programme, the Leonardo projects and also the ETF (as well as those of other international-cooperation institutions) as priority instruments to implement these reforms.

25 *Phare ex-post evaluation of country support implemented from 1997-98 to 2000-01*, Consolidated report, Ramboll, May 2003.

26 MOCCA – Modernisation of Curricula, Certification and Assessment in Vocational Education for Youth and Adults.

3.2 FIRST PERIOD – 1990 TO 1997: DEMAND-DRIVEN TECHNICAL ASSISTANCE

3.2.1 PRIORITY FOR VOCATIONAL EDUCATION AND TRAINING INITIALLY GIVEN, BUT IMPLEMENTATION DELAYED

Immediately after the fall of the Iron Curtain the European Union put a significant priority on reforms in the fields of education and training in the countries of central and eastern Europe, as they were seen as a condition contributing to the transition towards a market economy and a democratic society. At its meeting in Strasbourg in December 1989,[27] the European Council agreed to the Commission's proposal to 'allow nationals of the countries of central and eastern Europe to take part in a number of education and training programmes similar to Community programmes'. In addition, it 'calls upon the Council to take, at the beginning of 1990, the requisite decisions for the setting up of a European Vocational Training Foundation, on the basis of proposals which the Commission is to submit.' Thus, the European Training Foundation was set up by a Council regulation adopted in May 1990[28]**.** According to this, the aim was 'to contribute to the development of the vocational training systems of the countries of central and eastern Europe,' which meant in particular 'seeking to promote effective cooperation between the Community and the eligible countries in the field of vocational training.' The scope of its work was 'the training field, covering initial and continuing training as well as retraining for young people and adults, including in particular management training.'

At the same time, Tempus[29] was adopted by a Council decision as a European Union programme, aimed at supporting the reform and development of higher education in the central and eastern European countries[30]. Thus, in the conclusions of its meeting in Dublin in April 1990[31], the European Council welcomed in particular 'the Community programmes on professional training and student exchange soon to be finalised and other important actions in the context of G-24 cooperation.'

However, the establishment of the ETF was delayed, and cooperation in education and training with central and eastern European countries started in the general framework of Phare[32]. The technical assistance approach which prevailed in this context was characterised in general by the following aspects:

(i) it was based upon the priority needs expressed by the countries;
(ii) it was aimed at setting up and fostering cooperation among institutions in partner countries and EU institutions (schools, universities, training centres, enterprises);
(iii) it encouraged 'bottom-up' approaches, with a view to developing and reinforcing local initiatives and to creating conditions for the emergence of new strategies.

Thus, education and training components were developed as part of: (1) sector reforms[33] including staff training sub-components; (2) labour market, employment and social development with the first measures aimed at re-qualification of the unemployed; (3) higher education through Tempus; (4) general education; (5) vocational secondary education through

27 See the Conclusions of the Presidency on the Strasbourg European Council of 8 and 9 December 1989: Declaration on Central and Eastern Europe.

28 Council regulation of 7.5.1990 establishing a European Training Foundation.

29 Council decision of 7.5.1990 establishing a trans-European mobility scheme for university studies (Tempus).

30 The Tempus programme is not part of the scope of this report. Nevertheless, some references to Tempus will be made.

31 Special meeting of the European Council in Dublin, 28.4.1990: presidency conclusions.

32 Created in 1989, therefore at this date referring to: *Pologne, Hongrie, Aide à la Réforme économique*. Its mandate was expanded later on to assist all the applicant countries of central Europe in their preparations for joining the European Union. In parallel, Malta, Cyprus and Turkey benefited from a specific pre-accession assistance, similar to Phare.

33 This covered fields such as health, telecommunications, environment, financial and banking sectors, SMEs, transport, nuclear safety, and agriculture.

a few activities started in Poland and Hungary and mainly involving the development of new curricula.[34]

But in total, as reported in a document from the European Commission's Task Force for Human Resources[35] in September 1991, 'the total amount of the education and training component did not exceed 1.2% of the overall support from the G-24.' The document welcomed the good results of the Tempus programme and the positive role played by the ILO and the World Bank, but criticised the fragmentation of actions launched in education and training. It expressed the view that the external assistance hardly considered the restructuring of education and training systems; it deplored the lack of support for the setting up of an integrated strategy for human resource development and the absence of any adequate mechanism able to provide such support. The document also expressed some priorities for strategic management of education and training systems, transformation of contents and education methods, in particular by substantial investment in teacher training and institution building. In conclusion, it made a plea for a better integration of adequate measures in the framework of Phare[36].

At the request of the Task Force for Human Resources, a report was prepared by an expert group in 1992[37]. Going through the situation and the challenges for vocational education and training in the central and eastern European countries, the report also stated that, with few exceptions, 'the focus of technical assistance in education and training had not been the reform of the vocational training system as such.' The report identified as key issues the definition of a training strategy and the preparation of a new institutional framework allowing the implementation of such a strategy. This included the redefinition of the main stakeholders' role among the social partners, a specific focus on the role of enterprises and special attention to funding issues. Considering themes for action, the report identified eight main themes: (1) establishment of a continuing training system benefiting from EU experiences; (2) modernisation of initial vocational training; (3) identification and support for the actors responsible for a decentralised and plural training policy; (4) institution building; (5) modernisation of training methods and tools; (6) teacher and trainer instruction; (7) promotion of greater synergy between training and research; (8) development of programmes aimed at SMEs.

3.2.2 NEW IMPETUS IN 1993/94

Drafted in September 1994 by the European Commission[38], a Phare sector paper on education and training reforms underlined the list of problems to be tackled and recalled the initiatives already taken in the G-24 framework and the specific role of Phare in this context. It emphasised the fact that Phare training actions were with few exceptions integrated into specific sectoral programmes. But preference was given to strategic approaches by supporting national training infrastructures in order that the effect would multiply rapidly. The paper also mentioned the role of training in supporting SME development, general and sectoral management, including banking and finance, agriculture, infrastructures, public sector, wealth and education sectors. Moreover, the document underlined the priority to be given to the reforms of education systems, particularly tertiary education and VET systems.

---

34 See below the detailed annex concerning Phare projects.

35 Which became the DG 22 in 1995 and is now DG Education and Culture.

36 See: *Education and training reform processes in the CEECs*, September 1991. Misssion report of the Task Force Human Resources in Poland, Hungary, Bulgaria, The Czech Republic and Romania.

37 *Report on the development of human resources in the CEEC,* prepared by an expert group lead by André Ramoff with the support of Lindsay Jackson, Haralabos Fragoulis, Michel François, Inge Buck, Bernhard Buck, Massimo di Giandomenico, and Kaj Holbraad, and delivered on 17 May 1993 to the Task Force Human Resources of the European Commission.

38 Phare sector paper: Reforms in the sectors of education and training in Central and Eastern Europe, European Commission, DG1 External Economic Relations / Phare unit.

As conditions for the success of Phare training-related programmes, the document emphasised the role of efficient local management structures and the need to encourage local trainers to develop and to disseminate their activities within the framework of other projects. Moreover, as aspects for consideration within the next programming period, it made a plea for:

(i) giving an increased role to ministries of education;
(ii) developing national strategies in education and training;
(iii) promoting coherent and global approaches to encourage autonomous structures;
(iv) preparing for integration with the EU countries, possibly by participation in EU programmes;
(v) pursuing the VET reforms with a view to disseminating results from pilot schools;
(vi) developing reforms in tertiary education, adult training and continuing training;
(vii) promoting partnerships at school level between the EU and the partner countries;
(viii) assessing needs and possibilities for multi-country programmes;
(ix) setting up the ETF in Turin and developing its role in the framework of Phare.

Indeed, in 1993/94 a series of Phare programmes addressing education and training were decided in the framework of the classical demand-driven approach. It involved in particular the reform of the initial vocational training systems in the Czech Republic (a decision taken in 1993), Estonia, Latvia, Lithuania, Poland, Slovakia, Romania and Slovenia (a decision taken in 1994). These programmes concentrated on the design of new curricula adapted to the needs of the newly emerging market economy. They dealt also with school-manager training, teacher training, equipment procurement and policy development. They used a pilot-school approach, as well as partnership approaches with EU vocational schools.

Other Phare programmes covered the development of training funds aimed at enterprises, in the Czech Republic (1993), and Slovakia (1994), as well as the links between education and the economy, with particular focus on education and post-secondary vocational education and education in Hungary (1994), and the development of general education and post-secondary education in Bulgaria (1995). Further priorities under Phare, in the context of multi-country schemes, were the support of distance learning and ICT (mainly in higher education), the promotion of academic recognition of higher education diplomas, and staff-development activities aimed at developing awareness in EU policies towards key stakeholders.

From 1996-97 a few small-scale Phare programmes related to VET reforms were designed as a continuation of the first generation analysed above. In general, they were more policy-oriented than the first generation. They involved drafting green or white papers, some institution-building issues and specific topics related to weak points of the first generation programmes. It often involved the introduction of ICT, business education and also tertiary education issues. Such programmes were launched in Estonia in 1996, Latvia in 1996 and 1997, and in Lithuania, Slovenia and Romania, also in 1997[39]. A second generation of multi-country Phare programmes related to distance and higher education were also implemented.

As it had started its activities at the end of 1994 and set up in Turin at the beginning of 1995, the European Training Foundation was asked to manage most of these programmes, representing about €100 million on behalf of the Commission. In most cases it was done through decentralised programme management units (PMU) that had been set up in the countries with full responsibility for

39 In Lithuania, the programme covered the follow-up of institutional reforms and the set-up of an excellence centre in management training; in Romania it covered continuing training of employees; in Latvia it covered institution building and development of social partnership in employment and training; and in Slovenia it covered qualification standards and preparation for a lifelong learning strategy.

implementation. Therefore, the ETF had to monitor the whole process, including financial aspects. It did so by complementing the range of activities in the programmes by organising regular meetings with the heads of PMUs in EU countries according to the EU Presidency and promoting staff development, systematic exchange of experience and awareness of EU good practice in education and training.

At the same time, the ETF was also active in setting up a network of national observatories designed to provide structured information and analyses on national vocational education and training policies and systems in their socio-economic context, assessing their responsiveness to labour market requirements. The expertise acquired was to enable the national observatories to contribute actively to the national debate on the reform of training systems. Moreover, thematic work on some of the most important issues related to vocational training reforms in the EU was started by developing pilot activities combined with awareness-raising activities in the framework of its Advisory Forum[40]. From this a range of vocational training experts from the partner countries in central and eastern Europe were associated to EU experts and international organisations.

3.2.3 FIRST STEPS OF PREPARATION FOR ACCESSION

In the meantime, central and eastern European countries had become 'associate countries', after signature of Association Agreements – transformed progressively into *Europe Agreements* – with the European Union. Signed by Poland and Hungary in 1991, the Czech Republic, Slovakia, Romania and Bulgaria in 1993, Estonia, Latvia and Lithuania in 1995 and Slovenia in 1996[41], these Europe Agreements covered political dialogue and economic integration, as well as cultural and financial cooperation. This included possible cooperation in education in broad areas such as reform, curricular development and links between university and industry. Under the Europe Agreements, the associated countries committed themselves to approximating their legislation to that of the EU. The Europe Agreements provided financial assistance, including grant finance provided under the Phare Programme.

At its meeting in Copenhagen in June 1993[42], the European Council referred to the prospects of accession for the central and eastern European countries and set up the obligations of membership each country would assume, the so called 'Copenhagen criteria'. These requirements were: (1) the achievement of 'stability of institutions guaranteeing democracy, the rule of law, human rights and respect for the protection of minorities'; (2) 'the existence of a functioning market economy, as well as the capacity to cope with competitive pressure and market forces within the Union'; and (3) 'the ability to take on the obligations of membership, including adherence to the aims of political, economic and monetary union'. Although it was not explicitly mentioned, when referring to the 'capacity to cope with competitive pressure and market forces within the Union', the second criteria expressed a clear priority for human resource development and combating social exclusion.

At the Essen summit in December 1994 the European Union confirmed these views and started preparation of the pre-accession strategy to be implemented later. This was on the basis of priorities identified in a White Paper on preparation for integration in the internal market, presented in 1995 and adopted at the

40 Starting in 1995 with four new themes developed each year in the framework of dedicated subgroups of the Advisory Forum and discussed in plenary session once a year, they covered themes such as: social partnership in VET; qualification and certification standards; training for SMEs; financing of VET; quality assurance in VET; teachers and trainers education; labour market analysis; social inclusion and VET; innovation in VET; core skills; and VET and regional development.

41 Association agreements had already existed with Turkey since 1963, Malta since 1970 and Cyprus since 1972.

42 European Council in Copenhagen, 21-22 June 1993, Conclusions of the Presidency.

Cannes summit in June of that year[43]. Thus, as 'associated countries' submitted their application for EU membership[44], the pre-accession strategy was in place, based upon the Europe Agreements, the structured dialogue[45] and the Phare Programme. As part of this preparation the European Council expressed the need to open the Community programmes Leonardo da Vinci, Socrates and Youth for Europe to the associated countries[46] on the basis of the Council decision of 27 July 1994.

The Commission asked the ETF to implement preparatory measures to support the opening of the Leonardo da Vinci programme in Bulgaria, the Czech Republic, Hungary, Poland, Romania and Slovakia in 1995, and in the three Baltic States and Slovenia in 1996. As part of these preparatory measures, special focus was put on the development of resource centres for career development and guidance in the countries, as well as awareness-raising on issues such as the involvement of social partners in vocational training, the support to the development of small and medium-sized enterprises and the preparation for human resource development strategies at regional level.

3.2.4 FIRST ASSESSMENT OF EU ASSISTANCE

In a publication of a 1997 interim evaluation of the Phare Programme[47], the European Commission stated that Phare 'was playing an important role in human resource development and the allocation for education was the highest on a sectoral basis'. Education, training and research had received €431 million between 1990 and 1993 (13.1% of the total), and €443 million between 1994 and 1996 (13.2% of the total). However, most of it was devoted to the Tempus programme with €100 million each year – 70% of the total[48].

Concerning vocational education and training, the report emphasised the role played by Phare 'in focusing on education strategy, strengthening the ministries of education, introducing major changes in curricula and above all revamping the concept and content of vocational training.' Examples were given of the 'very successful VET programme'[49] and other education programmes in Poland, the National Training Funds in the Czech Republic[50] and Slovakia, and the introduction of a business education reform programme in Estonia[51]. However, the report underlined the difficulties in delivering a real assessment by stating that

43 The White Paper set out the body of essential internal market legislation divided into 23 sectors. One of them dealt with education and training, and the issue of mutual recognition of professional qualifications.

44 1987 for Turkey, 1990 for Cyprus and Malta, 1994 for Hungary and Poland, 1995 for Romania, Slovakia, Latvia, Estonia, Lithuania and Bulgaria, and in 1996 for the Czech Republic and Slovenia.

45 The structured dialogue involved regular joint meetings at ministerial level between the EU and the associated countries. As part of this, ministers of education conferences were organised on an annual basis, starting in Warsaw in 1997, under the Spanish Presidency.

46 European Council, 9-10 December in Essen, Presidency conclusions.

47 *The Phare programme: An interim evaluation*, European Commission, DG for External Relations, Evaluation Unit, 1997.

48 Moreover, beyond Tempus a number of other Phare projects had covered topics related to tertiary education, in the context of country or multi-country programmes. In total, out of the ECU874 million devoted to education, training and research, the estimated the amount devoted to VET reforms was about ECU60 to ECU70 million, including initial education reforms and active labour market measures-related programmes (between 7% and 8%), or about 1% of the ECU6,636 million committed by Phare during that period. In parallel, about ECU30 million had been devoted to general education and about ECU60 million to higher education, including research and science, with particularly important programmes in Poland and Hungary. However, much more had been devoted to VET activities as components of the Phare sectoral programmes. The problem is that there was no coordination between all these training activities.

49 This refers to new occupation classifications reduced from 500 to 140, new modules based on pilot curricula on an international level, and new methods being instituted at school.

50 At the end of 1996, 10,000 managers had been trained, 73 programmes set up in 25 institutions developing modular management training approaches.

51 This included establishing a business college programme, staff training, providing adult training and introducing business curricula and concepts in other institutions.

'often only the result is given, that is, the number of people trained.' Therefore, it was important 'to see how those trained were actually using their new skills.'

In the same report, a positive evaluation was given concerning Tempus, as it had been able to 'evolve dynamically from exchange and mobility to structural and strategic objectives, to provide for a growing degree of ownership by partner countries, to increase emphasis on horizontal issues such as university/enterprise links, to increase the emphasis on sustainability and dissemination.' However, the report criticised the 'island character of Tempus activities, the difficulty of restructuring higher education, and the difficulty of defining precisely who are the main beneficiaries of Tempus.'

The social sector and employment, including health, had received €214 million from 1990-93 and €109 million from 1994-96, respectively 6.5% and 3.2% of the total amount. According to the report, labour market and social development programmes had been limited but they had introduced important changes. Phare had supported government efforts to reform and increase the effectiveness of employment and social policy, and especially to encourage initiatives and enhance the operational capacity of local communities and NGOs. Examples were given in the Czech Republic with the PALMIF programme[52] and a similar approach in Romania[53].

Another assessment done by the ETF in 1997[54] and published in cooperation with the European Commission provided more in-depth analysis. Carried out during the implementation of VET Phare programmes, the report stated the following:

What can be considered as a key success of Phare programmes in the vocational training sector is the fact that they have helped to address the most urgent needs of the training systems after the collapse of the centrally-planned economies, and to initiate substantial reforms. These most urgent needs have included:

- the development of curricula for new sectors of economic activity and the revision of existing curricula with the aim of providing training for a range of rather broad-based occupations;
- staff development on a larger scale, including training for policy-makers, education administrators at all levels, school managers and teachers;
- the upgrading of school equipment;
- the bringing together of ministries of education and labour to build coherence in the reform of the vocational training systems;
- the drafting of a series of feasibility studies or policy papers on different aspects of vocational training reform; and
- the establishment of partnerships with training institutions in EU Member States.

While it is too soon to draw firm conclusions concerning the long-term impact of the programmes, ***the main impacts*** so far of all these 'pilot school' initiatives include the following:

- the change of pedagogic attitude of teachers (and students) towards new teaching and learning styles and curricula more oriented to the labour market, which ultimately increases the employment prospects of graduates;

52 The Proactive Labour Market Intervention Fund supported 50 local projects, contributed to creating 630 jobs and trained more than 3,000 workers.

53 In Romania, a €10 million programme led to local consortia identifying and delivering active employ ment measures.

54 *Phare Sector Paper Training*. Written and produced by the ETF at the request of the European Commission, 13 March 1997.

- a change in the school management style;
- new syllabuses, equipment, training and materials which have been developed to a coherent design;
- improved communication between the training institutions and local/regional authorities, as well as employers in the region;
- a positive attitude towards the opportunities which greater decentralisation of education and training offers to both the local/regional authorities and the training institutions;
- new approaches to assessment/quality assurance; and
- wide-ranging benefits from study visits, including strengthened links between training institutions and staff in partner countries and Member States.

The methodology is sound, in that reforms are grounded in reality and 'owned' by the very people who will need to deliver them. However, one weakness needs to be acknowledged and addressed. In using the pilot school approach, only a very limited number of institutions and sectors are directly involved in the project itself and the sustainability and overall impact depends on the ability and willingness of the authorities to accept, disseminate and use the new curricula in a national context. Otherwise they remain localised and of little systematic value.

The disappointments of past Phare programmes in vocational training include the fact that (mainly due to a lack of funding, but, unfortunately, in some cases also due to a lack of sufficient support by the responsible ministry), many such activities have remained rather isolated and did not have a real impact on national policies. Experience shows that most, if not all, partner countries have great difficulty integrating the results and findings of such pilot school programmes within wider education and training reform strategies. Evaluations of the Polish, Hungarian and the Czech vocational training Phare programmes reflect this.

As to specific areas of Phare intervention, the following shortcomings might be highlighted.

- Due to the beneficiary country-led approach by the Phare Programme and the traditionally low esteem in which vocational training is held, in most of the countries there is an imbalance of Phare funds allocated to general and higher education on the one hand and vocational training on the other.
- Most of the Phare vocational training reform programmes focused on initial training with the exception of Lithuania. Where they exist, adult training components are included in Phare programmes for social policies development and mostly administered by the ministries of labour, consequently contributing to the lack of coherence of the system, as outlined earlier.
- Actions to improve the quality and effectiveness of training on their own are not sufficient to considerably raise the overall level of employment.
- Training for disadvantaged groups (school dropouts, ethnic minorities) is seldom covered by Phare programmes. However, Phare needs to focus on this in order to combat the increasing problem of exclusion and thus contribute to the process of social stabilisation in the countries in transition.

Furthermore, as stated in different reports on the implementation of the Phare VET programmes[55], though being designed on an identical scheme, implementation was very decentralised at country level and therefore very different between countries. The most important impact came from the EU long-term technical assistance (LTTA) appointed by the country and located inside the PMU. The ETF had limited influence on the day-to-day decisions taken by the PMU who worked in close cooperation with the LTTA and under the responsibility of a steering committee where national stakeholders and primarily education ministry representatives sometimes played a very dominant role. However, in other countries frequent changes at ministry level hampered the national administration in carefully monitoring the work, and the PMU managed the programme in isolation from the real policy-makers.

Basically, too much effort had been put into the renovation of curricula attached to traditional industries; a range of curricula had been renovated in parallel in about ten countries with no attempt to develop harmonised approaches among those countries[56]; furthermore, due to constraints inherent in the Phare programme, it had been difficult to manage all activities in the given time framework of three years[57]; in most countries, due to difficulties in procurement, new equipment arrived in pilot schools only at the end of the project; and dissemination activities, though foreseen in the programmes, were neglected.

3.3 SECOND PERIOD – VET ISSUES AS PART OF THE PRE-ACCESSION STRATEGY – 1998 TO 2002: PREPARATION FOR THE EUROPEAN EMPLOYMENT STRATEGY AND LIFELONG LEARNING

3.3.1 REINFORCEMENT OF THE PRE-ACCESSION STRATEGY

Following a European Council request at its meeting in Madrid in December 1995, the European Commission prepared an in-depth analysis of the perspectives of the European Union for 2000 onwards, including perspectives for enlargement. This document, called 'Agenda 2000[58], was presented in July 1997. It had three parts devoted to: (1) EU policies, with particular focus on economic and social cohesion and common agriculture policy; (2) enlargement challenges; (3) the new financial framework for 2000-06.

In the first part, concerning EU policies, it emphasised in particular the importance of economic and social cohesion, and the crucial role of human resource development, including the development of competences and the promotion of a qualified and adaptable workforce. As part of the proposals designed to better focus the structural funds through three new objectives, priority was to be maintained for regions lagging behind, with a special focus on competitiveness, innovation, support to SMEs and human resources. Regions suffering from economic and social restructuring should have priority, with a special focus on education and training, introduction of information and communication technologies (ICT), support to SMEs through innovation and vocational training. A new priority was to be an

55 See in particular *A Cross-country Analysis of curricular Reform in VET in Central and Eastern Europe*, ETF, 1998; or *Review and Lessons Learned from Phare VET programmes 1993–1998*, ETF, 2001.

56 With reference to the EU transparency approach, in which candidate countries are now embarked, and in particular at the attempt to develop common occupational standards at sectoral level through the EU project on 'professionalisation durable', it seems that a good occasion was lost in 1993-94.

57 Three years for commitment and four years for disbursement. In fact, most programmes were postponed for six months to a year. However, the duration of programme implementation remained very short compared to the ambitions of the programmes and in particular, the drawing up, implementation and assessment of at least three years vocational curricula.

58 *Agenda 2000. Communication of the CEC: for a stronger and enlarged Union*, European Commission, July 1997.

objective specifically devoted to human resources, under which consideration had to be given in particular to modernisation of education and training systems, and lifelong learning**.** Furthermore, as part of the proposed financial estimates for structural funds for 2000-06, a reserve of about 15% for the new Member States was foreseen.

The second part was devoted to the 'enlargement challenges'. In reference to the Copenhagen criteria[59] the document assessed the situation and insisted on the political criteria, underlining the situation of ethnic minorities and particularly Roma issues. Concerning economic criteria, reference was made to the ability to cope with the competitive pressure of the market and the necessity to consider 'a sufficient volume, with appropriate cost, of human and material resources, including infrastructure, education and research.' The document also emphasised the importance of adopting the *acquis*[60]. Then, after looking at the main priorities, it proposed a reinforced pre-accession strategy, introducing the accession partnership[61] as the unique framework covering the all EU assistance and the candidate country's commitments to implementing national policies aimed at preparing for accession. Finally, the Phare programme had to be reoriented in line with this strategy.

It is worth considering the different status and importance given to education and training related issues in the two parts of the document. Whereas numerous explicit references were made to education and training in the chapters on policies of the Union, and through the considerations of sustainable growth and employment, knowledge-related policies, modernisation of employment systems, improving living conditions and even more so under economic and social cohesion-related policies, in contrast the chapters related to candidate countries made little reference to it as part of their ability to cope with the competitive pressure of the market.

At the European Council meeting in Luxembourg on 12 and 13 December 1997, these proposals were adopted, setting up a European Conference[62] and launching the accession process. Presenting the enhanced pre-accession strategy, it insisted that links be made through the accession partnerships between EU assistance and the programme for adoption of the *acquis*. Through the Phare Programme, pre-accession aid would be increased substantially and focused on two priorities: 30% for institution building and 70% for investment related to the adoption of the *acquis.* In addition, some Community programmes, such as education, training and research, would be open to applicant states, enabling them to become familiar with EU policies and working methods. Moreover, considering the opinions drafted by the European Commission in spring 1998[63], the European Council decided to begin negotiations for enlargement with Cyprus, Hungary, Poland, Estonia, the Czech Republic and Slovenia[64]. This had to include a detailed screening of implementation of the *acquis* by each applicant country, as well as regular reports drafted by the European Commission and presented to the European Council every year. The screening process comprised 31 chapters, including Social Policy and Employment (Chapter 13) and Education and Training (Chapter 18).

3.3.2 THE IMPLEMENTATION OF THE *ACQUIS* IN VET

This was checked as part of the formal process of negotiations through a series of multilateral and bilateral meetings organised in accordance with the 29 chapters of the *acquis* within the framework of the education subcommittees of the

59 See above 3.2.3.

60 See below 3.3.2.

61 Accession partnerships had to be drawn up by the Commission.

62 The European Conference which met for the first time on 12 March 1998 in London offered a multilateral framework for discussion among the 15 EU Member States and the 12 candidate countries.

63 The accession process was officially launched on 30 March 1998 in Brussels.

64 Negotiations with Bulgaria, Lithuania, Latvia, Malta, Romania and Slovakia were initiated later in spring 2000 after decisions made at the Vienna summit in December 1999.

association committees. As far as the 'formal' or binding *acquis* in VET was concerned guidelines for mutual recognition of regulated professions[65], as well as the decision concerning the Leonardo da Vinci programme were drawn up, measures were quickly taken by the candidate countries, and in general, chapters concerning education and training were quickly closed. As regards the transposition of EU directives on mutual recognition of professional qualifications in particular, the work of approximation is still in progress in many countries.

Following decisions taken in Luxembourg and after successful implementation of preparatory measures by the ETF, Leonardo da Vinci had been opened and candidate countries had started full participation in it: Cyprus, Hungary, the Czech Republic and Romania in 1997, Estonia, Latvia, Lithuania, Slovakia and Poland in 1998, Bulgaria and Slovenia in 1999 and more recently Malta in 2001.

However, it was also felt important to assess carefully how far the 'non-formal' or 'soft' *acquis* concerning VET were considered by the candidate countries. This referred to the ability of the countries to take on board general VET objectives in EU policy documents. This included the training-related guidelines included in the general framework of the European Employment Strategy and the new priority fields to be supported by the European Social Fund (as proposed in *Agenda 2000* and specified in the new regulation for the Social Fund operations[66] for the years 2000 to 2006). More specific considerations were the Community objectives as they figured in the second Leonardo da Vinci programme: (1) improving the skills and competences of people, especially the young, in initial vocational training; (2) improving the quality of, and access to, continuing training and the lifelong acquisition of competences and skills; (3) promoting and reinforcing the contribution of vocational training to the process of innovation, with a view to promoting competitiveness and entrepreneurship.

The European Commission asked the ETF to provide a yearly assessment of the implementation of the 'soft' *acquis* in the field of VET, with the view to contributing to the regular reports produced annually by the European Commission as a tool to monitor the progress of the candidate countries towards accession during the transition period.

In parallel, it was seen as appropriate to develop awareness-raising actions towards the candidate countries in some developing EU policies in the fields of education and training, and also to involve them as observers in some of the networks and institutions set up by the EU. The ETF, in close co-operation with Cedefop[67], played a major role by developing such pilot approaches in the fields of transparency of vocational qualifications, social partnership in VET, teacher and trainer training, and reporting on VET issues. It also supported the involvement of some candidate countries as observers in the Transparency Forum set up by the European Commission. It also continued to contribute to the adaptation of the VET systems by delivering policy advice and conducting appropriate pilot activities through its Advisory Forum and/or other networks. This covered fields such as post-secondary education, integration of work and learning, human resource development at the regional level, VET and combating social exclusion – particularly of the Roma population, labour market intelligence at the regional level, the development of national qualification frameworks and competence-based qualification and certification standards, curricular development, teachers and trainer training, quality assurance in training – particularly in continuing training provision,

65 Since it was related to the internal market, the EU law which related to regulated professions had been identified in the white paper on preparation for enlargement presented in 1995. It comprised a series of directives related to the recognition of professional qualifications adopted by the Community between 1964 and 1994.

66 Regulation no 1784/1999 of the European Parliament and of the Council of 12 July 1999.

67 Cedefop – European Centre for the Development of Vocational Training, established by Council Regulation (EEC) No. 337/75 of 13.02.1975.

management training and promotion of entrepreneurship – and preparation for the European Social Fund in general.

3.3.3 THE ROLE OF PHARE AND ITS NEW GUIDELINES: THE SHIFT FROM VET ISSUES TO HUMAN RESOURCE DEVELOPMENT

Following the Luxembourg decisions of 1997, in line with proposals in *Agenda 2000*, Phare had started working towards a pre-accession tool based upon the accession partnerships and organised under the two main priorities of institution building and investment[68]. The reform set out new instruments and structures to tackle the lack of impact and sustainability of Phare projects (as highlighted in Commission evaluation reports) to prepare for implementation structures needed after accession and to reduce the backlog of budget commitments that had been criticised by the Court of Auditors and the European Parliament. In addition, management of the programmes had been fully decentralised[69] and EU technical assistance to programme management related to institution building had to be delivered mainly through twinning with EU institutions. Instead of a demand-driven programme as it had been so far, Phare had now to focus on priorities linked to the implementation of the *acquis*[70]. Thus, the selection of projects to be financed by Phare had to be in line with the accession partnership each country had prepared in 1998. The design of programmes also had to be associated more directly with all relevant Commission services.

Human resource development was a concern in both priorities.

(i) Institution building was the task of helping countries to strengthen their democratic institutions, the rule of law, public administration and all entities responsible for public services. This was in order to establish the necessary institutional and administrative structures and train the people required to apply the *acquis*. It covered shaping administrations to handle the *acquis* – meaning training of staff at all levels to strengthen public administration and all entities responsible for public service. In this framework appropriate attention had to be given to fostering the development of partners in the social dialogue. It also covered specific areas such as approximation of laws, structural reforms and regional policies (with the introduction to the objectives and procedures of the Structural Funds), also democracy, justice and home affairs and finally the opening of Community programmes.

(ii) Investment was about candidate countries having adapted their enterprises and main infrastructures to respect Community norms; considerable investment had to be made and placed within an appropriate institutional and regulatory context. This was particularly the case for the enforcement of Community rules in areas such as competition, environment, nuclear safety, transport safety, working conditions, marketing of food products, consumer information, control of production processes and fair trading, as well as large industrial installations. In particular, the requirements of the urban waste-water treatment directives and the restructuring of the coal sector were seen as involving considerable investment, including investment in human resources. The forms of intervention anticipated were seen as precursors of the Structural Funds, including mechanisms for the modernisation of rural areas, job creation and the reduction of sectoral economic and social disparities particularly in the form of integrated development policies. In addition, a dedicated facility for SMEs was anticipated in the communication.

68 See the Commission Decision in the *New Phare orientations for pre-accession assistance,* 1997.

69 This included the financial management of the programmes and also the monitoring processes. As a consequence, the last Phare programmes involving ETF implementation were transferred in 1998.

70 See the Commission Communication on *New Phare guidelines in the context of pre-accession EU assistance,* March 1997.

When analysing these priorities, as well as the accession partnerships prepared by the candidate countries, it was clear that human resource development was included at different stages of the documents. However, the systemic issues related to education and training, as they had started to be tackled by the second generation of VET Phare programmes, were not considered with the same degree of priority. The accession partnerships set up a clear distinction between priority fields for which they would be eligible for Phare funds and the other fields of major interest with which countries had to cope by giving them adequate support; and as the human resources development issues were seen as a priority, the systemic education and training issues were only considered as being of major interest. Therefore, it became extremely difficult in this period for the countries who expressed the need to pursue, with Phare funds, the important reforms initiated so far, since Phare support was mainly channelled through ministries of labour.

As Phare programmes were gradually decentralised and the technical assistance entrusted to twinning arrangements with competent EU institutions, another consequence of these changes was also to minimise the role of the ETF in the implementation of Phare activities[71]. However, as part of institution building, an important Phare programme was implemented by the ETF in close relation with DG Employment during 1998-2000 with the view to raising awareness among the relevant stakeholders, including administration and social partners, on all issues related to preparation for the European Social Fund (ESF) at national and regional level[72].

3.3.4 ADAPTATION OF PHARE GUIDELINES FOR BETTER PREPARATION FOR STRUCTURAL FUNDS

In 1999 the Commission undertook an adaptation of the Phare guidelines in order to prepare them for the period 2000-06.[73] The objectives were to consolidate the past reforms and to prepare for implementation of the Structural Funds. New guidelines introduced in particular a multi-annual perspective for Phare programming. These reaffirmed the two main priorities for institution building and for investment. As part of investment support – besides investment in EU compliance – investment in economic and social cohesion was seen as a complex objective which could only be met as part of a coherent and integrated overall strategy. Therefore, each country was asked to draw up a preliminary *National Development Plan* to be annexed to the National Programme for the Adoption of the Acquis. This preliminary plan had to be drawn up into the type of national development plan required for all Objective 1 regions inside the EU.

Therefore, it had to include:

(i) an analysis of the candidate country's current situation, identifying the critical development gaps between its regions and between itself and the EU;
(ii) the identification of the key development priorities in the area of economic and social cohesion which need to be addressed during the pre-accession period;
(iii) a general financial perspective for government and community co-financing for the pre-accession period.

71 But at the same time, in relation with its 'progress reports on VET reforms' produced every year as a contribution to the EU regular reports, the ETF started becoming more involved by the European Commission in the preparation of Phare programmes by being permitted comment on draft proposals and participating in common missions in the countries and meetings with beneficiaries.

72 A dedicated component of the Special Preparatory Phare programme for Structural Funds was on preparation for the ESF, managed by the ETF from 1998 to 2000.

73 Guidelines for Phare programme implementation in candidate countries for the period 2000-06 in application of article 8 of regulation 3906/89.

As part of the investment support, Phare was ready to co-finance measures which addressed the following objectives:

(i) increasing the activity of the productive sector;
(ii) improving business-related infrastructure;
(iii) strengthening human resources through targeted support to the four pillars of the European Employment Strategy (improving employability, developing entrepreneurship, encouraging adaptability and strengthening equal opportunities). This was to be achieved by a range of measures including retraining of the labour force, raising managerial capacity and improving innovative capacity. Particular attention had to be paid to ensuring that Phare support to employment-related operations of a European Social Fund nature was fully in line with national employment strategies.

In order to ensure focus, concentration and impact, the guidelines indicated that Phare would be programmed on a regional level similar to NUTS 2[74], and would concentrate on the most serious structural problems. This created problems during the first year of implementation of the guidelines, as many countries wanted to develop appropriate ESF type measures at national level and did not see the value of focusing only on specific regions. But it was solved later on, after a revision of the guidelines in 2000, as part of a Commission communication reviewing Phare[75]. In particular this communication tried to reinforce once more the focus on investment in economic and social cohesion[76], insisting on the development of a long-term strategic and financial planning capacity, securing better funding for this objective and concentrating more on preparing structures and piloting approaches for Objective 1 actions.

National development plans had to be strengthened, candidate countries had to choose an appropriate mixture of national and regional schemes and to choose also appropriate implementing authorities.

In addition, the new Phare guidelines further pursued the participation of the candidate countries in the Community programmes and also supported the participation of the candidate countries in the work of EU agencies, such as Cedefop.

As analysed by the ETF in an internal paper[77], Phare projects developed in 2000 in the field of social and economic cohesion included a range of activities either at national or at regional level such as, among others:

(i) targeted labour market training measures for the unemployed or other disadvantaged groups in regions (Bulgaria, Hungary, Romania, the Czech Republic, Slovakia), renovating vocational training institutes and VET systems in general at the regional level (Bulgaria, Hungary, Lithuania);
(ii) business infrastructure, investment and strategies to promote entrepreneurship and support SME development (the Czech Republic, Hungary, Poland, Romania);
(iii) enhancing public administration capacity (Lithuania, Romania, Slovakia, Hungary);
(iv) tourism development (Hungary, Poland);
(v) developing education and training strategy and implementing action plans (Estonia);
(vi) further developing the National Employment Action Plan (Lithuania);
(vii) promoting social integration and language training (Estonia, Latvia);
(viii) promoting women's employment (Lithuania);
(ix) introduction of human resource development funds or other grant

74 Nomenclature of Territorial Statistical Units (NUTS), established by the Statistical Office of the European Communities (Eurostat). NUTS 2 refers to regions, while NUTS 1 to countries and NUTS 3 to districts or counties.

75 Phare 2000 Review: Communication from Commissioner Verheugen, 2000.

76 The objective was to raise its share of the total priority for investment to 50%, meaning 35% of the total Phare envelope.

77 *Phare investment in human resources*, ETF, October 2000.

schemes (Latvia, the Czech Republic, Poland);

(x) developing draft legislation and an appropriate system for continuing training with the involvement of social partners (Poland);

(xi) improving vocational training and guidance (Poland).

A recent analysis of candidate countries' progress in lifelong learning[78] shows an increased role of Phare funds in the main issues related to lifelong learning and VET system reforms.

3.3.5 EMPLOYMENT POLICY REVIEWS

Meanwhile, following the decisions made in Luxembourg in 1997 and the establishment of accession partnerships in 1998, DG Employment launched the procedures for carrying out employment policy reviews in the candidate countries. The objective was to examine the extent to which the countries had made progress in adapting their employment systems, so as to be in a position to implement the European Employment Strategy. This process was launched along similar lines to those being carried out in the field of macro-economic policy. The reviews would go beyond the simple analysis of the *acquis.* It would address the more general issues of employment policy and structures, with particular emphasis on the employment strategy, the employment guidelines process and ESF assistance.

According to a Commission paper[79] they would look at such factors as the employment situation, the development of appropriate labour market institutions and the existence of labour market policy delivery systems. They should identify those tasks which are of paramount importance for moving forward with labour market transformation and prepare implementation of the employment guidelines. They should address the following questions:

1. Are the labour market structures already in place appropriate for participation in the single market?
2. Are the labour market and employment policy institutions sufficiently developed to allow an early implementation of the employment strategy in line with the employment title of the treaty?
3. Is the overall system in the respective candidate countries moving towards a meaningful participation in the EU employment coordination process?
4. What are the priorities for a human resources development strategy as a background for preparatory work for Social Fund or Social Fund-type action planning and programming?

Therefore, as part of the fields to be tackled by the reviews, some specific areas were identified of particular importance for the vocational training systems, such as:

(i) developing a decentralised approach based on the involvement and cooperation of local participants in labour market policy delivery;

(ii) reforming vocational education and training systems to promote the employability and adaptability of the workforce within a context of equal opportunities for men and women;

(iii) developing the necessary institutions to manage, monitor and evaluate European Social Fund assistance.

The employment policy reviews had different phases:

(i) a background analysis (carried out in all ten countries in 1999/2000);

(ii) a Joint Assessment Paper (JAP) of employment priorities (prepared jointly by the country and the European Commission), to be signed officially (from 2000 for the Czech Republic and Slovenia, to Autumn 2002 for Romania and Bulgaria and January 2003 for Latvia);

(iii) an implementation phase of the priorities set up in the JAPs with regular joint monitoring activities, to

78 Draft report by ETF, September 2003.

79 *Draft procedure for Employment Policy Reviews of the accession countries*, DG Employment, September 1999.

which the ETF was asked to contribute;

(iv) the preparation (non-compulsory) of national action plans for employment, in anticipation of the formal action plans to be drawn up after accession.

As part of these processes, in-depth monographs on education, training and employment service systems were drafted by the ETF as a contribution to the monitoring of the JAPs. They constitute the basis of the following chapters of this document.

3.3.6 PREPARATION FOR LIFELONG LEARNING

Following the Lisbon Council and the first steps in preparation for a lifelong learning strategy, all candidate countries were involved in the consultation process launched by the Commission in 2001 on the memorandum for lifelong learning. Responsibility was taken by ministries of education. They organised the process by establishing meetings and workshops at national and/or regional level. In these they involved a range of partners from the public administration and also from the private sector, including social partners. At the end of it each country drafted a national report giving the basis for a synthetic cross-country report prepared by the ETF and included in the new communication on lifelong learning. The key objectives and priorities of lifelong learning as they figure in the communication *Making a European Area of Lifelong learning a Reality*[80] are now considered as key features against which progress of VET reforms can be analysed and assessed.

3.3.7 EVALUATION

So far, there are no global evaluations of the assistance provided by the EU during the period 1998-2002. Most of the Phare programmes are still running or not fully completed yet. As the monitoring and evaluation processes were decentralised in 1998, a proper evaluation should have to seriously consider the important work done by the joint monitoring committees set up under the Phare guidelines in each country. This has still to be done. It is clear nevertheless, that a lot of activities concerning vocational training are now ongoing within the frameworks of investment for economic and social cohesion and lifelong learning. In some cases VET reforms are also developed under the priority of institution building, such as the reform of the continuing training system in Poland. In some countries this allows for a follow-up to the reforms undertaken during the period 1995–98 through the first generation of VET Phare programmes.

Nevertheless, in some countries there are indications of difficulties in the implementation of programmes related to VET and more generally to human resources development. They are mainly related to: (1) the number of limited-scale projects running in parallel, each of them having its own management structure and its own long-term technical assistants; (2) the number of national institutions involved in the management and the monitoring of these projects. Indeed, in addition to the ministries of education and labour, the new Phare approach after 1998 had introduced as key actors the national administration in charge of regional development. This was situated in the ministry of economy or in other places, with little coordination with the 'normal' ministries involved in education and training; (3) the lack of preparation of regions now called on to play an important role at all stages of the Phare project cycle, in the context of the Phare ESF-type projects at regional level; (4) the complexity of the Phare guidelines and the differences within the structural funds procedures, for which candidate countries have to prepare.

Concerning the Leonardo da Vinci programme, no global evaluation is available yet, and many of the projects are still running. More than 60 projects have been developed in Romania since 1997, with 53 in Poland, 50 in the Czech Republic, 44 in Hungary, 37 in Slovakia, 22 in Lithuania, 20 in Bulgaria, 13 in Latvia, 12 in Cyprus, nine in Estonia and Slovenia,

80 Communication from the Commission, adopted in November 2001.

and one in Malta. They covered a range of subjects related to: (1) the modernisation of curricula in different industrial, agricultural and service sectors, with particular focus on tourism and foreign languages; (2) modernisation of learning and teaching methods and tools, including a systematic use of ICT; (3) management training and support to SMEs; but also (4) a range of system issues, such as transition from school to work, vocational counselling and guidance, teacher training, certification issues, social partnership in education and training, and quality assurance in continuing training. Although there were some exceptions, such as the teacher-training project in Lithuania, it is not clear how far these projects have been used by national authorities as a contribution to policy developments. Here again, an in-depth evaluation would be worthwhile.

3.4 THIRD PERIOD – 2002 ONWARDS: THE INTEGRATION STRATEGY TOWARDS A EUROPEAN AREA OF KNOWLEDGE

The European Council held in Barcelona on 15-16 March 2002, constituted the starting point of the third phase. During this, EU policies will continue to develop in the fields of employment and education, with the progressive involvement of the candidate countries – the process of enlargement comes to an end rather soon for a majority of them. So, the Barcelona summit highlighted the Lisbon strategy as an incentive for the candidate countries to adopt and implement key economic, social and environmental objectives, and as a two-way learning process. This is of particular concern for:

(i) reinforcing of the Employment Strategy;
(ii) implementing the communication on promoting skills and mobility;
(iii) implementing the 'Work Programme for 2010' for education and training systems;
(iv) following-up the adoption of the resolution on lifelong learning;
(v) developing further actions in the fields of transparency of diplomas and qualifications in VET, following similar actions promoted in the context of higher education under the Sorbonne-Bologna-Prague process.

Therefore, candidate countries were invited to take part in the working groups on the follow-up of the objectives report.

More recently, after the Copenhagen Declaration[81] and the Council Resolution on enhanced cooperation in VET[82], candidate countries are fully associated to the process and participate in the working groups established within this framework.

As stated in the Copenhagen Declaration: 'the enlargement of the EU adds a new dimension and a number of challenges, opportunities and requirements to work in the field of education and training. It is particularly important that acceding Member States should be integrated as partners in future cooperation on education and training initiatives at the European level from the very beginning.'

Furthermore, as part of a special framework of cooperation between the ETF and Cedefop, and another tripartite agreement signed with Eurydice, preparation has started in the acceding and candidate countries for further integration into the EU network of reference and expertise (ReferNet) set up in 2002[83].

81 *Declaration of the European Ministers of Vocational Education and Training and the European Commission* – Copenhagen, 29 and 30 November 2002. This discussed enhanced European cooperation in vocational education and training.

82 Council resolution of 19 December 2002.

83 ReferNet is a structured, decentralised, networked system of information collection and dissemination. It provides high quality information on a wide range of developments in vocational education and training, and learning in the European Union by bringing together the expertise of key organisations.

It is clear now that the success of this strategy for 2010 will fully depend on the ability of all EU countries to take on board these objectives and the appropriate reforms. Of course, this applies to the candidate countries and already gives them new important responsibilities.

During this period, Phare will continue along the lines developed above until the very date of accession, by further reinforcing the focus on preparation for structural funds, and targeting its effort on Bulgaria, Romania and Turkey.

3.5 MAIN MILESTONES

1989	ı 14 July Summit at the Grande Arche de la Défense (Paris) ı Fall of the Iron Curtain ı Establishment of Phare ı Strasbourg Summit in December
1990	ı Council regulation on the ETF ı Council decision on Tempus ı First VET Phare programme in Hungary and Poland ı Phare programme on higher education in Hungary ı Phare programme in different sectors with training components in Poland and Hungary
1991	ı Phare programme on education, and on municipal development and training in Poland ı Phare programme on labour in the Czech Republic and Slovakia ı Phare programme on science and technology in Hungary ı Phare programme in sectors with training components in the Czech Republic, Hungary, Slovakia and Romania
1992	ı Phare programme on 'renewal of education' in the Czech Republic and Slovakia ı Phare programme on education in Poland ı Phare programme on science and technology in Poland ı Phare programme on employment and social development in Poland, Hungary and Romania ı Phare programme on sectors with training components in Bulgaria, Hungary, Poland and Romania.
1993	ı Report on the development of human resources in central and eastern European countries ı Copenhagen summit in June ı Phare activities on education in Bulgaria ı Phare programme on human resources in the Czech Republic (VET and NTF) ı Phare programme on higher education and technological development in Hungary ı Phare activities in research and development in Romania and Lithuania ı Phare programme with training components in Bulgaria, Hungary, Poland and Romania ı Phare activities in management training and human resources development in Bulgaria, Estonia and Slovenia.
1994	ı Phare VET programme in Estonia, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia ı Phare management training programme in Lithuania ı Phare programme on links between education and economy in Hungary ı First meeting of ETF Advisory Forum in Brussels ı Multi-country Phare programme on staff development in VET ı Essen summit in December

1995	ı Setting up of the ETF in Turin ı Multi-country Phare programme in distance education and higher education ı Phare programme on management training in Estonia and Latvia ı Phare programme on education and VET in Bulgaria ı Launch conference in Turin for the Phare Staff Development programme ı Phare VET PMU meetings in Turin, Bled and Madrid ı Madrid summit in December
1996	ı First meeting in Turin with the central and eastern European National Observatories ı Leonardo thematic conferences organised by the ETF on SME developments, social partnership in VET, counselling and guidance ı First Advisory Forum projects on vocational standards, social partnership in VET, continuing training ı Phare VET PMU meetings in Trento and Dublin
1997	ı *Agenda 2000* ı Ministers of Education conference in Warsaw ı Final conference in Turin for the Phare Staff Development programme ı Phare VET PMU meetings in Lille and Bussum (NL) ı Advisory Forum projects on VET financing, VET targets and SMEs ı First Leonardo projects in Romania, Hungary, the Czech Republic and Cyprus ı Amsterdam Treaty ı Luxembourg summit in December
1998	ı New Phare guidelines ı Commission progress reports screening the progress against the *acquis* ı Establishment of the accession partnerships ı Opening of negotiations with five countries ı Special Phare Programme (SPP) for preparation for the European Social Fund ı First Leonardo projects in Estonia, Latvia, Lithuania, Slovakia and Poland ı Ministers of education conference in Budapest ı Meeting in Turin with the Phare national coordinators and the EC delegations ı Workshop in Turin on transparency and mutual recognition of qualifications ı Advisory Forum projects on quality assurance in VET, core skills and innovation in VET ı Phare VET PMU meetings in Vilnius, Sheffield and Vienna
1999	ı Employment Policy Reviews launched in all candidate countries ı SPP conference in Lisbon on ESF ı Ministers of education conference in Prague ı Conference in Turin with the Committee of Regions and the Regione Piemonte on VET and regional development ı First meeting of the ETF Governing Board in Brussels with the candidate country representatives as observers ı Advisory Forum projects on VET and regional development and teacher training ı Phare VET PMU meeting in Dresden and Tampere
2000	ı Lisbon Summit in March ı Negotiation process launched with seven other countries ı Ministers of education conference in Bucharest ı Phare 2000 Review, adaptation of the guidelines ı Nice Treaty ı Final conference in Brussels of the SPP programme for ESF ı Launching of the monographs process ı Phare VET PMU meetings in Lisbon

2001	ı Stockholm Summit in March: Future definitive objectives for education and training systems ı Lifelong learning memorandum consultation process in the EU and candidate countries ı Ministers of education conference in Riga on e-learning ı Conference in Malmö on social partnership in VET ı Framework for cooperation between ETF, Cedefop and Eurydice
2002	ı Barcelona Summit in March ı Knowledge economy forum in EU accession countries in Paris in March ı Resolution on Lifelong Learning ı Ministers of education conference in Bratislava on quality in education ı Copenhagen Declaration on cooperation on VET ı Copenhagen Summit ı Conference in Paris on validation of prior learning ı Presentation of the ETF monographs' first results to the candidate countries' representatives in Brussels
2003	ı Second knowledge economy forum in EU accession countries in Helsinki in March ı Evaluating good products and experiences in education and vocational training in an enlarged Europe in Stockholm in April ı Conference "Lifelong development of competences and qualifications of the workforce; roles and responsibilities" in Athens in May ı Conference on Human Capital, Employment, Productivity and Growth in Brussels in September

4. THE ECONOMIC, DEMOGRAPHIC AND EMPLOYMENT CONTEXT[84]

4

4.1 SUMMARY

While most candidate countries have demonstrated a higher growth rate than EU countries recently, employment rates are lower and their trend is stable or negative in the majority of countries[85] – a sign of underlying economic restructuring. The situation of young people is particularly difficult, which demonstrates the inappropriate relationship between education and the labour market.

In general, the structure of employment by economic sector in the candidate countries[86] is still very different to that in the EU, and each country has a uniqueness which has to be answered in specific ways by education and training systems. In particular, the share of employment in the service sector is 10 or 20 points below the EU rate (even as much as 40 points in Romania). While the share of agriculture reaches more than twice the EU rate in Bulgaria, Latvia, Lithuania, Poland, Romania and Slovenia, the share of industry reaches a third or more of total employment in Bulgaria, the Czech Republic, Estonia, Hungary, Slovakia and Slovenia – between six and 14 points above the EU rate.

In addition, changes are still very intense and rapid in most countries and much more than in EU countries. This is particularly the case in the Baltic States, Bulgaria, Hungary and Slovenia with the decrease in the agriculture sector, or Latvia and Romania for the industry sector. In general, only Cyprus for all sectors, Hungary for industry, and Romania and Estonia for services, present a more stable situation. Of course,

84 This chapter refers mainly to 2001 data from the 2002 Employment in Europe report from the European Commission.

85 The trend is measured between 1998 and 2001: it was positive only in Cyprus, Hungary and Malta. But if we consider 2001 in reference to 2000, it was also slightly positive in Estonia, Latvia, Slovenia and Slovakia which could be the sign of a new trend starting in 2001 in these countries.

86 With the exception of Cyprus.

these changes address the education systems, as they will have to integrate these trends into their strategies, but more so the continuing training systems and provisions where they should be able to play a crucial role in supporting these rapid and fundamental changes.

Unemployment shows very different patterns among the candidate countries themselves, where one group of countries shows unemployment lower than in the EU (Cyprus, Hungary, Slovenia, the Czech Republic and Malta) and also decreasing (Hungary and Slovenia, and also the Czech Republic when considering the last four years), opposed to a second group where unemployment is higher than in the EU and has increased during the last few years (Bulgaria, Lithuania, Poland and Slovakia). Estonia and Latvia are in an intermediary position with a high level of unemployment but a rapid decrease in Estonia during the last two years and a certain stability in Latvia. On the other hand, Romania is also a specific case with a lower level of unemployment than in the EU until 2001 but with a serious increase in 2002.

When looking at the growth situation, it can be seen that these changes in unemployment rates, and in particular these dramatic jumps in some of them, went along with higher levels of GDP growth than in the EU, particularly during the last two years. This is probably a sign of another strong differentiation inside each country between sectors (mainly services), or regions that develop quickly and create employment and other sectors (mainly industry or agriculture), or regions under severe restructuring where unemployment is developing quickly. This is also a sign of the rapid introduction of new technologies which are less labour-intensive in some sectors, and the related increase of productivity.

Another strong differentiation appears among the levels of education as the less qualified suffer more from unemployment than the highest qualified. Once again this gap is stronger than in the EU, demonstrating very unequal access to the labour market.

The situation in youth unemployment is similar, as only three countries (Malta, Cyprus and Hungary) show a lower youth unemployment rate than in the EU and also a decrease of this rate over the last years. Youth unemployment is 10 points or more above the EU rate in Estonia, Lithuania, Slovakia, Bulgaria and Poland, and has also increased rapidly since 1998. The same considerations have to be made when considering long-term unemployment, where the same countries face the same facts and trends. As for the unemployment situation in general, Latvia and Romania present an intermediary situation – Latvia with a rather high level of youth unemployment and long-term unemployment with each slightly decreasing, and Romania with a rather low level for both criteria but with each increasing. Slovenia is close to the EU on both indicators, and the Czech Republic which had seen the situation deteriorating for both indicators as well until 2000, has shown some progress for both indicators in 2001. In addition to the low level of youth employment, and taking into account the dramatic increase of young people in tertiary education, this shows that the qualifications provided at the end of upper secondary education are badly suited to the needs of the labour market.

Furthermore, comparison between 1998 and 2002 on unemployment rates shows an increase in the differences between countries with the highest rates and countries with the lowest, as well as a growing gap with the EU rate on average.

These analyses reveal some fundamental weaknesses in the education and training systems in most candidate countries, to which the following chapters will be devoted. There are concerns in particular for the qualification of the workforce and the adaptation of the education and training systems, and in particular the initial vocational education and training systems, to the needs of the labour market, the relevance of the measures and resources devoted to labour market training, and finally the effectiveness of the public and private employment services systems (PPES). These analyses also give a measure of the challenges that education

and training systems and PPES systems are now facing and will continue to face when acceding to the EU.

Demography is also an important factor to consider when reshaping education and training systems and preparing for lifelong learning. In countries where an increase in 15-24 year-olds has occurred in the last few years, additional pressure has been put on the secondary and tertiary education system which has been difficult to absorb in the strained budgetary context faced by many countries. However, as the school-age population has started to decrease in all countries, it now offers better opportunities for the authorities to undertake the necessary optimisation processes and to strive for better quality at school and university levels.

In addition, this decrease will have effects on entries into the labour market. Over the next few years, it is likely that a general increase in participation in education and specifically at tertiary education level will reinforce the effects of the demographic decline and limit the number of graduates and school-leavers entering the labour market. This should attach a greater importance to continuing training developments for the adult population.

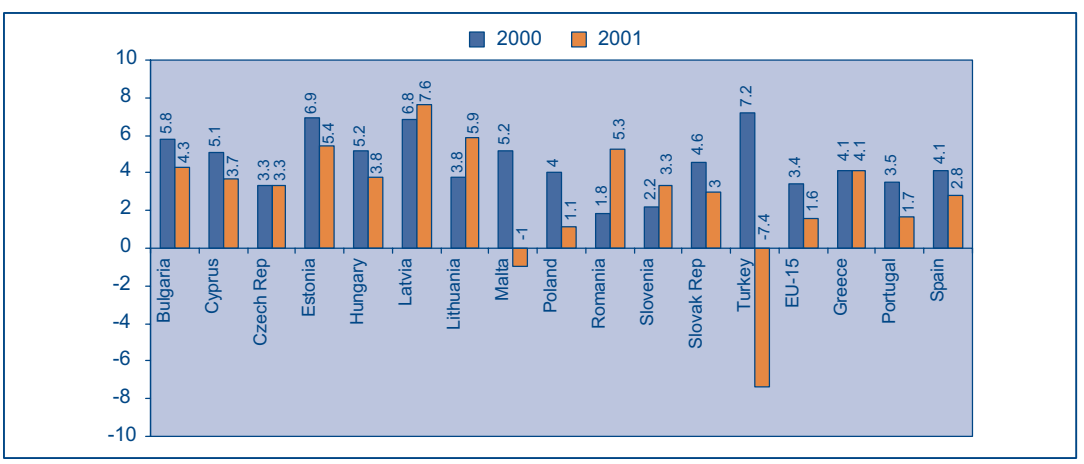
Finally, social inequalities have increased severely since the beginning of the transition process, and they are still growing in a majority of countries. This means the likelihood of increasing difficulties in access to lifelong learning where individuals are more and more often called upon to contribute themselves, in addition to the state and companies, to their own learning processes.

4.2 ECONOMIC DEVELOPMENTS

In 2001, all candidate countries, except Malta and Turkey, had a positive growth rate of the GDP, higher than the average growth rate in most countries in the EU (1.6%). It reached more than 5% in Estonia, Latvia, Lithuania and Romania (see figure 1 below and detailed information in table 1 in annex).

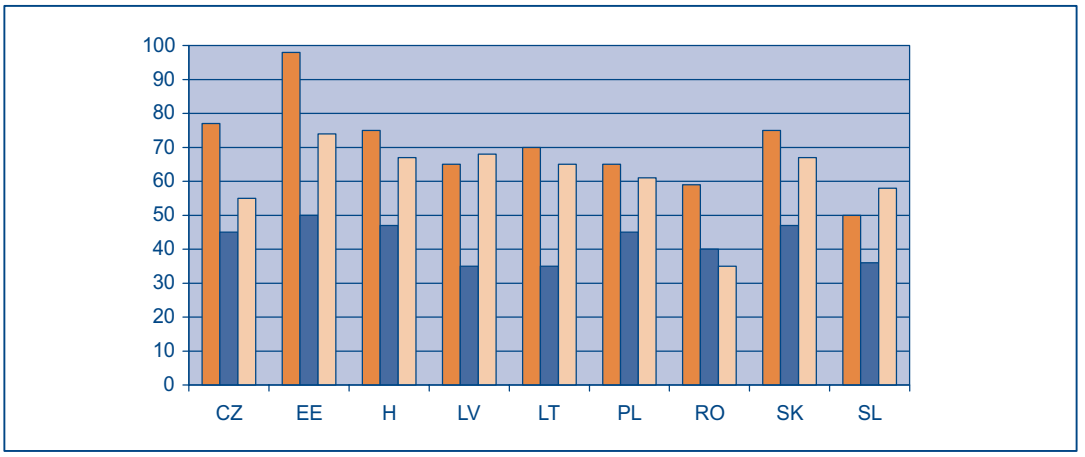
In general, after the first years of the 1990s, where most of the countries suffered strongly from the economic consequences of the changes with very severe drops in GDP, since 1995 the situation has improved. Recovery had started even earlier in some countries: in 1993 for Poland and Slovenia; in 1994 for Bulgaria, the Czech Republic, Romania and Slovakia. New slow-down or recession phases occurred more recently**:** in 1996/97 in Bulgaria; from 1997 to 1999 in the Czech Republic and Romania; in 1999 in the three Baltic States and Turkey; and in 2001 in Turkey, Malta and Poland where performances were under the EU rate of 1.6%. Thus since 1995, except during these phases, the growth rate of GDP has been markedly higher than in the EU.

Figure 1: Growth rate of GDP in the candidate countries and some EU countries in 2000 and 2001



Source: Employment in Europe 2002 – Macroeconomic indicators.

Figure 2: Share of the private sector in the economy (orange); percentage of SMEs in GDP (blue); employment in SMEs as compared with total employment (light orange)



Source: UNECE (United Nations Economic Commission for Europe) – Coordinating Unit for Operational Activities database, 2001.

While there were only two candidate countries with a higher growth rate than the EU in 1992, this indicator grew to eight in 1993, 11 in 1995, and again in 1998. It decreased to five in 1999 but reached 10 again in 2000 (see table 1 in annex).

The private sector now represents a major part of the economy in the candidate countries. According to indicators developed by UNECE[87], the share of the private sector in the economy varies from 50% in Slovenia and 59% in Romania to 98% in Estonia – all the other countries are situated between 65 and 75% (see figure 2).

According to the same statistics, the importance of SMEs to GDP has become very great. After an explosion during the first years of transition, it continued to grow regularly, and in 2001 it reached 50% in Estonia, 63% in Bulgaria and between 40% and 50% in the others, except in Slovenia, Latvia and Lithuania where it amounted to 35%. Furthermore, according to another indicator developed by UNECE, the development of SMEs was still very dynamic, particularly in Estonia, Hungary and Slovakia (see figure 2 and the detailed information in table 2 in annex).

The 'social economy' however remains underdeveloped in the candidate countries. As expressed in a recent conference organised in Prague[88], the sector of cooperatives, as well as NGOs in general, still suffer from a poor image from the former socialist economy, and therefore do not play such an important economic role as in the EU. Nevertheless, it was noted that NGOs played an important role by supporting social or employment policies which addressed disadvantaged people, such as ex-prisoners, the Roma population or other ethnic minorities.

Looking at productivity, we can see strong disparities between the candidate countries, but also an important gap with EU countries. As measured by Eurostat in 2002 as part of the structural indicators, it goes from 28 in Romania, 30 in Bulgaria, around 35 in Latvia and Turkey, around 40 in Lithuania and Estonia, 50 in Poland, around 55 in Slovakia and the Czech Republic, 64 in Hungary, and 71 in Slovenia to 74 in Cyprus. This compares to 63 in Portugal, 83 in Greece, 94 in Spain and 100 for the EU average. However, the situation was very different in each country between businesses and sectors, in particular between enterprises having received foreign investments and those

87 UNECE (United Nations Economic Commission for Europe) Co-ordinating Unit for Operational Activities Database, Geneva 2001. This indicator does not cover Cyprus, Malta and Turkey.

88 The ninth European conference on social economy which first meeting in one of the candidate countries was held in Prague, Czech Republic, in October 2002.

that had not. According to the WIIW[89], in the manufacturing sector, the difference in productivity between businesses with domestic investment and businesses with foreign investment went from 1 to 3 in Hungary, 1 to 2 in the Czech Republic and 1 to 1.6 in Poland. Other examples showed in general a productivity level in the motor industry with foreign investments close to EU standards.

4.2.1 KEY EMPLOYMENT AND LABOUR MARKET DEVELOPMENTS[90]

General situation in employment

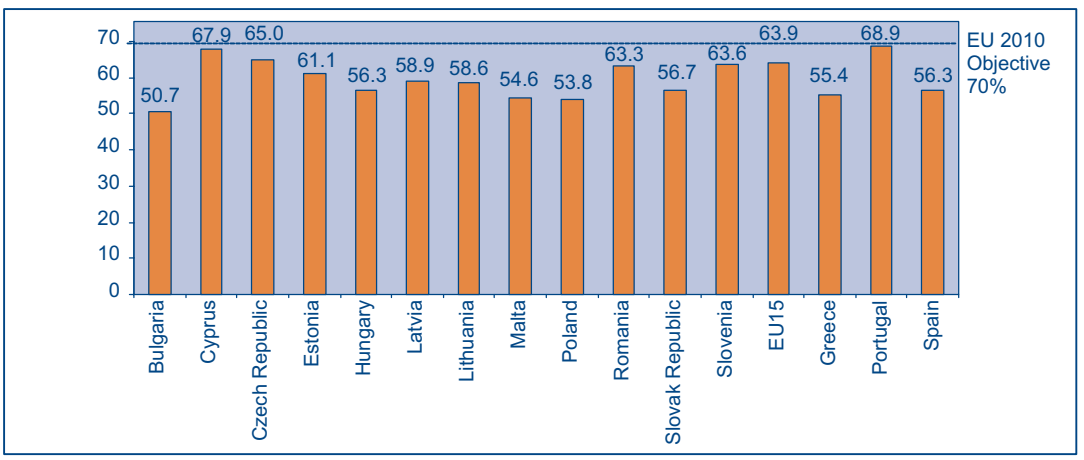
According to the report *Employment in Europe 2002*[91], 'economic restructuring to date had a heavy impact on employment issues in all the candidate countries, […] but they continue to face important structural challenges in their labour markets, and these shifts will also increase the demand for a more qualified labour supply, one that matches the dynamics of labour demand.'

Looking at the statistics on labour market issues, there are still very large differences between the candidate countries and the EU Member States along a range of issues: the employment rate in general but also for the youngest and the oldest, self-employment and part-time employment, sectoral employment, employment by gender, activity, and, of course, unemployment. Differences are also significant among the trends followed by these issues in the various countries.

In 2001, the employment rate as a percentage of the population aged 15–64 amounted to more than the EU rate (63.9%) in Cyprus (67.9%) and the Czech Republic (65%), and it was close to the EU rate in Slovenia (63.6%) and Romania (63.3%). It was lower in the other countries, and particularly low in Bulgaria (50.7%), Poland (53.8%), Hungary (56.3%), Slovakia (56.7%) and Malta (54.6%). Meanwhile, it reached 55.4% in Greece, 56.3% in Spain and 68.9% in Portugal.

Furthermore, the trend is negative in most candidate countries when, on the contrary, the EU rate is growing. Thus, as measured

Figure 3.1: Employment rate in some EU countries and the candidate countries in 2001



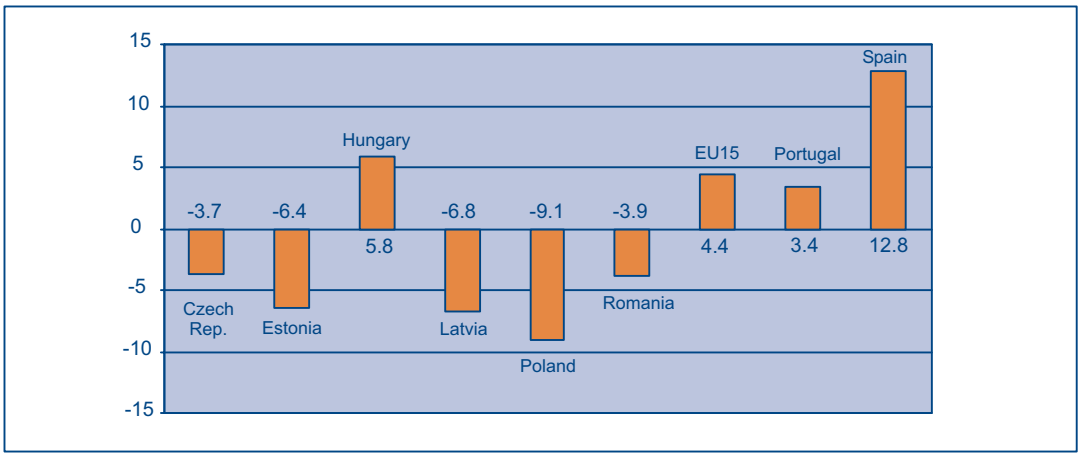
Source: Employment in Europe 2002.

89 Vienna Institute for International Economic Studies assessment of productivity in the candidate countries published in 2001.

90 In this section, most data come from the Employment in Europe report except data concerning Malta which come from national sources (Employment and Training Corporation), as quoted by the Joint Assessment Paper of the Employment Policy Priorities of Malta, signed in October 2001. Other data come from UNECE, UNICEF and from Eurostat for the latest data on unemployment (2002).

91 *Employment in Europe 2002, Recent trends and prospects*, European Commission, DG Employment and Social Affairs, July 2002.

Figure 3.2: Variation rate in percentage from 1998 to 2001



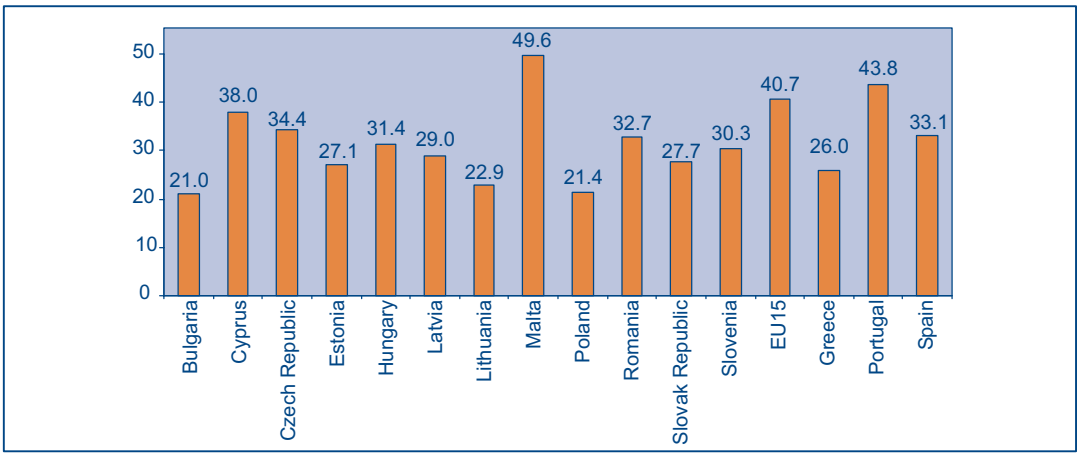
Source: Employment in Europe 2002.

from 1998 to 2001[92], the employment rate decreased by 9% in Poland, more than 6% in Estonia and Lithuania and about 4% in the Czech Republic and Romania. When combined with the growth of GDP (see above) it still demonstrates a very dynamic restructuring of the labour market.

Meanwhile, employment was growing in Hungary (about 6% more than in 1998), and in Cyprus, and it was rather stable in Slovenia and Latvia (see figures 3.1 and 3.2 and table 3 in annex).

For all countries of central and eastern Europe[93], the employment rate was still below the level they had reached before the transition process. According to data from UNICEF,[94] the employment rate in 1999 was very close to the level reached in 1990 in Slovenia; it reached about 90% of the 1990 rate in Poland and Lithuania; about 80% in the Czech Republic, Latvia, Romania and Estonia; but only 77% in Bulgaria, 73% in Slovakia and 72% in Hungary.

Figure 4.1: Employment rate of young people (15-24 years) in some EU countries and the candidate countries in 2001



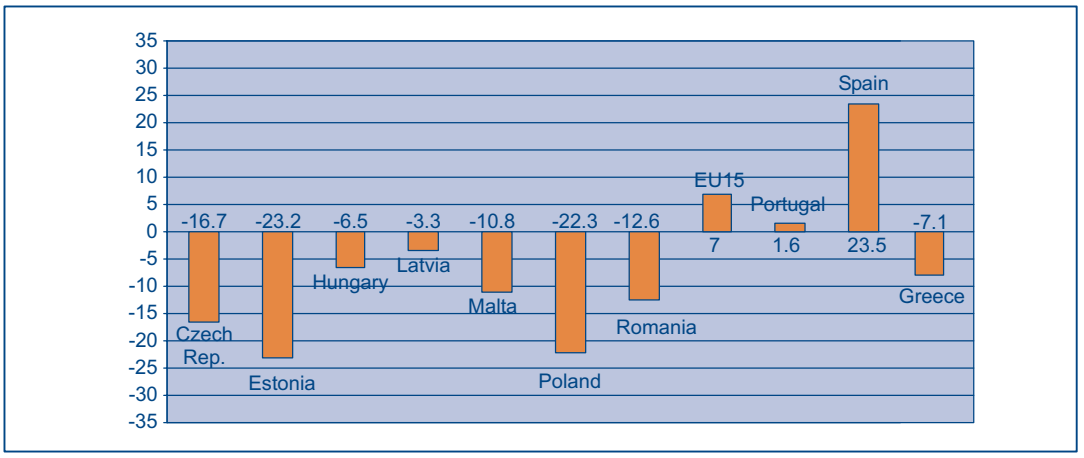
Source: Employment in Europe 2002.

92 Where comparable statistics are available for almost all countries, with the exceptions of Bulgaria where only 2000 and 2001 are available, Cyprus and Slovakia where 1999, 2000 and 2001 are available. As for the statistics on growth, data concerning Malta are not available.

93 Cyprus, Malta and Turkey are not included in this set of countries.

94 'A decade of transition, The MONEE project', *CEE/CIS/Baltic Regional monitoring report* N°8, 2001, UNICEF, Innocenti Research Center, Florence, Italy.

Figure 4.2: Variation rate in percentage between 1998 and 2001



Source: Employment in Europe 2002.

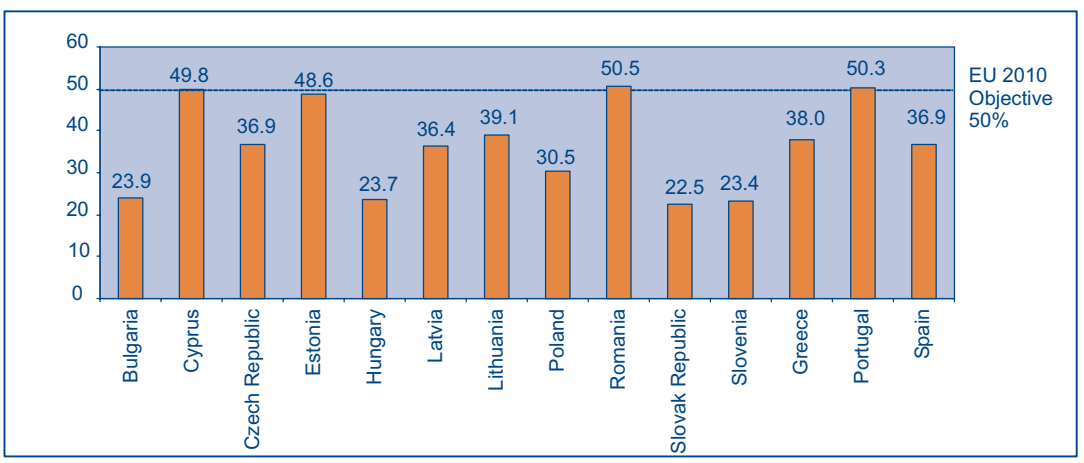
4.2.2 EMPLOYMENT BY AGE GROUPS

When looking at the employment rate of the youngest (15-24 years), the difference between the candidate countries and the EU becomes more pronounced. In 2001 all candidate countries showed a rate markedly below the EU rate of 40.7% of 15-24 year-olds in employment. It went from 21% in Bulgaria to 38% in Cyprus, the majority scoring at about 30% (see figure 4.1). Meanwhile Greece had 26%, Spain 33.1% and Portugal 43.8%.

Furthermore, as this rate increased in the EU, from 38% to 40.7% between 1998 and 2001, it decreased sharply in all candidate countries, with falls reaching more than 20% in Estonia, Lithuania and Poland. This shows the effects of both the increasing length of studies in the education system[95], and of the increasing difficulties of young people leaving the education system to find a job even after graduation (see figures 4.1 and 4.2 and table 4 in annex).

The analysis of the employment rate of the oldest (55–64 years) also shows very different patterns between the candidate

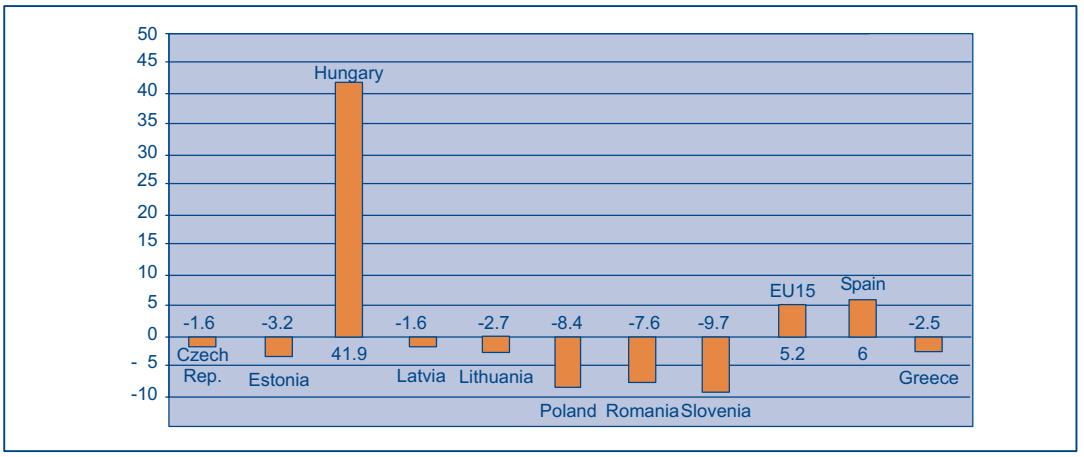
Figure 5.1: Employment rate of 55-64 year-olds in some EU countries and the candidate countries in 2001



Source: Employment in Europe 2002.

95 Although the duration of studies still remains slightly below the EU standard in most countries; see chapter 5 on participation in education.

Figure 5.2: Percentage of variation between 1998 and 2001



Source: Employment in Europe 2002.

countries themselves and the EU. In 2001, Cyprus, Estonia and Romania were markedly higher than in the EU, but markedly lower were Bulgaria, Hungary and Slovakia. However, at the same time, this rate was growing slowly in the EU when it was decreasing in most countries[96], with the exception of Hungary (where it was extremely low in 1998) and Cyprus (see figures 5.1 and 5.2 and table 5 in annex).

4.2.3 SELF-EMPLOYMENT, EMPLOYMENT IN SMES AND PART-TIME EMPLOYMENT

It is also interesting to consider the rate of self-employment as part of total employment, as it was virtually non-existent under the former socialist economy. However, it grew quickly in most of the candidate countries. In 2001 Cyprus, Poland, Romania and Bulgaria had a higher rate of self-employed than the EU, while Estonia, Slovakia, Slovenia and Latvia were markedly lower. Compared with the rate observed in 1998, when it was slightly decreasing in the EU, it was still growing in Romania, Bulgaria, the Czech Republic and Slovakia (see figure 6 and table 6 in annex). These observations need to be linked with the analysis below of sectoral employment.

As already mentioned above SMEs already play an important role in the economy. This is reflected in employment as SMEs represented already in 2001 from between 35% of total employment in Romania and 40% in Bulgaria, to more than two third of total employment (EU average) in Hungary (67%), Slovakia (67%), Latvia (68%) and Estonia (74%) (see table 2 in annex).

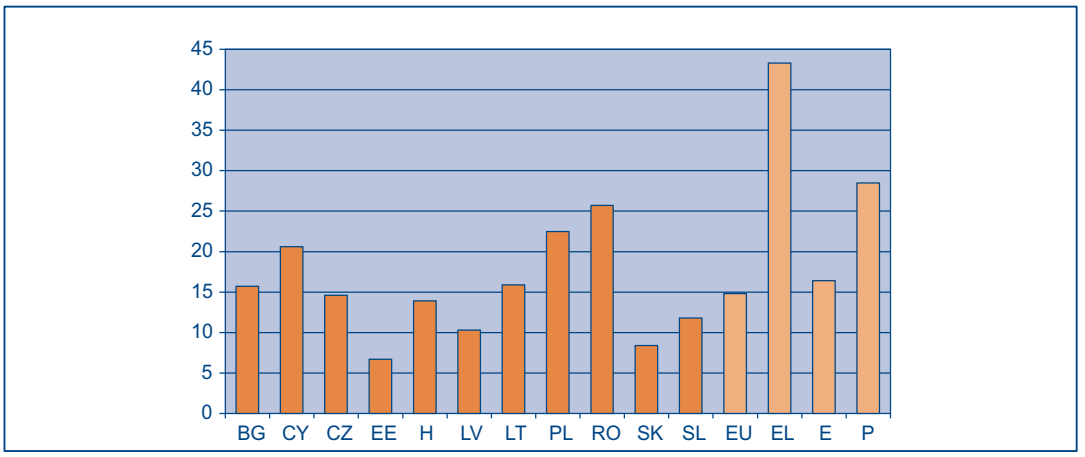
Furthermore, as calculated by the Observatory of European SMEs[97], employment growth in SMEs was 4% in the candidate countries between 1995 and 1999, about four times more than the rate in the EU (1.1%), when during the same period, employment growth was negative – with 12.5% in large businesses in the candidate countries.

As part-time employment develops in the EU, its share of total employment remains significantly less in all the candidate countries, with the exception of Romania where it relates specifically to the work in the agricultural sector. In 2001, as the rate of part-time work reached about 18% in the EU, it amounted to less than 5% in Bulgaria, the Czech Republic, Hungary and Slovakia, and between 5% and 10% in all other candidate countries with the exception of Romania, where it was 16.8%. Furthermore,

96 Although a slight increase had to be noted in 2001 in all countries compared with 2000, except in Lithuania and Romania.

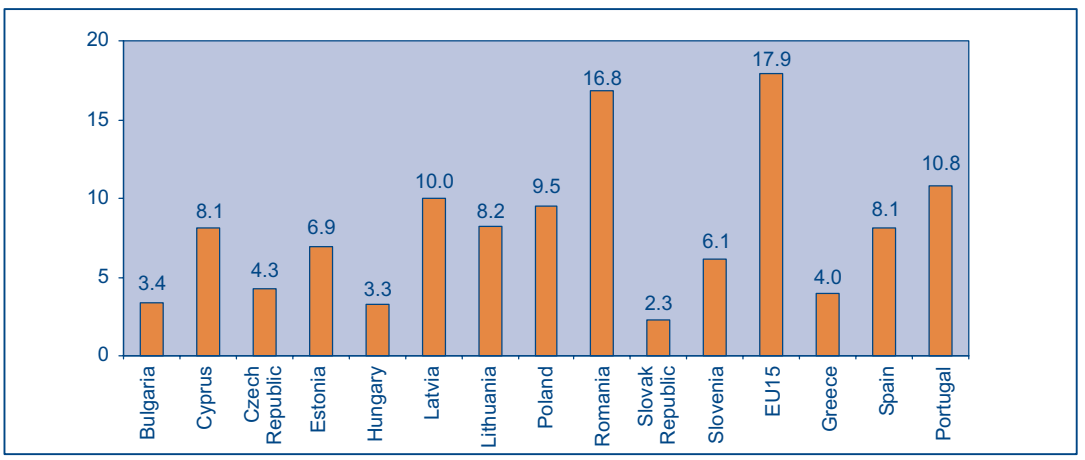
97 Observatory of European SMEs 2002 / No 2: SMEs in Europe, including a first glance at EU candidate countries, European Commission.

Figure 6: Self-employment rate as part of total employment in 2001



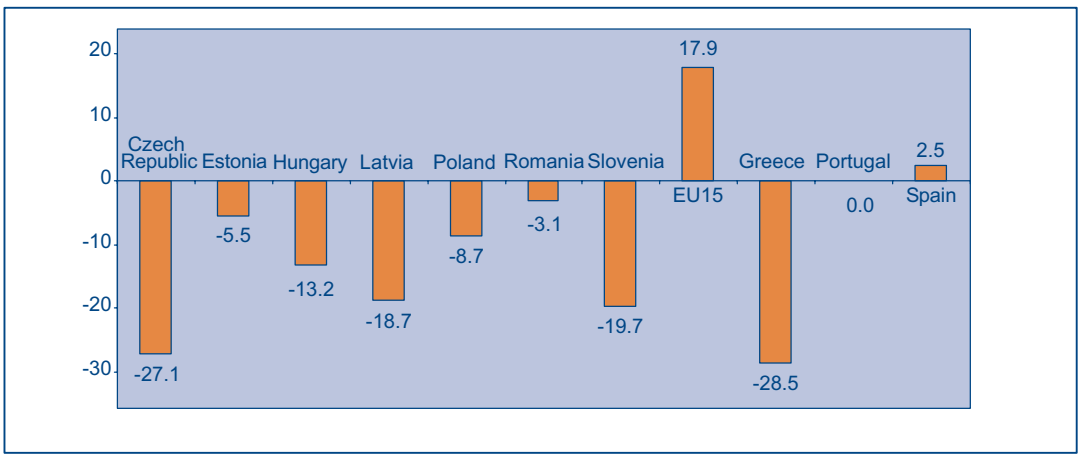
Source: Employment in Europe 2002.

Figure 7.1: Part-time employment rate as part of total employment in some EU countries and the candidate countries in 2001



Source: Employment in Europe 2002.

Figure 7.2: Percentage of variation between 1998 and 2001



Source: Employment in Europe 2002.

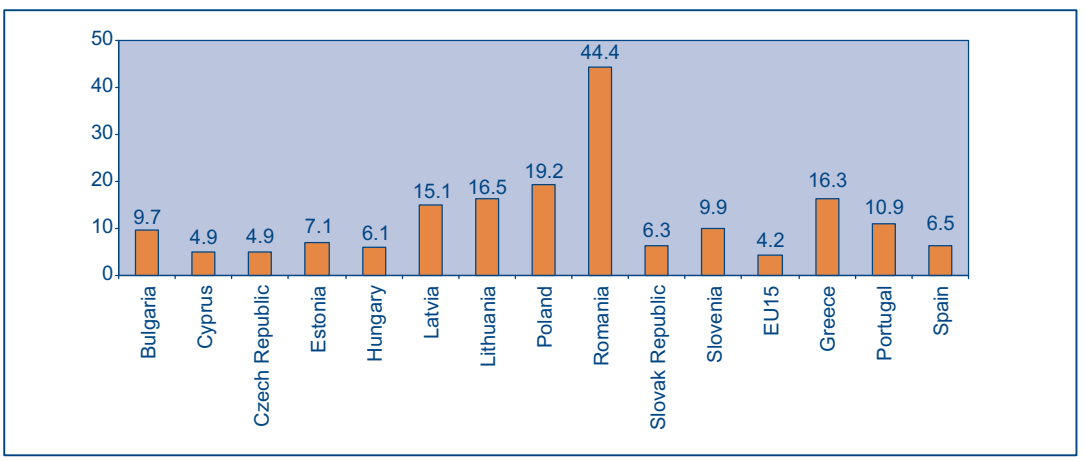
compared with 1998 it was decreasing in most of the candidate countries, when it was slightly increasing in the EU (see figures 7.1 and 7.2 and table 7 in annex).

4.2.4 EMPLOYMENT BY SECTOR

Analyses of the breakdown of employment between agriculture, industry and service sectors show very different patterns among the candidate countries, as well as in comparison with the EU. It also demonstrates that structural adjustments are still ongoing as changes are very intense in most countries.

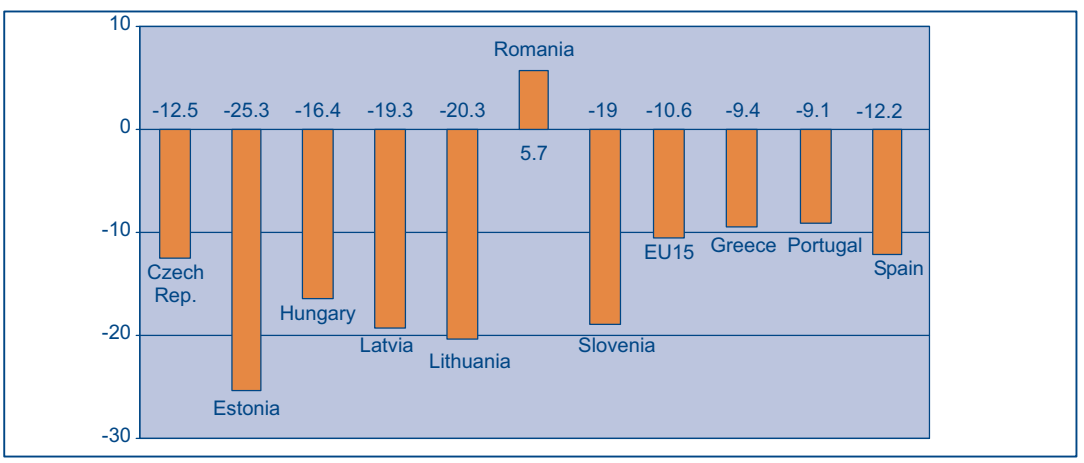
Considering employment in agriculture (with the exception of Malta) in 2001 all candidate countries were positioned above the EU rate of 4.2%. This rate was at least twice the EU rate in half of the countries and it reached 15% in Latvia, 16% in Lithuania, 19% in Poland and 44% in Romania. However, as it was decreasing slowly in the EU, it was decreasing very rapidly in most candidate countries, even to about 20% or more in Slovenia, Latvia, Lithuania and Estonia. The exception was Romania where it was still increasing as a consequence of the closure of industrial 'combinats' and more generally as a result of extreme difficulties in the labour market (see figures 8.1 and 8.2 and table 8 in annex).

Figure 8.1: Employment rate in agriculture in the candidate countries and in some EU countries in 2001



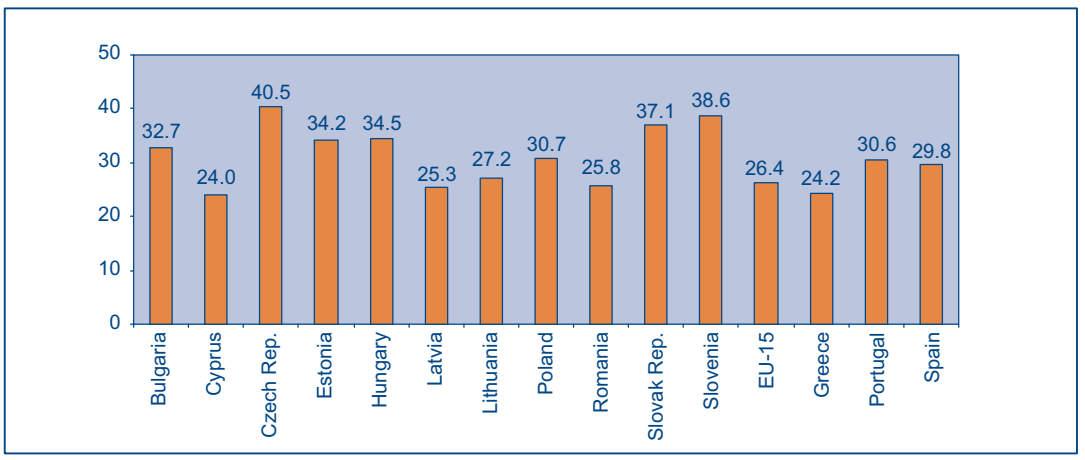
Source: Employment in Europe 2002.

Figure 8.2: Variation rate between 1998 and 2001



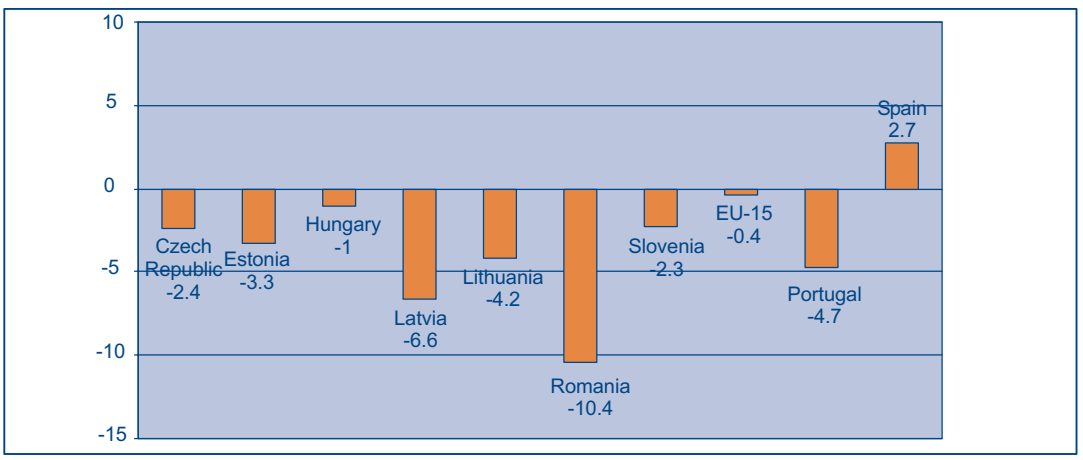
Source: Employment in Europe 2002.

Figure 9.1: Employment rate in industry in the candidate countries and in some EU countries in 2001



Source: Employment in Europe 2002.

Figure 9.2: Variation rate between 1998 and 2001



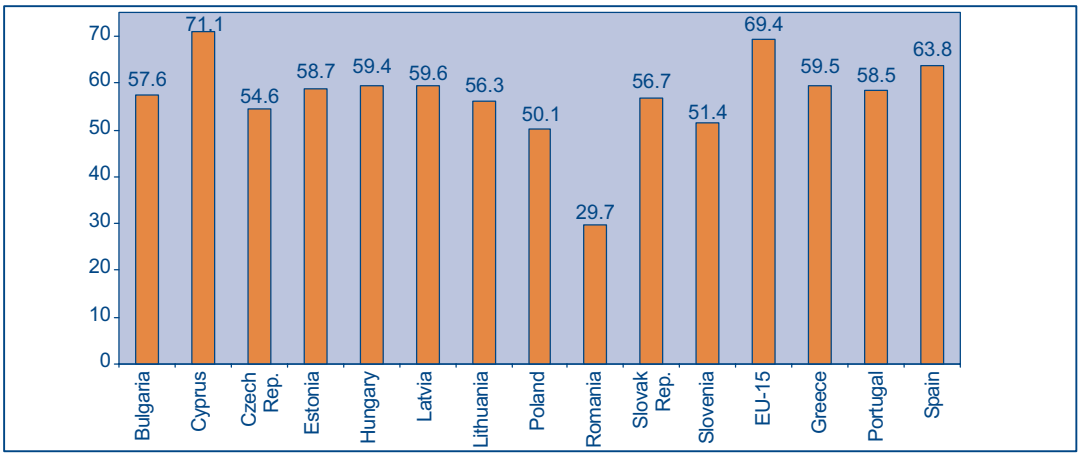
Source: Employment in Europe 2002.

In the industrial sector, the employment rate is higher in the candidate countries than in the EU except in Cyprus, Latvia and Romania where it is slightly below the EU level (26.4% as of 2001). It is even higher than or very close to 40% in the Czech Republic, Slovenia and Slovakia, who share the highest rates in all Europe.

Looking at the trend in the last years, the situation was rather stable or very slowly decreasing in all candidate countries, with the exception of Romania where the drop has been about 15% in the last 4 years. It could be interpreted as a result of a slow restructuring process of the industrial base, but also of a continued dynamic process of investment by EU businesses in most of the candidate countries (see figures 9.1 and 9.2 and table 9 in annex), partly due to an important delocalisation process of industrial activities from the EU to eastern Europe. The question is to know how long this process will last and when wages and social standards in the candidate countries will progressively reach EU standards?

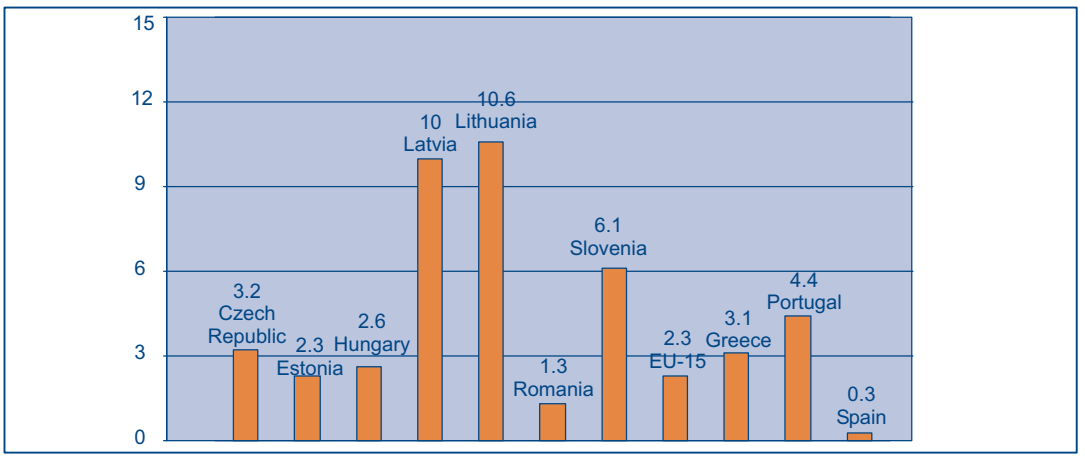
As a result, the employment rate in the services sector in the candidate countries is still markedly below the EU level of 69.4% (as of 2001). With the exception of Cyprus and Malta, where the rate is more than 70%, it remains below 60% in all candidate countries and it is still under 30% in Romania. However, it is growing in a majority of candidate countries, and the rate of increase has been more than 10% in three years in Latvia and Lithuania

Figure 10.1: Employment rate in the services sector in the candidate countries and in some EU countries in 2001



Source: Employment in Europe 2002.

Figure 10.2: Variation rate between 1998 and 2001



Source: Employment in Europe 2002.

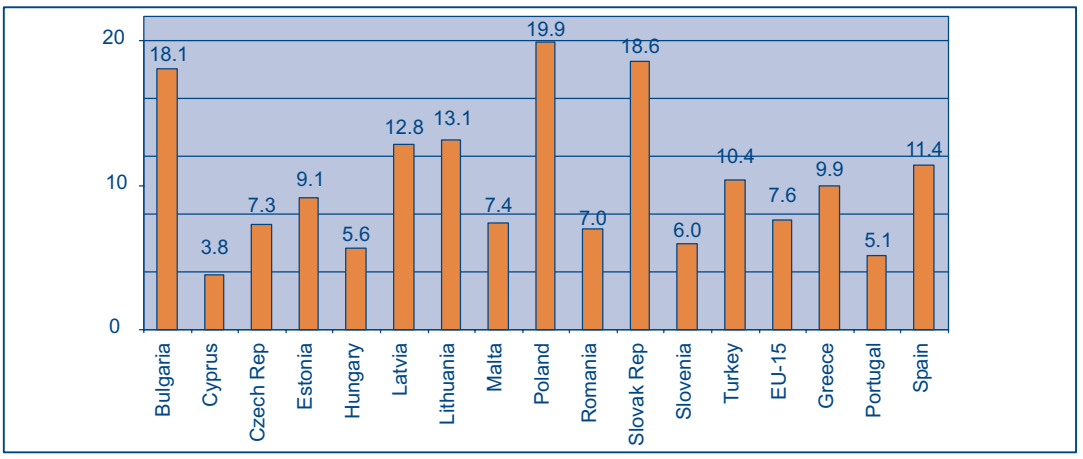
compared with 1998 (see figures 10.1 and 10.2 and table 10 in annex).

4.2.5 GENERAL SITUATION IN UNEMPLOYMENT

According to the latest statistics of registered unemployed, the situation is better in Malta, Cyprus, Hungary, the Czech Republic and Slovenia, than in the EU, but worse in all the other candidate countries with some countries reaching very high rates (close to 20% in Bulgaria, Slovakia and Poland). Statistics show that after a sharp increase in unemployment at the beginning of the 1990s, the situation improved in many countries when the GDP started to grow. But since 1997/98, the situation has been deteriorating in a majority of candidate countries, even in countries where GDP is still growing. However, in Hungary and Slovenia, where unemployment is already lower than in the EU, it is also decreasing in parallel with the decrease at the EU level (see figures 11.1 and 11.2 and table 11 in annex).

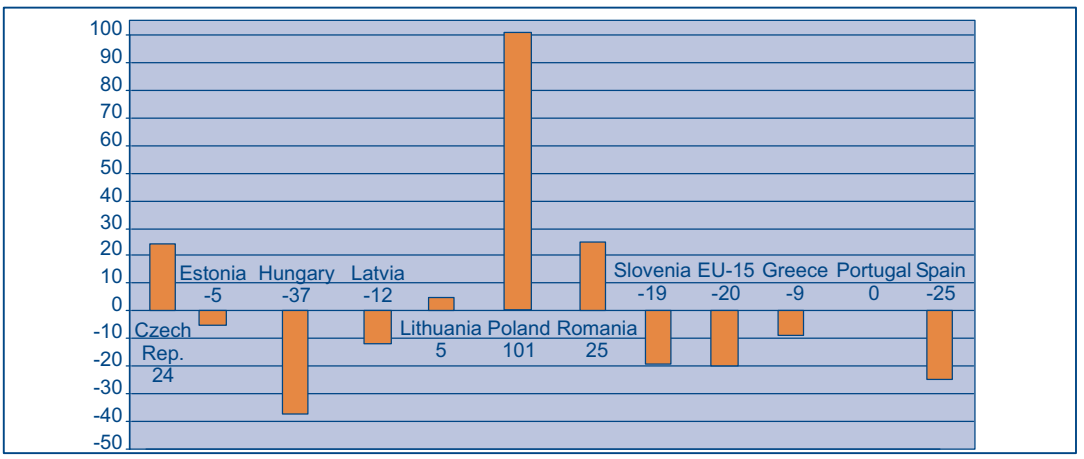
There are other concerns when examining youth unemployment. In 2001, the rate of unemployment of 15-24 year-olds was higher than the EU rate (14.9%) in the candidate countries, except in Malta, Cyprus and Hungary. It was even more than double in Lithuania, Slovakia, Bulgaria and Poland. Compared with the level reached in 1998, the situation was deteriorating quickly in these countries as

Figure 11.1: Unemployment rate in the candidate countries and in some EU countries in 2002



Source: Employment in Europe 2002.

Figure 11.2: Variation rate between 1998 and 2002

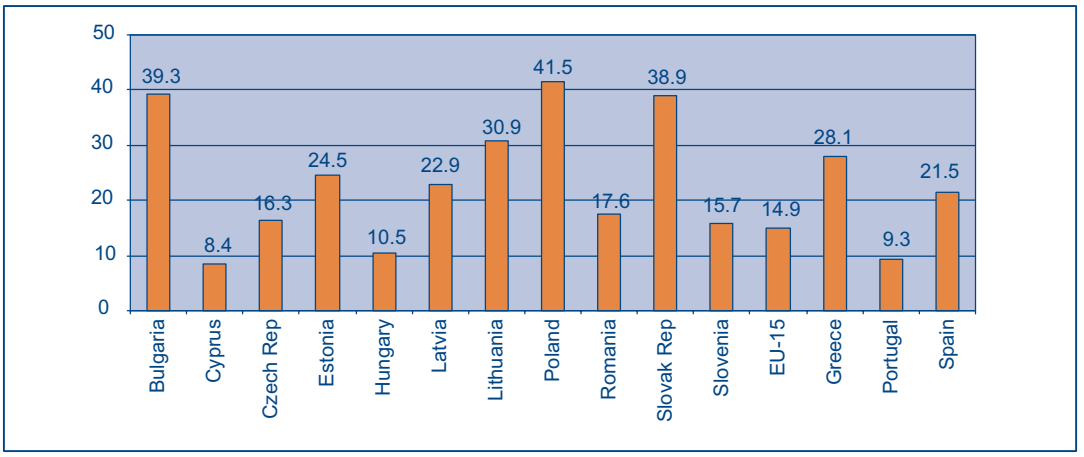


Source: Employment in Europe 2002, 2002 Structural indicators, Eurostat, last update 15/04/03.

well as in the Czech Republic, Estonia and Romania, while it was improving in Hungary, Latvia and Slovenia – as it was in the EU in general. This is directly linked to the ability of the labour market to attract young people, to the quality of the education system and its ability to produce the qualifications required by the labour market (see figures 12.1 and 12.2 and table 12 in annex).

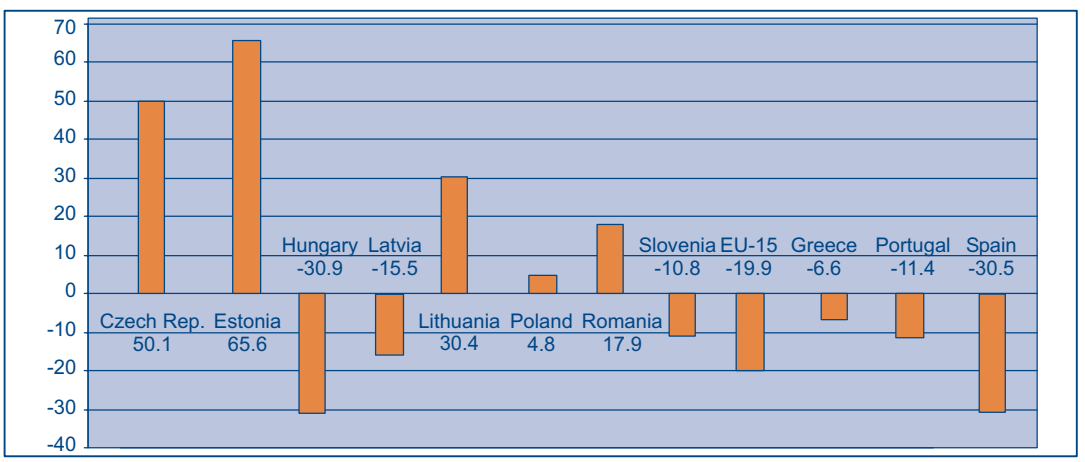
Long-term unemployment is another issue which affects most candidate countries in a more severe way than in the EU. Thus in 2001, the long-term unemployment rate amounted to more than the EU rate of 3.3% in all candidate countries except Cyprus, Hungary and Romania. It was even more than double in Latvia, Lithuania, Poland, Bulgaria and Slovakia. Analyses of recent trends also showed a rapid increase between 1998 and 2000 with something like a stabilisation or slight decrease in 2001. However, when comparing 1998 with 2001, the situation worsened in all candidate countries with the exception of Hungary. This is directly linked to the lack of appropriate measures taken by the employment services and the lack of public funding for labour market measures. It also illustrates the importance of industrial and agricultural restructuring, the difficulty in adapting the workforce's qualification to the needs of the labour market, and the need to promote the development of the service sector and SMEs as alternative opportunities for employment (see figures 13.1 and 13.2 and table 13 in annex).

Figure 12.1: Unemployment rate of young people (15-24 years) in the candidate countries and in some EU countries in 2001



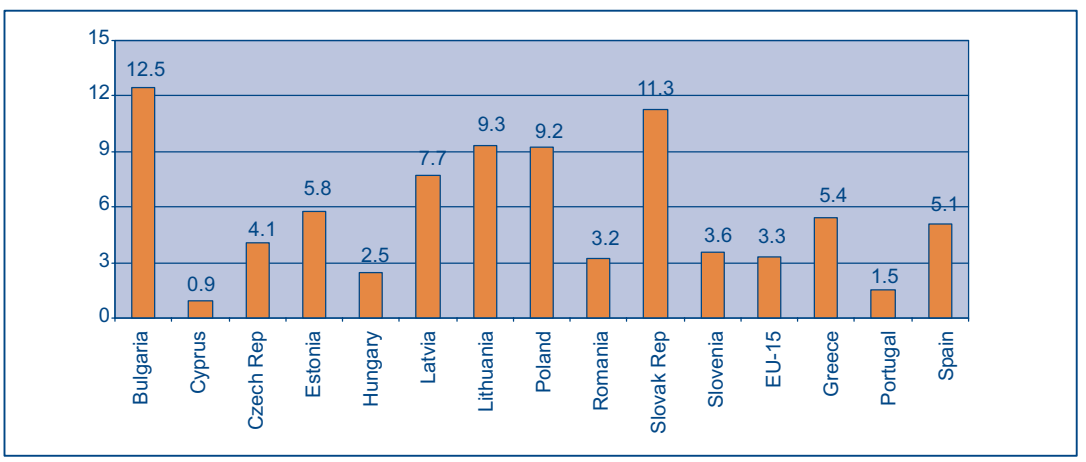
Source: Employment in Europe 2002.

Figure 12.2: Variation rate between 1998 and 2002



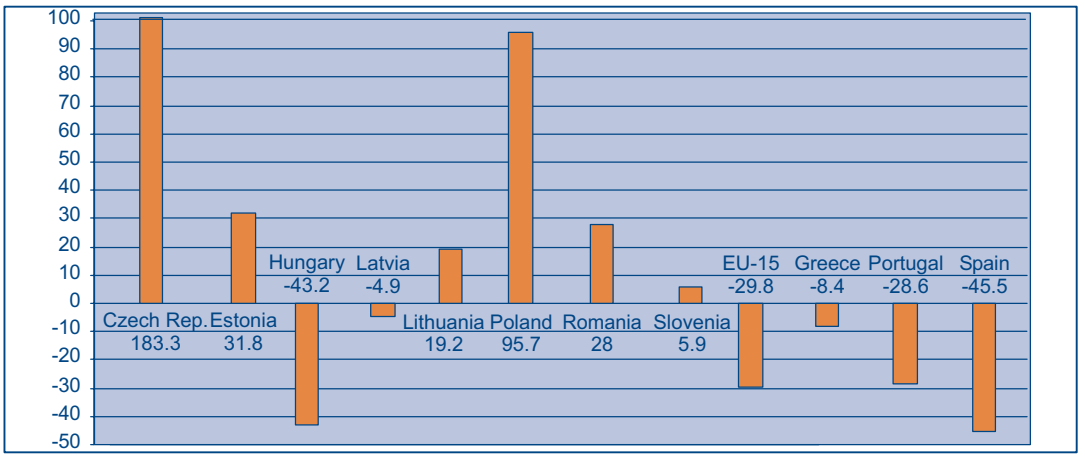
Source: Employment in Europe 2002.

Figure 13.1: Long-term unemployment rates in the candidate countries and in some EU countries in 2001



Source: Employment in Europe 2002.

Figure 13.2: Variation rate between 1998 and 2001



Source: Employment in Europe 2002.

4.2.6 UNEMPLOYMENT BY EDUCATION LEVEL

As noted in the *Employment in Europe 2002* report, the employment gap between more qualified and less qualified workers is greater in the candidate countries than in the EU, which means that in addition to the above considerations on the high rate of unemployment in most of the candidate countries compared with the EU, inequality in unemployment is markedly higher in the candidate countries than in the EU. As evaluated by Eurostat in the 2001 Labour Force Surveys, considering the youngest part of the adult population (15 to 39 years old), the unemployment rate of the most qualified (ISCED 5/6) amounts to 6.3% in average – just a bit higher than the 5.3% observed in the EU. This rate amounts to 14.1% on average for the medium qualified (ISCED 3/4) compared with 8% in the EU, and 27.3% for the less qualified (ISCED 0/2), more than twice the EU rate of 13.6% (see figure 14).

The rate of unemployment for the less qualified reaches more than 30% in Lithuania, Bulgaria, the Czech Republic, Poland and Slovakia, while it is less than 13.6% (the EU average) only in Romania and Cyprus. This probably relates to the ongoing industrial restructuring and changes in agriculture, and the enormous difficulties for the less qualified, once made redundant, to find their way back to employment.

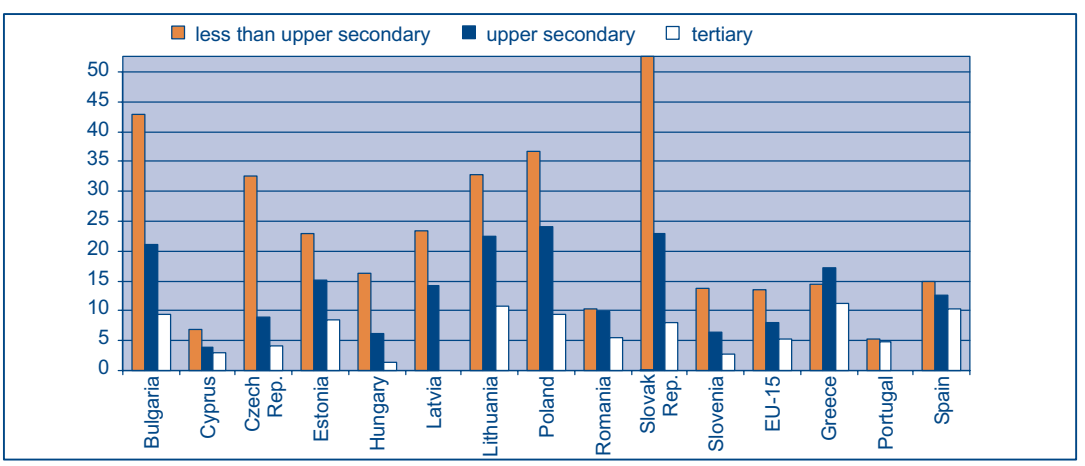
Considering the medium qualified, the rate of unemployment amounts to more than 20% in Bulgaria, Lithuania, Poland and Slovakia, while it is less than 8% (the EU average) only in Cyprus, Hungary and Slovenia. This is an indication of the failure of the education system as it was before the transition period, but also possibly of the positive impact of first VET reforms undertaken at the beginning of the 1990s in Hungary and Slovenia.

Finally, the rate of unemployment of the highest qualified is rather high in Lithuania, Bulgaria and Poland where it is close to 10%, but slightly below the rates observed in Greece or Spain. Meanwhile, the rate is below the EU average in Cyprus, the Czech Republic, Hungary, Romania and Slovenia. And in total, it amounts to less than half the rate observed for the medium qualified.

When looking at the ratio between the rate of unemployment of the medium qualified and the highest qualified, we see that in the EU the risk of being unemployed is 50% more for the medium qualified. Only in Cyprus is it less, but this ratio reaches 80% in Romania and Estonia, 120% in Bulgaria, the Czech Republic, Lithuania and Slovenia, 160% in Poland, 190% in Slovakia and 340% in Hungary. All this gives a very strong incentive for young people to enter tertiary education and for their families to support them in this approach. Higher education protects them from being

Figure 14. Unemployment rate by education attainment of people aged 15-39

	Highly qualified ISCED 5/6	Medium qualified ISCED 3/4	Low qualified ISCED 0/2
BULGARIA	9.5	21.2	43
CYPRUS	3	4	6.9
CZECH REPUBLIC	4.1	9	32.6
ESTONIA	8.6	15.2	23
HUNGARY	1.4	6.2	16.3
LATVIA		14.3	23.4
LITHUANIA	10.7	22.4	32.9
POLAND	9.3	24	36.7
ROMANIA	5.5	9.8	10.3
SLOVAK REPUBLIC	8	23	60
SLOVENIA	2.8	6.5	13.8
EU	5.3	8	13.6
GREECE	11.2	17.1	14.5
PORTUGAL		4.9	5.3
SPAIN	10.3	12.7	14.8



Source: Labour Force Survey, Eurostat, 2001.

unemployed and to a much greater degree than in the EU (see table 14 in annex).

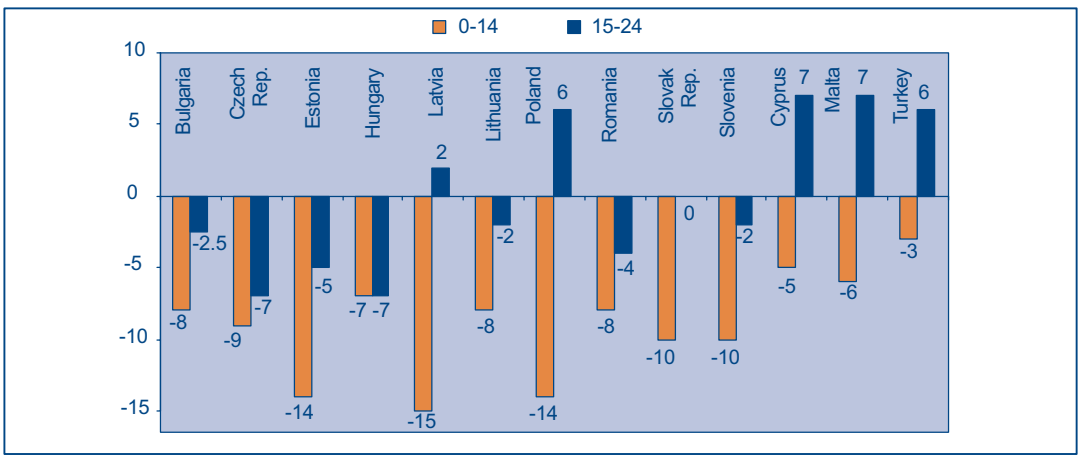
4.3 DEMOGRAPHIC CONSIDERATIONS

In general, the candidate countries are concerned with a fertility rate which is lower than the EU rate (1.53 in 2000), except in Malta (1.8), Cyprus (1.83) and Turkey (2.50). In 2000, it ranged from 1.14 in the Czech Republic to 1.39 in Estonia, and it has remained rather stable or decreased during the period 1996 – 2000 for other countries (from 1.58 to 1.34 in Poland, from 1.46 to 1.33 in Hungary, and from 1.47 to 1.30 in Slovakia)[98].

As a whole, population was stable or slightly decreasing between 1997 and 2001 except in Cyprus, Malta and Turkey. But looking at the different age groups, we see important variations that have already affected the participation in education (see figure 15 and table 15 in annex).

98 For more details, see the *Statistical yearbook 2002 on candidate countries and south-east European countries* published by Eurostat and the European Commission.

Figure 15: Demografic variation between 1997 and 2000 for the age groups 0-14 and 15-24 years old in percentage



Source: Statistical yearbook on candidate countries and south-east European countries, Eurostat, European Commission, 2002.

In particular, in the last three years some countries have seen more than a 6% increase of 15-24 year-olds, as was the case in Poland, Turkey, Malta and Cyprus, while other countries, such as the Czech Republic, Estonia, Hungary and Romania had a parallel decrease of about 5% or more.

The situation was more homogeneous for the youngest (0-14 years), where all countries showed a decrease between 1997 and 2000 – from 3% in Turkey to 10% in Slovakia and Slovenia, and about 15% in Estonia, Latvia and Poland. This will have important consequences for primary and secondary education in the coming years.

Confirmation of this was given by UNICEF[99]. Comparing populations aged 0–17 years, it showed a net decrease from 1990 to 2000 for all the countries concerned; 12% in Lithuania, 18% in Poland, 20% in Slovakia, 21% in Hungary, 22% in Slovenia, 23% in Latvia, 25% in Romania, 26% in Estonia and the Czech Republic, and 27% in Bulgaria.

Thus, all countries already foresee an important decrease in their education-aged population with the following estimates for the period between 2000 and 2010: Estonia: -27% of 0-14 and -22% of 15-19; Slovakia -23% of 5-14 and -6% of 20-29; Hungary -21% of 0-14, -8% of 15-19 and -22% of 20-29; Slovenia -27% of 15-19; the Czech Republic: -20% of 15-24; and Poland -22% of 5-14, but still +4% for 20-29.

4.4 SOCIAL INEQUALITIES AND POVERTY

The transition process also had important effects on social differences in the countries. In general, social inequalities grew very quickly in the first years of transition, and they are still growing, albeit at a lower pace in a majority of countries. When using the Gini coefficient concerning distribution of earnings[100], we see a net increase when comparing 1999 with 1989 – from 0.2 on average to more than 0.3. Thus, inequalities are now highest in Romania and Lithuania where the Gini coefficient is still growing, and lowest in the Czech Republic where the coefficient has been rather stable since 1993. The coefficient has also been decreasing in recent years in Latvia (see figure 16).

99 *Social Monitor 2002: The MONEE project*. CEE/CES/Baltics. UNICEF United Nations Children's Fund, Innocenti Research Centre, Firenze, Italy

100 The Gini coefficient measures the earnings gaps among different social categories. It begins at zero where all groups are homogeneous and tends to one when inequalities are growing. The data used here is from the UNICEF 2001 report on a decade of transition.

Figure 16: Distribution of earnings – Gini coefficient. From 1989 to 1999, and variation from 1994 to 1999 (in percentage)

	GINI COEFFICIENT					
	1989	1994	1996	1998	1999	VARIATION 1999/1994
BULGARIA	0.212 (1990)	0.251 (1993)	0.291			
CZECH REPUBLIC	0.204	0.26	0.254	0.258	0.257	-1%
ESTONIA	0.253			0.384		
HUNGARY	0.268	0.324		0.35 (1997)		
LATVIA	0.244	0.325	0.349	0.332	0.333	2.40%
LITHUANIA	0.26		0.35	357	0.368	
POLAND	0.207	0.281	0.302	0.294	0.305	8.50%
ROMANIA	0.155	0.277	0.305	0.358	0.372	34%
SLOVAKIA	0.2					
SLOVENIA	0.219	0.275	0.298	0.306	0.305	11%
TURKEY	0.219	0.275	0.298	0.306	0.305	11%

Source: Social Monitor 2002.

Furthermore, expenditure on family allowance decreased markedly during the transition period. As measured by UNICEF in the 2001 report on a decade of transition, expenditure on family allowance as a percentage of GDP decreased from 3.3% to 1.1% in Hungary between 1991 and 1999, from 2.7% to 0.6% in Poland, from 2.9% to 1.1% in Romania, and from 1.9% to 1.0% in Estonia in the same period. Only Slovenia had increased this rate from 0.5% to 1.0%. During the same period, the average family allowance per child relative to the average wage decreased in all candidate countries from 9% to 6.8% in Slovenia, from 10% to 4.2% in Estonia, from 10.3% to 6.6% in Slovakia, from 13.5% to 6.8% in Poland, from 13.2% to 4.2% in Bulgaria, from 13% to 3.6% in Latvia, and from 14.3% to 6.1% in Hungary.

5. THE LEGISLATIVE AND POLICY FRAMEWORK

5

5.1 SUMMARY

The important legislative work already done to adapt vocational education and training systems to the needs of developed economies and democratic societies must be acknowledged. Generally, this has been done in three steps, and at varying speeds depending on the country. In the first years of transition, the focus was on removing the ideology of curricula, creating autonomous schools, and involving the private and church sectors in terms of prioritising general and higher education. Meanwhile, the growth of unemployment obliged governments to set up labour market measures including training. In the mid 1990s, in relation to the achievement of Phare VET programmes in a number of countries, a second step covered VET reforms in the formal system. This included the development of professional higher education. The third step is ongoing concerning vocational training developments in the non-formal system, and the legislative process related to VET matters has speeded up markedly. Over all, relevant policies have been or are being set up, paving the way for implementing EU policies in education and employment, but an appropriate framework for continuing vocational training and more widely for lifelong learning is still absent in most countries.

Three main factors played a major role in this reform process: (1) the necessity to face new challenges arising from the collapse of the socialist system and to respond to the new social demand for education released by the changes; (2) the political will to adapt education and training to the needs of society and the economy; (3) the EU assistance mainly through Phare funded activities[101] which provided an intensive learning process on vocational training matters and the growing influence of EU policies on education and employment after 1997.

101 Including participation in the Leonardo da Vinci programme, the Tempus programme and ETF activities.

Inter-ministerial coordination when dealing with continuing training and lifelong learning-related issues is still difficult between ministries in charge of education and training, particularly between ministries in charge of education and ministries in charge of labour.

In general, a decentralisation of education is ongoing or at least planned in most of the largest countries, and the tendency is to give to the ministry of education responsibilities for medium and long-term policy and strategic development when self-governing authorities are in charge of education planning, administration of funding and contribution to regional strategies. However, regions are often small in size and another regional level was set up for preparation of structural funds[102]; as a result coordination becomes difficult between all layers, and there is a risk of fragmentation and disparity among regions with regard to access to education and training which risk exacerbation if a national framework, appropriate monitoring and corrective mechanisms are not implemented. Intensive administrative training is also required.

In all candidate countries there is now a growing awareness that social partnership in vocational training issues and human resources development is key: it was set up with regard to the relevant issues related to policy and implementation through tripartite councils or other bodies. But these structures are rather dominated by state representatives, and although they were helpful in associating social partners to important reforms they could also have delayed the emergence of strong and representative social partners; bilateral social dialogue on VET issues seems almost absent. The involvement of social partners seems to be more developed in professional commissions set up for developing curricula and vocational standards.

It is clear that social partners need training and support in order to make effective the social dialogue laid down in VET-related laws and other texts. Globally, some issues related to governance still need to be considered seriously, such as the following:

(i) effective involvement of social partners in VET issues;
(ii) development of partnership approaches, particularly at regional and local levels;
(iii) efficiency of decentralised administration, still with a need for institution development at regional level;
(iv) need for better cooperation between ministries of education and labour.

5.2 A GRADUAL DEVELOPMENT OF THE LEGISLATIVE AND POLICY FRAMEWORK

5.2.1 THE EDUCATION FRAMEWORK

Major legislative work had to be done to adapt the education and training systems – a legacy of former systems – to the market economy and democratic society. However, education was not the first priority for governments; they had to set up the building blocks of the market economy and the democratic society. It was also felt that education and in particular vocational education, like other sectors, had to take over the market approach. Therefore, much of the reform had been gradual and rather ad-hoc at the beginning, focusing on the removal of the ideology in the curricula, and on the autonomy of schools, involvement of the private and church sector, and general secondary and tertiary education development. This was done at the beginning of the 1990s with general laws on education or sometimes through direct input in the constitution (in Slovenia and in Estonia).

During this period a strong focus was put on universities, as new governments wanted to reinforce their autonomy from the central power and to increase their capacity to train the new ‘elites’ to lead the destinies of the countries. This objective

102 See above 3.3.4 reference to NUTS 2 regions.

received the quick support of a dedicated and well-funded programme of exchange with the EU in the field of higher education; the Tempus programme.

Vocational education and training issues were not given priority at that time. One particular difficulty VET systems faced was their division among many 'line ministries' responsible for a range of schools dedicated to a specific branch of the economy. Therefore, any VET reform had to involve a number of different ministries depending on the country. However, in 1993 in Hungary the VET Act was taken to regulate the provision of initial and continuing VET in schools and other public and private training centres, and in particular to set up the first version of the National Vocational Qualification Framework.

Other countries introduced specific VET laws later on, sometimes in relationship with the Phare VET reform programmes. This was the case in Romania in 1995 with the Law of Education; in Slovenia in 1996 with the Vocational and Technical Education Act, regulating the acquisition of publicly recognised qualifications through VET pathways in the formal system (this act was under the umbrella of the Organisation and Funding of Education Act); in Lithuania in 1997 with the Law on Vocational Education and Training allowing vocational institutions to offer initial vocational education and labour market training, and regulating social partner involvement in curriculum issues, practical training arrangements and certification; in Estonia in 1998 with the Vocational Education Institution Act which provided the basis for establishing and closing VET institutions, setting up of councils, organisation of studies, principles of school management, financing and supervision; in Bulgaria in 1999 with the VET Act regulating the organisation, management and funding of the VET system, and covering initial and continuing vocational education under the formal system; in Latvia in 1999 with the Law on Vocational Education, revised in 2001 and also covering adult education.

In other countries VET pathways were reorganised in the framework of comprehensive laws covering the whole education system, for example in Poland in 2001 with amendments introduced in the Education System Act of 1991, which provided for significant changes in the structure of the education system with specific attention being paid to qualifications at secondary level.

In general, these laws covered the organisation of studies through the various pathways, the introduction of new curricula with the tendency to have national curricula with some elements[103] left for local adaptation, the certification and assessment issues, the respective roles of the state, the different ministries involved, the other administrative layers and the schools, the establishment of tripartite consultative or advisory councils (including social partners at national and sometimes regional level), the role of schools in adult education, and the financing of schools (see chapter 6 on participation in education).

Specific priority was also given to the development of higher vocational education and post-secondary education, several times after controversial discussions[104] with various university representatives: through appropriate legislation on 'higher professional secondary education' in the Czech Republic in 1995; 'higher vocational secondary education' in Poland in 1997; 'applied higher education' in Estonia in 1998; or 'non-university higher education' in Slovakia in 2002. In Latvia this was included in 1995 as part of the Law on Higher Education Institutions.

103 20% to 30% depending on the country.

104 In several countries, even after successful implementation of Phare dedicated projects, it was extremely difficult to convince the university representatives to accept the setting up of short higher education or technical post-secondary vocational education particularly when it was organised in schools, in continuity with upper secondary pathways.

5.2.2 THE CONTINUING EDUCATION AND TRAINING FRAMEWORK

The framework for adult training developed in three steps: the first was devoted to labour market training for the unemployed when unemployment appeared and increased quickly. It was initiated by ministries of labour; the second dealt with continuing training as part of the formal system (as already seen above) mainly with the view to involving schools in training for the unemployed. This was closely linked with laws taken on initial training – sometimes under the same law – and was promoted by ministries of education; the third step took longer to achieve as its purpose was to regulate the non-formal learning and to deal with quality issues, as well as recognition of prior learning. This involves the establishment of national qualification frameworks and is still under consideration in many countries. In general, it involves ministries responsible both for education and labour.

The first appearances of unemployment had lead governments to introduce appropriate laws to counteract unemployment through different passive and active labour market measures including retraining (1991 in Czechoslovakia and Hungary, 1994 in Poland and Estonia, 1996 in Lithuania). But more specific approaches concerning adult training needed more time. It was done first in Estonia where a first Adult Education Act was passed in 1993, setting up the legal conditions for education and training for adults in the education system, complemented in 1998 in a perspective of lifelong learning; it was done in 1996 in Slovenia by regulating continuing training in the framework of the formal system (as part of the global VET reform) and complemented in 2000 by the Act on National Vocational Qualifications, allowing for the certification of skills and knowledge acquired outside the formal system; in 1997 in Slovakia with an act recognising continuing training as a constituent part of the education system, complemented in 2001 by an amendment on accreditation of institutions providing continuing training; in 1998 in Lithuania with a specific law for the development of non-formal learning for adults; in 1999 in Cyprus with the setting up of the Human Resources Development Agency and the modernisation of the whole industrial training system; and in Romania in 1999 with the set-up, by law, of the National Training Board for Adults; in 2000 in Hungary with the Adult Training Act giving an overall framework for continuing training developments under responsibility of the Ministry of Education, with particular focus on accreditation issues; and in 2002 in Bulgaria with the Employment Promotion Act dealing explicitly with 'lifelong education programmes and measures' providing for vocational education and training of employed and unemployed and including financial incentives[105]. There is no specific legislation in Latvia where 'further vocational education' and 'continuing vocational education' are defined as specific types of vocational education, but are covered by the law on vocational education already mentioned.

Still lacking in most countries, therefore, is a comprehensive framework for the development of lifelong learning. Some attempts have been made in the context of preparation for knowledge-based economy, and were presented at conferences organised by the World Bank in cooperation with the European Commission and the OECD. But these proposals were only partial and lacked key components. In particular they lacked a comprehensive approach for adult training which was able: (1) to cover the overall sector of continuing education and training; (2) to set up clear links within the formal system; (3) to ensure continuity with initial education; (4) to promote the specific involvement of social partners; and (5) to develop incentives aimed at providing adequate resources at company, sector and territorial level in order to contribute to effective and efficient employment policies not only for employees, but for the unemployed and all those excluded from the labour market in reference to the new employment guidelines and the preparation for the Lisbon Objectives. Nevertheless, the JAP exercise, linked to the necessity to prepare for the European Employment

105 All measures are under this law under further definition and implementation.

Strategy as well as the consultation process organised in 2001 on the European Commission Memorandum on lifelong learning and the support of Phare, gave a new impetus for the establishment of such comprehensive frameworks. Plenty of policy papers, strategic documents or action plans have since been drafted, and, from the last progress report on lifelong learning in Europe, draft laws aimed at defining an overall strategy for lifelong learning are on the table or close to being finalised, in most countries: Bulgaria, Czech Republic, Estonia, Hungary, Lithuania, Malta, Poland and Slovakia.

5.2.3 INSTITUTIONAL DEVELOPMENTS AND COORDINATION ISSUES

An institutional framework is also developing, but in general with insufficient coordination between the different ministries involved, the different layers and the different stakeholders at regional level. Of course, as already mentioned, several ministries are still involved in the initial vocational education system; thus, six ministries still share responsibilities for the management of vocational schools in Latvia or Slovakia.

Furthermore, as an example, the Human Resources Development Authority was put in place in Cyprus in 1999 under the supervision of the Ministry of Labour and Social Insurance with the view to coordinating continuing training activities, but this was with limited coordination with the secondary technical vocational education system under the Ministry of Education and Culture. In Lithuania, two parallel training centre networks were set up recently, one for labour market training under the Ministry of Social Security and Labour, and the second for initial and continuing training under the Ministry of Education and Science, without any coordination. In Bulgaria the National Agency for Vocational Education and Training (NAVET) has been set up as a result of the VET Act with a view to supporting the Ministry of Education and Science and coordination is weak with the Ministry of Labour. In Romania, responsibilities related to VET policies are shared between the Ministry of Education and Research and the Ministry of Labour and Social Protection, but actions aimed at integrating VET and lifelong learning were either not considered or difficult to agree upon and implement.

From the monograph on Romania[106]**:**

The importance of competence-based vocational training, both in delivery and assessment, have also been recognised, and concepts were developed in order to contribute to reforming the vocational training system and better integrate initial education, continuing training and labour market evolutions. This was done by the major institutional actors (the Ministry of Education, and the Ministry of Labour and Social Protection) and institutions under their coordination (the National Centre for the Development of Vocational and Technical Education, and the National Agency for Employment), as well as by establishing new bodies designed to contribute to this aim (for example, the National Training Board for Adults, the National Commission for Employment Promotion, and various local tripartite consultative bodies). However, some of the new organisations were either not assigned very clear roles – sometimes overlapping with other structures – or lacked the necessary human and financial resources to have a significant impact.

106 To be published by the ETF in late 2003

In general, the feeling remains that ministries compete for leadership in continuing vocational training, the development of training provision or the setting up of national qualification systems. Better cooperation between ministries of education and labour is now a prerequisite for the design of employment and lifelong learning strategies, the preparation for implementing the European Social Fund (ESF) and, furthermore, for a better and more effective allocation of resources.

Decentralisation has been, or is being, introduced in the education system in the large and medium-sized countries (with the exception of Romania where decentralisation of funding schools to local councils just started in 2001, and also in Bulgaria). Responsibility for vocational education and training schools and training centres has been given to authorities often situated at region or at infra-region (county or district) level. In general, the tendency is to give to the ministry of education responsibilities for (1) medium- and long-term policy and strategic development; (2) curriculum policy and quality assurance; (3) establishment of appropriate funding mechanisms and monitoring of expenditure; (4) management and implementation of innovation; (5) monitoring the framework for social partner participation; (6) cooperation with regional and local administration. Meanwhile, self-governing authorities are in charge of education planning, administration of funding and contribution to regional strategies.

But responsibilities are sometimes not very clearly defined and there is the risk of overlap between the state and the regions. In addition, contrary to the situation which prevails in some EU countries, there is also the tendency to have the same decentralised administration responding both to the state and to the self-governing bodies and the risk of confusing roles.

In parallel, preparation for structural funds led all countries to set up coordination and/or managing structures at regional level, such as regional development agencies responding to ministries or national agencies situated close to the prime minister or to ministries of economic affairs. Although these so called 'programme regions'[107] were smaller than they are in the EU countries, they were larger than the self-governing regions in the decentralised countries and they introduced an intermediate level. In addition to the lack of preparation of the new administrative staff, the small size of the regions (eight regions in Slovakia, 14 regions in the Czech Republic), and even more of counties (373 counties in Poland) and the new responsibilities given in some countries to municipalities for secondary schools (Hungary, for example), there was a certain fragmentation of responsibilities and a number of coordination problems not only among counties, but also between municipalities, counties, regions and the state. Coordination problems also arose between education administration and employment services, as the latter were often organised at different levels. Coordination was particularly difficult at regional level when setting up appropriate human resources development strategies as requested by preparation for structural funds and the social fund.

Nevertheless, some interesting initiatives are developing with success at local or regional level, such as the Local Committees for the Development of Social Partnership in VET in Romania, the Regional committees for education and employment in the Czech Republic or the Regional Forums in Lithuania.

As these processes are very recent, it is not possible to assess the efficiency and the effectiveness of these new structures and their function. It is likely that they will facilitate raising awareness about human resources development issues to policy makers at regional level and they should progressively allow for a better interaction between education, training and labour market needs. They could also contribute later to increased and more efficient funding for education and training, and particularly better equipment for schools and training centres. However, we can also fear that such decentralised systems would be very costly and difficult to manage, and

107 or the NUTS 2 regions – see 3.3.4 above.

From the monograph on Romania:

Local Committees for the Development of Social Partnership in Vocational Training (LCDs) initiated during the Phare VET RO 9405 Programme and developed in recent years, are tripartite structures established at regional level which include:

(i) representatives of school inspectorates, local authorities (prefects' offices, county councils, local councils, town halls) and county employment agencies;
(ii) employers' associations, chambers of trade and industry, economic agents;
(iii) trade unions;
(iv) civil society associations.

wonder if they would provide effective and efficient management of the European Social Fund, and more so, if they would be able to counteract the severe disparities already existing between regions in terms of access to, and quality of, education and training, instead of exacerbating them.

Therefore, it will be necessary for the state to put in place a national framework able to monitor and assess the consistency of the measures taken and their results, to promote quality, equity and effectiveness, and to put in place appropriate mechanisms and corrective measures when necessary. Another key issue will be to promote cooperation between vocational schools and other training centres with employment offices.

As a whole, institution building is still a crucial issue and it is clear that administrative staff, at national, regional, county and local level will need appropriate, ambitious and extensive training actions in the coming years.

5.2.4 THE POOR INVOLVEMENT OF SOCIAL PARTNERS

Although they are formally involved in many activities relating to vocational education and training, the actual involvement of social partners is still very limited in comparison with the EU (with the exception of Cyprus which has a long tradition of substantial involvement of the social partners in the society and the economy). There is no indication of any bipartite social dialogue on VET issues at national level. Furthermore, social dialogue at company level is also under-developed because most developing companies are very small and traditionally dialogue is more difficult.

However, in most countries, tripartite councils were established at national level with a consultative or advisory role on national policies for education and VET towards the ministry of education and also the ministry of labour. In general, education councils follow the main developments in general education as well as vocational and adult education, while labour councils deal with employment policies including labour market training measures. In addition, some countries set up specific councils in charge of VET (in Lithuania with the VET Council; in Hungary with the National Vocational Training Council; in Slovenia with the National Council of Experts for VET; in Slovakia with the Council of the Ministry of Education for VET; in Latvia with the National Tripartite Sub-council for VET but also with the Council for Cooperation in Vocational Education, both set up in 2000). Also sometimes specific councils for adult education have been set up (in Estonia, Hungary and also in Cyprus through the Human Resources Development Authority).

Bulgaria is an example where a variety of committees and tripartite councils (including the National Council for Vocational Qualification of the Work Force, aimed at coordinating national policies and strategies for training; the National Council for Employment Promotion aimed at monitoring the labour market and in

particular the active labour market measures; and the National Council for Tripartite Cooperation) are supposed to work with the Ministry of Labour and Social Policy, but without clear coordination among them. The same situation occurs in Romania with the National Commission for Employment Promotion (set up in 2002), the Economic and Social Council (1997), and in particular the National Training Board for Adults (1999). Malta is an exception, where there is little formal provision for official representation of social partners in vocational training matters at national level: some 'representatives' of companies and trade unionists participate in boards or steering committees (for the management of the Employment Training Corporation or the Malta College of Arts Sciences and Technology), but only on their own quality.

Their involvement in managing resources is rather limited. Such a role was shared with state representatives in the framework of the National Vocational Training Council in relationship to the Vocational Training Fund in Hungary[108] until 2001, when the new Development and Training Council was set up with an advisory role to the management of the fund and preparing decisions to be taken by the Minister of Education. Through the National Labour Council they still have a managing role in cooperation with state representatives as concerns the Labour Market Fund in Hungary (see chapter 8 on employment services). The situation is similar in Cyprus in the framework of the Human Resources Development Authority – a tripartite body formulating training policy and managing the training system through incentives provided to companies to develop training.

Their role is more systematic in the professional commissions set up with the view to preparing curricula and qualification standards, organised by occupation field. This is also the case at national level in specific commissions set up to monitor these processes, as in Estonia with the National Qualification Authority or in Malta with the Malta Professional and Vocational Awards Council. However, trade unionists are not as often invited into them as employers' representatives. They are also part of national accreditation commissions in a number of countries.

Furthermore, tripartite councils have also been set up at region, district and local level in order to contribute to the development of regional and local human resources development strategies and the effective management of the existing programme.

There is also a growing tendency to involve employers' representatives in the new certification schemes for the external assessment of students. Of particular note is the responsibility for certification of students at school recently given to chambers of commerce in Lithuania, and also in Slovenia and Hungary, as concerns the apprenticeship schemes.

Over all, social partners are involved in VET issues through a lot of mechanisms and dedicated bodies. However, there is evidence from the monographs that their involvement is rather theoretical. With few exceptions, such as in Latvia where the social dialogue seems to be working very well at national level, in general employers' representatives and trade unionists complain that their opinion is not seriously considered and that their role in some councils is purely formal. There is also indication that recent initiatives taken by ministries with the view to improved monitoring of the developments in the non-formal sector were taken with centralised approaches aimed at reinforcing state control. The tripartite structures helped social partners to share responsibilities on hard reform decisions that had to be taken. Thus, tripartism has been instrumental in preventing major social conflicts. On the other hand, one may wonder whether tripartism has contributed to delaying the emergence of strong and representative social partners[109]. In addition, tripartite structures

108 Development and Training Council, set up in 2001, in charge of the disbursement of the Development and Training sub-fund of the Labour Market Fund (also called the 'VET contribution').

109 ETF background document by Haralabos Fragoulis for a seminar in Athens on *The challenge of developing the competences and qualifications of the workforce in an enlarged Europe,* May 2003.

suffered as well from a lack of effectiveness since their functioning was rather formal[110]. Therefore social partnership was set up, but its effectiveness is still doubtful[111].

It is clear that social partners are, in general, not well prepared to assume so many new and diverse tasks as required by the development of modern vocational training systems. Obviously, there was no such tradition in the former socialist education systems. Following the collapse of the socialist systems, trade unions have been suffering from a continuous decline in membership. In addition, the weak representation of workers' interests at enterprise level is compounded by the striking lack of structures for participation, information and consultation (for example, works councils) in the vast majority of countries[112]. Also employers' organisations did not exist in the former regimes and had to be 'built' from scratch, and now the very low degree of representation of employers' organisations constitutes a major drawback[113]. There are issues concerning culture and mentality which will need serious consideration, awareness raising campaigns and training. And this should equally be seen as a major responsibility for the state.

The Slovenian monograph describes an extensive involvement of social partners in VET issues and identifies areas of change and challenge.

From the monograph on Slovenia[114]:

The Act on Vocational and Technical Education and Training gives authority to the Ministry of Labour for the coordination of the involvement of social partners in the field of continuing training. Furthermore, it proposes the methodology for the development of occupational standards in formal education and training, and of standards of knowledge and skills in the certification system. The essence of the certification system lies in the provision of access to publicly valid certificates for a vocational qualification, regardless of how the knowledge and skills were acquired, and thus enables recognition of prior learning and experiences of adults.

The role of the employers in regulated forms of continuing training is defined by the Act on Vocational and Technical Education and Training. The Chamber of Commerce and Industry and the Chamber of Crafts (as umbrella employers' organisations) are authorised to carry out a range of tasks. Besides their roles in initial vocational education and training they also propose members of examination boards for final examinations in formal continuing training, and propose members of the assessment and certification commissions in the certification system.

110 It is clear that the number of tripartite councils covering VET issues from different points of view but without proper coordination among them in some countries, contribute to an inefficient social partnership.

111 See Sylvie Mouranche: l'émergence problématique des relations professionnelles in *une nouvelle Europe Centrale* / CFDT/ Editions La découverte – 1998.

112 ETF background document by Haralabos Fragoulis for a seminar in Athens on *The challenge of developing the competences and qualifications of the workforce in an enlarged Europe* – May 2003.

113 See previous note.

114 *Vocational Education and training and employment services in Slovenia*, Country monograph series, European Training Foundation, 2003.

In comparison, the role of trade unions is more limited and basically restricted to protecting the rights of apprentices in the dual system and to participation in the final examination procedures. As a reflection of increasing awareness of the need for full trade union involvement, the Law on National Qualifications of 2000 gives the unions a role equal to that of the chambers. There is some ongoing discussion about the possible role of employer organisations becoming more that of the chambers, but for the moment the latter remain the responsible representative organisations on the employers' side.

The Act on Organisation and Financing of Education has also established the national institutions for social dialogue in vocational education and training: the Council of Experts for Vocational and Professional Education and the Council of Experts for Adult Education founded by the Government are assuming this function. The councils are composed of experts in respective fields of education and training proposed by the state, social partners and the professional community. The work of the Council of Experts for Vocational Education and Training is mostly focused on formal continuing training and publicly recognised qualifications and training programmes. Its tasks include (1) approval of occupational standards in formal VET, and standards of knowledge and skills in the certification system; (2) approval of training programmes – formal and regulated non-formal, and (3) submitting these to the competent ministry for adoption.

The Council of Experts for Adult Education gives an opinion on regulated continuing training, mostly from the point of view of the appropriateness of the organisation and the implementation of the teaching process for adults. Through participation in the preparation of the National Programme of Adult Education and in the annual plans of adult education, it exercises its advisory role also in the field of non-regulated continuing training. Social partners also collaborate in ad-hoc working bodies established by the competent ministries or the Councils of Experts.

6. FUNDING AND RESOURCE ISSUES

6

6.1 SUMMARY

6.1.1 EDUCATION FUNDING: SPECIFIC DIFFICULTIES IN VOCATIONAL EDUCATION

The countries are clearly divided: in the Baltic countries, and in Cyprus and Slovenia, public expenditure on education as a percentage of GDP is higher than the European average (5% in 2001), particularly in Estonia and Latvia, where it is over 6%; on the other hand, it is lower in Hungary, the Czech Republic and Slovakia, and above all in Romania, Bulgaria and Turkey, where it is below 4%. With the exception of Slovenia, this means that the countries with the highest public expenditure on education are those with the lowest weighting for vocational courses in secondary education, while the countries with the highest weighting for vocational education are those with the lowest expenditure, although it is reasonable to assume such vocational courses would be more costly. This seems to indicate wide disparities between the countries in terms of education funding, and probably even greater disparities with regard to vocational education.

In addition to this, there is a downward trend in the public funding of education[115] in most of the countries, to a slightly more marked degree than in the European Union. Furthermore, with the exception of Cyprus and Malta, where it accounts for over 3% of GDP, private funding amounts to less than 1% in the other countries, even those like Hungary, which benefit from a vocational training fund deducted from wages.

An analysis of funding per student according to education levels in OECD countries also shows that in Hungary, Poland and Slovakia, greater priority has been given to higher education than to secondary education, to an extent which exceeds the OECD average.

115 Measured as a percentage of GDP.

Furthermore, resources have not been put to best use, insofar as pupil-teacher ratios are noticeably lower than in the European Union, schools are smaller, and there is often a higher proportion of administrative staff amongst education personnel. This is why optimisation processes are underway in most of the countries. These are prompted by a falling population, but sometimes hindered by decentralisation, although the latter is likely to facilitate them in the long run.

For that reason, the situation with regard to technical equipment is critical in many technical and vocational schools (particularly in the industrial education sector) in many countries, particularly in Romania and Bulgaria. When added to the low level of cooperation between schools and firms, this is likely to jeopardise the quality of teaching. To offset a serious lack of resources, some countries have encouraged schools to sell goods produced in their workshops. However, this practice entails the risk that the quality of teaching will suffer even more. Some of these countries have made it compulsory for these schools – which have become "contributing" establishments – to transfer the proceeds of their sales to the state budget. This procedure entails the risk of demotivating the schools and, in particular, hindering their entrance into the adult training market.

By contrast, information and communication technologies (ICTs) are developing more rapidly in the education system, often on the basis of initiatives launched by other administrative authorities, e.g. telecommunications or information technology ministries. However, suitable software still needs to be developed and teachers need to be trained to use it correctly. Most of the countries are endeavouring to do so with limited resources and in the face of delays (and sometimes resistance) from universities in taking on board ICTs and new teacher training methods. The internet is also developing rapidly, but is sometimes hampered by the poor quality of the telecommunications infrastructure.

6.1.2 A GENERAL LACK OF RESOURCES FOR CONTINUING TRAINING

As far as the expenditure of firms on continuing training for employees is concerned, only the Czech Republic and Estonia have a level of spending similar to, although slightly lower than, the European average[116], and higher than in Spain or Portugal. Only Cyprus and Hungary have a training fund financed by a payroll tax. Nevertheless, the spending of Hungarian firms on staff training remains limited.

The situation is more serious with regard to state funding of active labour market measures and even more serious with regard to training measures[117], which receive considerably less funding than in European Union countries with similar or lower unemployment levels. For example, as a percentage of GDP, Hungary, Latvia and Slovenia spend two times less than Portugal; Lithuania and Estonia spend five times less than Greece, Slovakia and Poland more than 10 times less than Spain, and the Czech Republic 15-20 times less than France or Germany, on labour market training. Per unemployed person, spending ranges from one in Bulgaria to two in Poland and Slovakia, 12 in Lithuania, 15 in Estonia and the Czech Republic, 30 in Latvia, 35 in Malta, 60 in Hungary and 70 in Slovenia, compared with 65 in Spain, 95 in Greece, 185 in Portugal and much more in some other European Union countries.

This is also true more generally for all active employment measures and for the activities of the public employment services, albeit to a lesser degree, which seems to indicate that these services are operating below their capacity (see below chapter 8, employment services).

There are no accurate statistics for public expenditure on adult education by the

116 No data available for Cyprus, Malta and Slovakia.

117 Although training measures usually account for 20-50% of all active measures in the European Union (20% in Spain, 25% in Portugal and 45% in Greece), in the candidate countries, the figure is below 10%, with two exceptions: 33% in Lithuania and 50% in Estonia.

ministry of education or for spending by individuals on evening classes or distance learning, or in public, associative or private structures. However, it seems that such expenditure is far from negligible, due to the traditions of these countries, and because of the strong growth in demand for education since the beginning of the transition process. Figures for Poland show Ministry of Education expenditure on adult education far outstripping expenditure on training for the unemployed by the employment service. All in all, it appears that continuing education schemes for adults are well developed, compensating to some extent the weaknesses of training for the labour market and continuing training provided by firms.

It is also clear that individuals have played an important part in funding their own studies, particularly in higher education, and above all in the training centres and private universities that have sprung up since the beginning of the transition process. However, demand for education is confined to a fraction of the population, while low motivation with regard to education and training hampers the development of ambitious measures for lifelong learning.

6.1.3 THE QUESTION OF TEACHERS

This is a key question, because their status has been badly hit by the changes that have occurred since 1990 and the resources made available for teacher training. With the exception of Cyprus, Malta and Turkey, their salaries are well below those in the European Union and are usually below national averages. This is why many of the best teachers have left the teaching profession for better paid jobs. Nowadays, the teaching profession is predominantly female, usually to a greater degree than the European average. Present numbers do not indicate any risk of short-term shortages[118], although the profession is ageing as in the European Union.

Teacher training is also a problem, particularly in technical and vocational education, where a large proportion of "technical" teachers are considered unqualified. Other teachers have had university training, though universities still seem to provide training of an "academic" nature, which is not in gear with economic developments and prepares inadequately for the use of new learner-based teaching methods using new technologies.

Continuing training for teachers is therefore all the more essential. Most of the candidate countries are aware of this, but there is a lack of resources, and expenditure on continuing training for teachers is much lower than in the European Union, with the exception of Slovenia, which is just above Greece, but well below Portugal and Spain[119].

6.2 FUNDING FOR EDUCATION, RECENT TRENDS AND CHALLENGES

6.2.1 PUBLIC FUNDING

In terms of percentage of GDP, public expenditure on education is on average rather lower than the EU average of 5%[120], particularly in central Europe as the Czech Republic, Slovakia, Hungary and above all Romania, Bulgaria and Turkey slide under this average. Meanwhile, Latvia, Lithuania, Cyprus and especially Estonia lie markedly above it. In 2001, according to Eurostat, it differed between 3.1% in Romania to 6.8% in Estonia (see figure 1 and table 1).

It is interesting to consider that the countries with the highest public expenditure on education are among the ones having the highest rates of enrolment

118 Here, shortage is viewed in quantitative terms, as many countries are experiencing a shortage of well-qualified teachers (see below).

119 According to Eurostat, in 2001, the percentage of teachers who had received training over the past four weeks was 7% in Slovakia, 16% in Cyprus, 17% in Estonia, 23% in Hungary, 24% in Lithuania and 28% in Slovenia, compared with 27% in Greece, 34% in Spain, 41% in Portugal, and a European average of 33%.

120 See *Investing Efficiently in Education and Training*, European Commission Communication, January 2003.

Figure 1: Statistical table on public spending on education in percentage of GDP in 2001

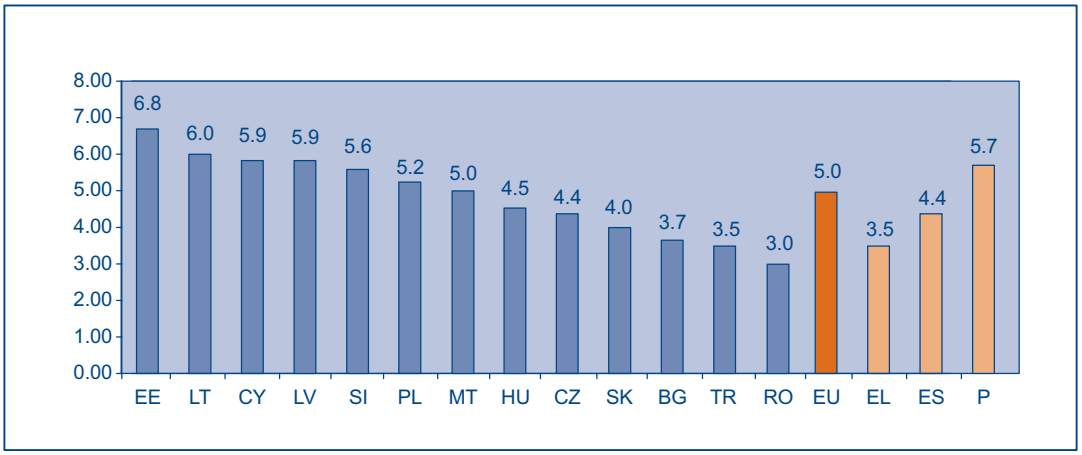


Table 1: Public expenditure on education as a percentage of GDP from 1995 to 2002

	BG	CY	CZ	EE	HU	LV	LT	MT	PL	RO	SK	SI	TR
1995	3.4	4.8	4.9	7	5	6.9	5.6	5	5.5	3.3	5		2.4
1996	2.6	5	5	7.3	4.5	5.8	5.4	5.3	5	3.6	4.6		
1997	2.6	5.7	4.7	7.1	4.6	5.7	5.8	5.5	5.2	3.2	4.8	5.8	
1998	3.2	5.8	4.2	6.7	4.6	6.8	6.1	5.2	5.4	4.4	4.6	6	3
1999	3.7	5.7	4.3	7.4	4.7	6.2	6.3	5.1	5.2	3.4	4.5	6	4
2000	4.4	5.6	4.4	6.7	4.5	6.0	5.9	4.9	5.2	2.9	4.3	5.6	3.5
2001	3.7	5.9	4.3	6.8	4.5	5.9	6.0	5.0		3.1	4.2		
2002		6.1	4.4	7.3				6.5		3.0	4.0		

Source: Statistical Indicators, update of 15.04.2003, Eurostat, European Commission.

in higher education[121] (Slovenia, Latvia and Estonia with more than 50% of the 19-24 year-olds in higher education) or the ones showing the most important growth of higher education enrolments between 1995 and 2000 (Latvia, Hungary, Lithuania and Slovenia).

The latest statistics also demonstrate a stagnant or decreasing trend in most countries. Compared with 1995 the trend was negative in Latvia (from 6.9% to 5.9%), in Romania (from 3.7% to 3.1%), in Slovakia (from 5% to 4.2%), in the Czech Republic (from 4.9% to 4.3%), and in Hungary (from 5% to 4.5%). The three exceptions were Cyprus (from 4.8% to 5.9%), Lithuania (from 5.6% to 6%) and Bulgaria (from 3.4% to 3.7%); and in other countries it was rather stable during the same period. The negative trend could be partially understood in relation to the demographic drop in the former socialist countries, but figures do not show a clear correlation between both phenomena (except in the case of the Czech Republic and Hungary) as countries with more marked negative trends in public funding for education (Romania, Slovakia and Latvia) are not the ones that show a more decreasing trend in the school-age population[122] (Estonia, Slovenia, Hungary and the Czech Republic).

There is a tendency in some countries to set up policy targets to increase state funding, at the level of 6% in some countries (the Czech Republic, Hungary, Slovakia and Poland), occasionally more (6.5% in Lithuania) or even less (4% in Romania, according to the 1995 Law on Education). The above analysis of recent trends in these countries tends, however, to indicate how difficult it will be to reach these objectives.

121 See chapter 7.

122 See chapter 4 on employment and demographic considerations.

6.2.2 PRIVATE FUNDING

Little information is available on private funding for education. It reaches more than 3% of GDP in Malta and Cyprus (where we can observe an increasing trend from 2.1% in 1994 to 2.8% in 1996 and 3.2% in 1998), and it is estimated by the OECD[123] to be about 0.6% of GDP in the Czech Republic and Hungary, which compares well with the average in OECD countries (in Hungary this is mainly due to the contribution of businesses to the training and development fund), and about 0.1% in Slovakia. There are also indications that private funding is very limited in other countries.

The difficulties faced by Slovenia in implementing a new dual system seem to be a good indicator of the reluctance of private enterprises to contribute to education in general. This is probably related to the high level of taxation and social security contributions businesses have to pay in a number of candidate countries[124]. During the consultation process on the European Commission's Memorandum on Lifelong Learning, the issue of private funding was raised as being important in all the countries involved. Some schemes, such as individual learning accounts, were discussed. But it was also made clear that the minimal involvement of businesses, and social partners in particular, in education and training issues prevents the implementation of ambitious strategies in this direction.

However, other information gleaned from the monographs demonstrates the very strong need for education and training created by the collapse of the former system. Some effects include the very rapid and marked increase in participation in secondary, and even more so in higher education through private institutions. Other considerations should be made about the costs of textbooks now being paid for by parents in many countries. It is very likely that participation by individuals in funding education and training will be important, but of course with considerable inequalities between groups.

In total, when adding public and private funding, it can be seen that Cyprus (with about 9% of GDP) and Malta (with about 8% of GDP) are the candidate countries that spend the most on education.

6.2.3 FUNDING PER STUDENT

OECD gives interesting figures concerning Poland, Hungary, and the Czech Republic, as well as for Slovakia and Turkey[125]. Measuring in annual expenditures on education institutions per student in US dollars, converted using purchasing power parity (PPP)[126], candidate countries are at the bottom of all the EU countries for all categories, primary, secondary and tertiary education (except Hungary which is slightly ahead of Greece).

These indications are confirmed by the most recent Eurydice/Eurostat report on *Key data on education in Europe 2000* which covers a broader range of countries. The data are a bit different as OECD and Eurostat do not share the exact same basis for calculation, but in relative terms the conclusion that 'candidate countries report markedly lower costs at all levels' is identical according to both reports. However the Czech Republic, Hungary and Malta compare well with Greece, Spain and Portugal (see table 2).

Looking at these figures in relation to each other, it is significant that Polish students at primary level cost more than students at secondary level. In addition, looking at the ratios between secondary and tertiary level by country, it appears that students in tertiary education receive more public funding than students in secondary education in a higher proportion than in the

123 *Education at a Glance*, OECD, 2001.

124 See the report on *Regional and Rural Unemployment in Poland, Hungary and Slovakia* by Jorge Nunez Ferrer and Radomir Jansky, European Commission DG ECFIN, 2002.

125 *Education at a Glance*, OECD indicators, OECD, 2002.

126 Purchasing power parities (PPP) which are the currency exchange rates that equalise the purchasing power of different currencies (for more details, see *Education at a Glance*, OECD indicators, OECD, 2002).

EU, particularly in Poland, Hungary, Malta and Slovakia, while the proportion is lower in Estonia and Latvia.

Looking at the OECD figures concerning total expenditure on education[127] per student relative to GDP per capita for the different categories of education, we see a similar picture which takes into account the role of private funding (including individual funding in private schools and universities) in some countries. Therefore, we can assess the global priorities given to education between countries and the priorities given in each country between the different categories. The Czech Republic is close to the OECD average for secondary and tertiary education but markedly below for primary education; Hungary is giving more than the average to tertiary, less to secondary and the average for primary education; Poland giving the average for tertiary, far too little for secondary (especially for upper secondary) and a bit above the average for primary education; Slovakia is giving more to tertiary and less for secondary; Turkey is far above the OECD average for tertiary education[128]. The comparisons with Greece, Portugal and Spain are also interesting. And when looking at the ratio between expenditures for tertiary and secondary education, it is remarkable to see in Poland, Hungary and Slovakia the same ratio of 2.4 to 2.5, and the fact that it reaches 1.7 in the Czech Republic, close to the OECD average of 1.8, and markedly above in Spain, Portugal and Greece. It confirms the priority in the candidate countries analysed above in favour of tertiary education and the role played in it by private funding in Hungary and even more in Poland (see table 3).

6.2.4 FUNDING FOR INITIAL VET

There is an interesting paradox when comparing the funding for education in percentages of GDP with the cost of vocational pathways, especially in terms of total participation in upper secondary education. Thus, the countries where vocational pathways have the highest share – the Czech Republic, Slovakia, Poland, Romania and Bulgaria – are the countries where public funding in education is the lowest. On the contrary, Cyprus and the Baltic States have the lowest share of vocational pathways and the highest public spending in education. Only Slovenia is an

Table 2: Public expenditure per student by level of education, in Euro PPS[129] over all public and private institutions for the year 1999

	CZ	EE	CY	LV	LT	HU	MT	PL	SK	EL	E	P
ISCED 1	1.6	1.9	3.5	1.3		1.9	1.1	1.7		2.3	3.2	3.2
ISCED 2-4	2.8	2.5	4.7	1.6	1.4	2.1	1.9	1.4	1.6	2.6	4.2	5.7
ISCED 5-6	4.9	3.0	2.3	1.9	2.2	4.5	5.1	2.4	4.8	4.2	4.2	

Source: Eurydice/Eurostat Key data on education in Europe 2002. In Euro PPS multiplied by 1000

Table 3: Expenditure on education institutions per student relative to GDP per capita (1999)

	CZ	HU	PL	SK	TR	OECD	EL	ES	PT
Primary	13	19	21			19	14	19	20
Upper secondary	30	24	18	24		28			32
Total secondary	25	21	18	19		25	18	26	30
All tertiary	42	51	44	48	73	44	27	30	28
Ration tertiary / secondary	1.7	2.4	2.4	2.5		1.8	1.5	1.2	0.9

Source: Education at a glance, OECD, 2002.

127 Including public and private funding

128 No figures are available for Turkey.

129 Purchasing Power Standards (PPS) are based on the Euro.

exception with a rather high share of vocational education combined with average public funding. Thus, although vocational pathways by nature are more costly than general education because of the technical equipment and the appropriate pedagogies teaching generally smaller groups of students, countries where it is the most developed spend less in total, which indicates an even more difficult situation in these countries for education in general.

There is little comparable information on vocational education and training spending as a component of the education system. According to national sources, it shows three groups of countries; the first composed of Bulgaria, Romania, Lithuania, Malta and Cyprus where initial VET accounts for between 0.35% and 0.5% of GDP; a second intermediary group composed of Estonia, Poland and Latvia where the cost of initial training is about 0.7%, and a third group comprising Hungary, the Czech Republic and Slovakia where it reaches 0.9% of GDP (see table 4 below).

It is also interesting to consider the cost of initial training as a proportion of public spending on education. This confirms previous measurements. As seen in table 4 below, VET represents about 20% of public spending on education in the Czech Republic, Hungary and Slovakia, but only about 10% or less in Malta, Bulgaria, Estonia, Lithuania, Slovenia and Cyprus – Latvia, Poland and Romania being in an intermediary position.

More interesting is to analyse the spending on VET as a percentage of GDP in relation to the cost of VET in total upper secondary education. This ratio gives an indication of public spending on vocational training by the relative number of students in secondary education. It is remarkable to see five countries with a ratio of 0.9 to 1.2 (the Czech Republic, Lithuania, Poland, Slovakia and Slovenia), while four countries are markedly above with 1.5 for Malta, 1.9 for Estonia, 1.8 for Latvia and 2.9 for Cyprus, and two countries markedly below, Bulgaria and Romania with 0.6.

6.2.5 OPTIMISATION ISSUES

As seen above, resources for education in most countries are limited and decreasing somewhat in terms of the percentage of GDP. In addition, doubts have arisen as to the efficient use of existing resources. In many countries, the combination of the opening of new schools in the early 1990s and the demographic drop of students in upper secondary education[130] created a situation where small schools are now found together with a low student/teacher ratio. In the following chapter on participation in education there is evidence of countries where statistics show a sharp increase in the number of schools in

Table 4: VET funding as a percentage of GDP, and as a percentage of public funding on education in percentages of GDP

	MT	BG	CZ	EE	HU	LV	LT	PL	RO	SK	SI	CY
YEAR	**'98**	**'96**	**'97**	**'96**	**'96**	**'97**	**'97**	**'96**	**'97**	**'97**	**'96**	**'98**
VET[131]	0.44	0.35	0.89	0.64	0.92	0.71	0.4	0.7	0.42	0.9	0.64	0.49
VET/Educ.[132]	8.1	9.5	20.7	9.4	20.4	11.8	6.9	13.4	13.5	19.1	10.7	8.3
VET/Educ. in no. of students[133]	30	58	81	34	72	40	36	66	69	75	73	17
VET spending/ VET particip[134]	1.5	0.6	1.1	1.9	1.3	1.8	1.1	1.1	0.6	1.2	0.9	2.9

Source: Key data on Education, Eurydice/Eurostat and ETF sources.

130 Although it was partially compensated for in many countries by an increase in participation in relative terms.

131 Public expenditure on VET as a percentage of GDP according to national sources.

132 Ratio of public expenditure for VET to total public expenditure on education in %.

133 Ratio of participation of 15-18 year-olds in VET streams to participation of 15-18 year-olds in total education; data from UNICEF / Social Monitor 2002.

134 Ratio of public expenditure on VET as a percentage of GDP to the cost of VET streams as part of the total participation of 15-18 year-olds in education in %.

absolute terms while the absolute number of students is steadily decreasing. As a result, in many countries the average enrolment at a vocational school is between 200 and 300 students, which seems rather low, at least when looking for a critical mass to justify the purchase of costly technical equipment in vocational schools.

The student/teacher ratio is thus often also low. According to national sources, it amounts to less 8:1 in Slovakia in vocational education and training schools as well as in higher education; 9:1 in Latvia in vocational education; about 10:1 in Hungary in general education; 11:1 in the Czech Republic in secondary technical schools,[135] with the same ratio applying too in Malta and Cyprus; 12:1 in vocational schools in Estonia and 14.5:1 in Romania; while the OECD average is 14.6:1 in secondary education and 15.3:1 in tertiary education[136].

Furthermore, the number of teachers as a proportion of the active population is high in some countries compared with OECD countries[137]. Other countries provide a range of social services for students and have a number of specialised staff in schools. Thus, if the factors of the small size of schools, the low student/teacher ratio and the high number of administrative staff in schools are taken into account it can be easily understood how costs have risen. Therefore, optimisation of the school network is now at the top of policy agendas in most countries.

But the ongoing in-depth decentralisation in some countries does not facilitate the process of optimisation, because regional self-governing bodies can be reluctant to close schools. However, decentralisation could be seen as a tool to facilitate the process by placing responsibility at the appropriate level.

6.2.6 POOR SITUATION OF TECHNICAL EQUIPMENT IN VET SCHOOLS

There are no statistics on technical equipment in schools, but it is clear from the study visits made for the monograph exercise that this is a major issue in terms of the quality and relevance. Some indications are contained in the last Eurydice/Eurostat report on *Key data on Education in Europe 2002*: when looking at the breakdown of public expenditure in capital expenditure, current expenditure on staff and other current expenditure, we see that most candidate countries are markedly below the EU average for capital expenditure, especially Romania with 2.3%, Bulgaria 3.2%, Latvia 3.4% and Slovakia 4.2% – far below the EU average of about 8%. Thus, it is very likely that vocational schools in these countries are particularly affected by a lack of resources. Other countries spend more in capital, however as this capital expenditure also covers buildings and all sectors of education, as well as taking into consideration the size of secondary schools and the difficulties of optimisation, it is also likely that other countries suffer from a lack of technical equipment particularly in vocational schools.

This is confirmed by evidence taken from the monograph study visits to schools and other specific surveys undertaken by school inspectorates or for the purpose of the monographs. There are many workshops where students work on more than 50 year-old machines.[138] There are many vocational schools involved in mechanical engineering with no computer numerically controlled (CNC) lathes or milling machinery. Meanwhile, cooperation between schools and businesses is weak and does not allow students to compensate for the lack of learning opportunities on modern devices at school by developing skills in a real working environment.

135 But 17.5:1 in secondary vocational schools.

136 *Education at a Glance*, OECD, 2001.

137 *Education at a Glance*, OECD, 2001.

138 In Romania, some vocational schools are still equipped with American-made frazing machines produced in 1938.

Extract from the monograph on the Czech Republic:

Upgrading of technical equipment in public initial vocational schools, in particular facilities needed for practical training delivery seems to be a major problem, mainly due to financial constraints. According to an annual report of the Czech School Inspectorate (CSI), secondary schools, in general terms, have the necessary facilities to provide education and training at adequate levels. However, schools sometimes do not seem to be in a position to purchase modern teaching aids or technology, and examples indicate the existence of major shortcomings (e.g. outdated workshop equipment, limited availability of CNC devices).

Progress in school/employer co-operation with regard to placements for initial training students is limited. An alarming outcome of a survey conducted at secondary vocational schools (SVS) is that approximately 65% of students do not obtain any experience at a real workplace during their studies. The interest of employers is low, linked in particular to a lack of adequate facilities, but more generally due to the non-existence of incentives to motivate employers to become involved in vocational education and training.

Here, we touch on probably one of the main issues as far as modernisation of the vocational training systems is concerned. As already stated, vocational training systems in the candidate countries are mostly school-based. Therefore, it is crucial for vocational schools to receive updated equipment and to develop vocational education and training in a satisfactory combination of school classrooms, school workshops and business workshops in order to appropriately combine theoretical, technological and professional learning. And then, if vocational school equipment is outdated and businesses do not cooperate properly by taking on students for long learning periods in a professional context, the quality and relevance of the training will be seriously compromised and the qualifications provided will not meet labour market requirements. Contrary to what we saw in some countries, new curricula should not be implemented in any school without the guarantee that updated equipment will be available.

As developed in the context of the German dual system, some countries are now taking interesting initiatives to create practical training centres able to serve different schools (for example, in Poland).

Other initiatives try to (re)develop modern apprenticeship or dual systems with the support of businesses, such as in Hungary and Slovenia[139], but there have been some difficulties when businesses have been asked to pay for these schemes[140] and the process is developing slowly.

6.2.7 FUNDING CHALLENGES AT SCHOOL LEVEL

In general, schools have been given more autonomy in managing resources than in the majority of EU countries. Overall principles concerning the criteria for schools receiving funding are decided at state level. Allocation of funds is done by the state or by self-governing bodies according to the decentralisation process. Nevertheless, schools do have a certain degree of freedom: they recruit staff (with the exception of Malta and Cyprus) and in Estonia and Bulgaria to some extent they also determine their salaries. Furthermore, (again with the exception of Malta and

139 Also Bulgaria with the recent Crafts Law adopted in 2001.

140 See the monograph on Slovenia.

Cyprus), they acquire some operational goods and services or furniture and in Estonia, they are in charge of all acquisitions[141].

The private contribution to the funding of the education system, often met in VET schools, is how schools sell specific products and services in the market. Certainly the most promising way is how they develop continuing training activities on the market by taking part in calls for labour market training projects managed by labour offices or by offering services to businesses. However, as shown in the following chapter, except in a very few countries, these activities in the field of continuing training are not penetrating very deeply, as schools are not yet skilled enough to deal with adults and the specific pedagogies and content that it implies, and also because they are sometimes obliged to return the income to the state[142].

Less promising is the way schools try to sell industrial products on the market and the fact that they are often encouraged to do so in order to deal with the lack of proper funding from the state or other funding bodies. As a consequence, many school workshops are used as factories in such an intensive way that it becomes detrimental to the real learning process. Thus, some countries introduced a division between schools because some of them were considered as 'contributory' and

Extract from the monograph on Slovakia:

At the moment the Specialised Secondary Schools (SSS) are 'budget' schools while the Secondary Vocational Schools (SVS) are 'contributory' schools, i.e. they contribute money from their own resources to augment the amount they receive from the state budget. As 'budget' schools, the SSS receive an allocation from the central budget based on expenditure in the previous year. The state allocation covers wages, including the contribution of 0.6% of employment costs to the social fund. Current costs are calculated according to the formulas mentioned above, but ultimately, they depend on the availability of money in the central budget. In respect of obligatory budgetary rules, the school principal has full responsibility for the administration of the sum allocated to the school, but in practice, he or she is constrained by the fact that the allocation barely covers the costs of salaries and utilities. There is little or no money to renew infrastructure with the consequence that school and workshop equipment is largely obsolete[143].

While budget schools are allowed to make extra-budgetary income, they have no incentive for doing so because they would not be allowed to retain the income. In order to get round this, a number of budget schools (as well as contributory schools) have set up NGOs which can make additional income and donate it back to the school.

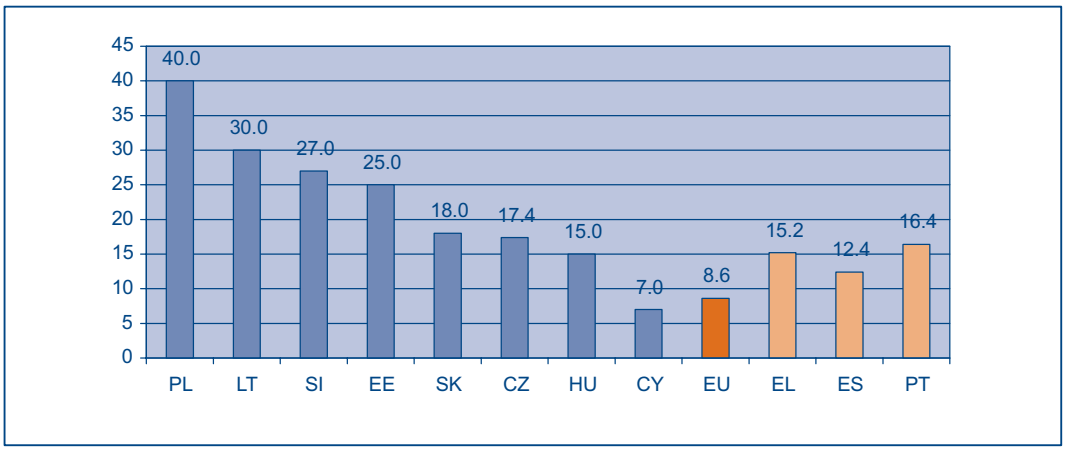
Contributory schools are required to co-fund their operational costs. Unofficial estimates assess this co-funding as up to a third of total costs. Staff salaries and the contribution to the social fund are covered by the central budget. Additional income is generated through renting venues and partly by the sale on the domestic market of goods produced by students in school workshops. Raw materials are purchased by the schools and labour costs are very low because the students receive very little reward. However, contributory schools are required to pay a tax of 29% on profits.

141 See the detailed analysis in the Eurydice/Eurostat report on *Key data on education in Europe 2002*.

142 In Bulgaria, for instance.

143 The national Infovek programme has supplied schools with modern computers and internet connections.

Figure 2: Number of students per computer in secondary education (2001)



Source: Data for EU member states: Indicators on ICT in education (2001), Data for candidate countries: national sources, Eurydice, 2001.

having to supplement the state budget with their own generated revenues. These resources are included in the budget to be agreed by the funding authority and state funds are reduced in the same quantity. This situation occurs in many countries. Slovakia offers an interesting example of the split between 'budget' schools and 'contributory' schools.

6.2.8 ICT AND INTERNET DEVELOPMENTS AT SCHOOL

With the support of the EU support programme, Phare, and international donors, efforts were made to supply computers, ICT and internet access. All countries adopted specific strategies aimed at providing schools and universities with computers and access to the Internet. Therefore, this type of equipment is developing at school level even if all countries, with the exception of Cyprus, are still far from the EU average (see figure 2), and the number of schools connected to the internet is also growing, with 95%of Slovenian schools connected in 2000, 75% in Estonia and about 40% in Lithuania.

As demonstrated during the second Forum on the Knowledge Economy, organised by the World Bank in Helsinki in March 2003, these developments often result either from government initiatives (such as the Tiger Leap programme in Estonia or the Infovek project in Slovakia), from ministries of telecommunications or informatics, from foundations, or occasionally as ministry of education initiatives. As expressed by policy makers during the Forum, teachers are still reluctant to use ICT in classrooms; ICT pedagogical products are still poorly developed; and ICT is not a common topic in universities when training teachers and trainers. In addition, some countries, such as Romania, still face difficulties in adapting their telecommunications infrastructure.

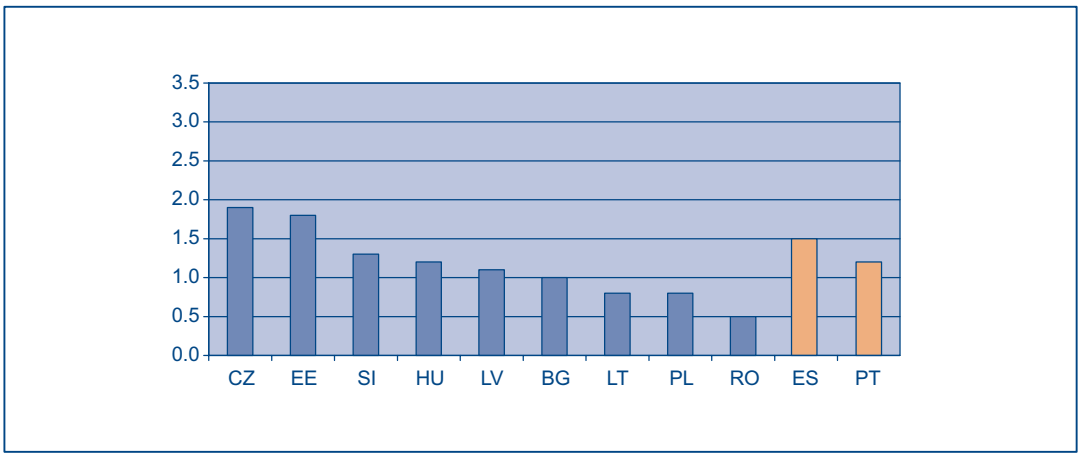
This issue is now a very important one for the modernisation of vocational training systems. As part of the new curricula in development in all countries, adequate ICT equipment, hardware and software, must receive proper consideration and funding, and must be seriously considered by the universities when carrying out teacher and trainer training.

6.3 FUNDING OF CONTINUING EDUCATION AND TRAINING

6.3.1 CONTINUING TRAINING INITIATED BY BUSINESS

Company spending is now growing. But except for the Czech Republic and Estonia, which reached respective rates of 1.9% and 1.8% of total labour costs spent on continuing vocational training courses (the same level as the EU average), all other

Figure 3: Costs of continuing vocational training courses as a percentage of total labour costs



Source: Eurostat, Continuing Vocational Training Survey (CVTS2), 2002.

countries that took part in the Eurostat CVTS2 study fell below the EU level (see figure 3).

Except in Hungary and Cyprus, there are no incentives for businesses to help develop continuing training for their employees. In Cyprus, this is done through a levy of 0.5% on their payroll paid by employers to the Human Resources Development Authority (HRDA). The HRDA subsidises, on average, about 50% of the actual cost of running continuing training activities. It is interesting to see that in total, it was estimated by a specific national survey that the payroll costs spent on training by enterprises was 2%.

The Hungarian approach is somewhat different. The tax called the Vocational Training Contribution is 1.5% of wage costs, and can be used either on continuing training for their own employees (up to a third of the total), or on initial training through direct funding of vocational schools or indirect funding through the

Extract from the monograph on Hungary:

Enterprises make a contribution to the funding of initial training in the school system and to the provision of continuing training for employees through a tax of 1.5% of wage costs. The tax levied on enterprises funds the Development and Training sub-fund of the Labour Market Fund. The tax is referred to as the 'Vocational Training Contribution'.'

Up to a third of the tax (0.2% until 1999, currently 0.5%) can be spent by businesses on continuing training for their own employees, but only on training programmes included in the National Vocational Qualification Register (NVQR). This condition is fulfilled through prior agreement of the County Training Committee.

Up to 75% of the tax can contribute directly to vocational schools for the organisation of practical training for students, to cover the costs of training in cash or in kind, or by directly providing funding.

Since 2001, direct support can also be given to higher education institutions. The remainder is paid into the Vocational Training Fund which has both a decentralised and centralised component.

The decentralised component is devolved to the level of municipalities on a student per capita basis and may be used at the discretion of the municipalities within a framework of eligible measures drawn up by the Minister of Education on the advice of the National Vocational Training Council (NVTC).

The centralised component of the Vocational Training Fund is used on the authority of the Minister of Education following advice from the NVTC:

1. to pay for practical training places offered to initial training students by businesses, and to support the Chamber of Commerce in its overview of the training. Funds are distributed on the basis of applications from businesses providing practical training for vocational school students, verified by a direct contract with a vocational school or mediated through the Chamber of Commerce.
2. for the procurement of expensive equipment requested by a vocational or secondary vocational school.
3. to contribute to the Leonardo da Vinci programme and other national and international VET programmes. Funding is allocated to such programmes during the relevant programming cycle.
4. to support the work of the National Institute of Vocational Education (NIVE).

The Vocational Training Contribution has increased considerably since the beginning of the 1990s, growing from HUF 9.4 billion in 1991 to HUF 15 billion in 1995, HUF 30.6 billion in 1998, HUF 36 billion in 1999, HUF 43.3 billion in 2000 and HUF 47.6 billion in 2001. As part of this, the Vocational Training Fund increased from around 20% until 1996 to a share of around 30% since 1997. The direct subsidies to schools had the strongest increase from around 25% in 1991 to 40% in 1997, and more than 50% since 1998. The contribution to 'corporate training' decreased drastically and regularly from more than 50% in 1991 to 39.3% in 1995, 29% in 1997, 18.6% in 1998, 16.1% in 1999 and 13.6% in 2000, while the threshold for this contribution to continuing training increased from 0.2 to 0.5% in 1999.

In 2000 the Vocational Training Contribution amounted to an estimated HUF 43.3 billion (173 million). The contribution from the Development and Training Fund to initial training was estimated to be approximately 4,150 million HUF or 0.3% of GDP, i.e. nearly a third of the total estimated expenditure on initial training. Therefore, only 23 million were available for continuing training for their employees, 13.6 % compared with the theoretical one third.

One reason for this could be the recent introduction of the reference to the NVQR as a condition for accepting the funding of training courses. Another explanation is probably the tradition of Hungarian businesses to be involved in initial education and training (it should be noted that when the Vocational Training Fund was introduced before 1990, the purpose was to support schools and not continuing training). Finally, we must acknowledge that the large majority of Hungarian businesses are small or very small (only 2% of businesses employ more than 300 people) and therefore they do not use this facility because the money available could not cover their real training needs[144].

144 See *Funding vocational training outside the school* by Istvan Sum-Aniko Toth, published by the Hungarian Ministry of Education, 1999.

ministry. However, it is surprising to see that the 0.5% available for continuing training is far from being used as it could be (13.6% of the Fund in 2000) when a growing part of the fund is spent on initial training.

As shown recently in Slovakia where such a scheme was rejected, governments are reluctant to create new taxation they would increase the overall amount of taxation, already seen as far too high[145]. Nevertheless, other countries are discussing with social partners some schemes for continuing training funding they would be funding in cooperation between all partners. This is the case at present in Poland as part of a dedicated Phare project. There is also the idea in many countries to introduce incentives for individuals and/or businesses, in Bulgaria for example, under the recent Employment Promotion Act[146]. But as discussed in Athens in May 2003[147], resources are limited in all countries, coordination among social partners and the social dialogue with the state are weak and, as shown in Slovakia, progress is slow.

6.3.2 ADULT EDUCATION

It is very difficult to have clear ideas on the amount of resources devoted to adult education. As seen above, most education ministries offer secondary education programmes free of charge for adults through evening or distance courses, but they do not identify the related expenses in the overall presentation of their budget. However, taking into account the important attendance in such courses, one can say that this public investment is rather high, in particular in comparison to resources devoted to labour market measures (see 6.3.3).

In addition, the need for education and training has grown considerably in most candidate countries after the collapse of the former system. Needs for further learning were discouraged in the former system due to the rigidity of the education streams, their narrow orientations and the lack of economic incentives.

Thus, the first years of transition revealed a real 'appetite' for learning which was expressed not only through recurrent education in secondary education streams, but also through higher education paid courses in public and private universities or colleges. Therefore, one of the main explanations for the rapid development of private training centres, including universities, lies in that individual funding. Of course, that way of funding is extremely variable according to groups and regions, which explains the uneven geographical distribution of private training centres.

Another component of adult education in most candidate countries lies with a range of institutions, associations, foundations, folk universities and other networks often based upon a long tradition. There are no statistics on resources devoted to such networks, but we can assume they are anchored in substantial amounts of public funds coming from state, regional or local authorities, complementing individual spending.

In fact, there is no information on spending by individuals. The initiatives mentioned above should not hide the lack of motivation for learning felt by wide groups of the population[148]. But the 'appetite' for learning in other groups, in addition to the traditional support of national foundations and other networks, and the ability of the education system to develop evening and distance courses, is certainly a substantial basis for the development of more ambitious lifelong learning strategies.

145 See the report on *Regional and Rural Unemployment in Poland, Hungary and Slovakia* by Jorge Nunez Ferrer and Radomir Jansky, European Commission, DG ECFIN, 2002.

146 January 2002.

147 Conference: 'Lifelong development of competencies and qualifications of the workforce; roles and responsibilities', Athens 23-24 May 2003. Organised by the ETF in coperation with the Federation of Greek industries, the Greek General Confederation of Labour and Cedefop.

148 See the ETF report: *Summary and analysis of the feedback from the candidate countries on the Commission's Memorandum on Lifelong Learning*, November 2001.

6.3.3 LABOUR MARKET TRAINING

As already shown, labour market resources are very limited and mainly devoted to passive measures. Active labour market measures dramatically lack resources.

Employment offices are understaffed and underfunded compared to EU countries (see chapter 8). While EU countries spend for the operation of their public employment services and administration from 0.06% of GDP in Greece, 0.09% in Spain and 0.11% in Portugal to 0.23% in Germany, 0.17% in Belgium and 0.26% in Netherlands (EU average is around 0.15%), the candidate countries spend for their public employment services around half as much, with rates ranging from 0.02% of GDP in Estonia, 0.03% in Malta and 0.05% in Poland, to 0.10% in Bulgaria, 0.12% in Slovenia and Slovakia being an exception with 0.20%.

The difference between the EU and the candidate countries is larger when considering active labour market measures and even more labour market training. As EU countries devote between 0.4% of GDP (Greece and Austria) and 1.4% (Denmark and Netherlands) for active labour market measures, the candidate countries spend between less than 0.1% of the GDP (Estonia and Malta) and 0.4% (Hungary and Slovenia) while in most cases they show higher unemployment rates.

According to these data[149], with similar unemployment rates, in 2001 the Czech Republic spent a seventh of the amount that Germany did (0.13% against 0.97%); Slovenia and Hungary more than half as much as Sweden (0.36% and 0.40% against 0.86%); compared with Spain which spent 0.64% of GDP and which had the highest unemployment rate in the EU in 2000 and 2001 at 11.3% and 10.6%, Slovakia devoted a third of the amount, Poland a quarter and Lithuania a fifth (0.23%, 0.14% and 0.12%), and in each of these countries unemployment is markedly higher. If we calculate an indicator on

Table 5: Public expenditure on labour market programmes as a percentage of GDP in 2001

	CZ	HU	PL	SK	SL	EE[150]	LT	MT[151]	BG	LV	P[152]	E	EL[153]
Total LMM[154]	0.46	0.85	1.19	0.92	1.08	0.24	0.35	0.64	1.01	0.50	1.52	2.06	0.93
Passive	0.25	0.38	1.0	0.49	0.6	0.14	0.15	0.56	0.76		0.91	1.33	0.47
PES admin[155]	0.08	0.11	0.05	0.20	0.12	0.02	0.08	0.03	0.10	0.14	0.11	0.09	0.06
ALMM[156]	0.13	0.36	0.14	0.23	0.36	0.08	0.12	0.05	0.14		0.50	0.64	0.40
Unempl rate	8.0	5.7	18.4	19.7	6	13	16.1	5.3	19.6	12.8	4.1	10.6	10.9
ALMM/UR[157]	1.6	6.3	0.8	1.2	6.2	0.6	0.8	0.7	0.8		12.2	6.09	3.7
LM training[158]	0.02	0.07	0.01	0.01	0.08	0.04	0.04	0.05	0.003	0.08	0.14	0.15	0.21
LMtr/ALMM[159]	15	19	7	4	22	50	33	100	2		28	23	52
LMtr/UR[160]	3	12	0.5	0.5	13	3	2.5	9.4	0.2	6	37	13	19

Source: Employment Outlook, OECD, ETF and national statistics.

149 Taken from the OECD employment outlook 2002, the ETF synthesis report on *Cross-country Summary of Needs in the Fields of Employment/Human Resource Development* (April 2003) and national data.

150 Data from 2000 for Estonia.

151 Data from 1999 for Malta.

152 Data from 2000 for Portugal.

153 Data from 1998 for Greece.

154 Labour market measured as a percentage of GDP.

155 Public employment services costs as a percentage of GDP.

156 Active labour market measures as a percentage of GDP.

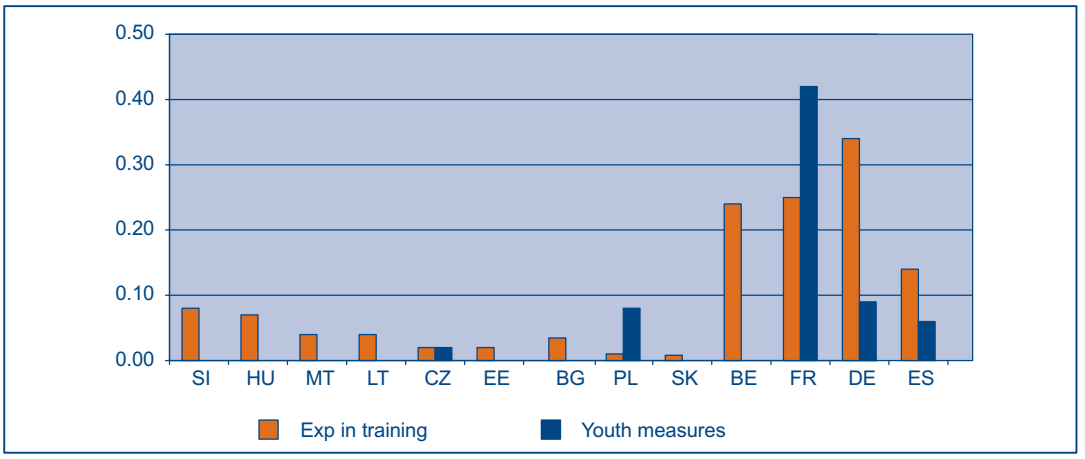
157 Ratio of active labour market measures by rate of unemployment, and multiplied by 100.

158 Labour market training as a percentage of GDP.

159 Labour market training by active labour market measures in percentages.

160 Ratio of labour market training by rate of unemployment, and multiplied by 1,000.

Figure 4: Public expenditure on labour market training as a percentage of GDP (measures for young people including measures for unemployed and disadvantaged young people, support to apprenticeships and related forms of training)



Source: OECD Employment Outlook 2002 – data for EE, MT, SK and LT from national sources.

active labour market measures by the number of unemployed (dividing the active labour market measures (ALMM) ratio by the unemployment rate) a considerable difference between EU and candidate countries can be seen: 0.6 for Estonia, 0.7 for Malta, 0.8 for Bulgaria, Poland and Lithuania, 1.2 for Slovakia, 1.6 for the Czech Republic, 4 for Greece, 6 for Spain, Slovenia and Hungary, 12 for Portugal, 33 for Denmark and 55 for the Netherlands.

Training activities are only a small part of ALMM and is also smaller than it is in the EU, with the exception of Malta, Estonia and Lithuania. In 2001, the rate of training as part of active labour market measures ranged from less than 10% in Bulgaria, Slovakia and Poland, between 10% and 20% in the Czech Republic and Hungary, to 22% in Slovenia, 33% in Lithuania, 50% in Estonia and 100% in Malta, while ALMM represented one quarter to one half in most EU countries. As a result, the percentage of GDP devoted to training as part of active labour market measures is much lower than in nearly all the EU countries: 0.02% in the Czech Republic in 2000, 0.07% in Hungary and 0.01% in Poland according to the OECD, 0.08% in Slovenia, 0.05% in Malta, 0.04% in Lithuania and less than 0.01% in Slovakia according to national sources, against 0.14% in Portugal, 0.15% in Spain and 0.21% in Greece.

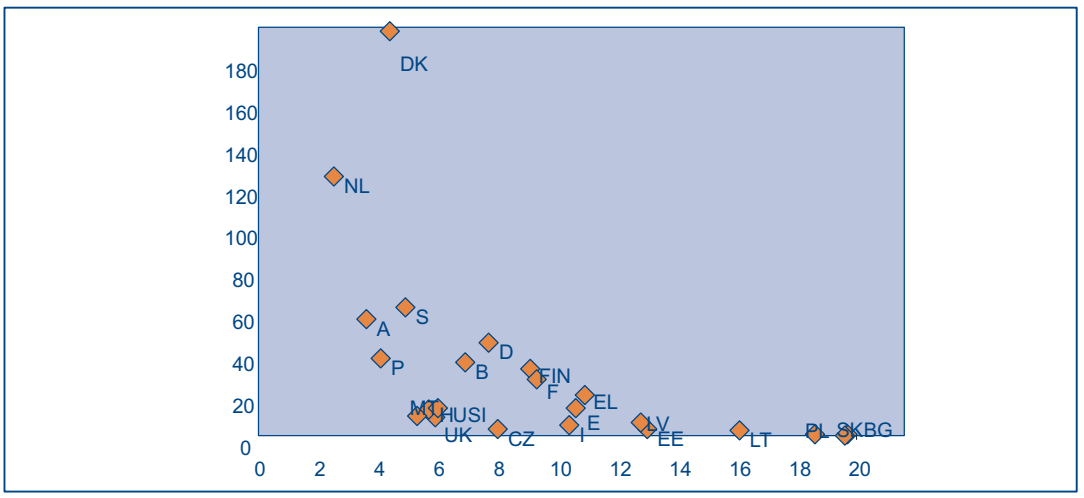
If we calculate a ratio of spending on labour market training by the rate of unemployment, it went from one in Bulgaria to two in Poland and Slovakia, 12 in Lithuania, 15 in the Czech Republic and Estonia, 35 in Malta, 60 in Hungary and 70 in Slovenia, against 65 in Spain, 95 in Greece, 185 in Portugal, 280 in Austria and more than 500 in Netherlands and Denmark (see figure 5).

However, labour market training is often seen as an efficient tool in the preparation for a return to work. Measures in several countries show a rate of return to employment after training of more than 70% in Lithuania, about 60% in Estonia, 50% in Poland (but only 23% in Slovakia) which has to be seen in relation to the scarcity of resources available, but should be an incentive for governments to invest more in such programmes.

In addition, labour market measures directed at young people, including training through apprenticeships or other schemes, are also extremely limited, except in Poland where a significant apprenticeship system co-exists with the school-based vocational education and training system (see figure 4).

As a result, the public employment services of the candidate countries concentrate their efforts on the registered unemployed and have difficulties in developing preventive

Figure 5: Expenditure on training as a percentage of GDP per unemployed person in relation to the unemployment rate



approaches aimed, for instance, at staff being made redundant from businesses (see chapter 8).

In addition, despite the fact that unemployment has increased in most countries (the situation is critical in Poland, Bulgaria and Slovakia with an unemployment rate of about 20%), active labour market measures have often been reduced. Thus, in Slovakia, they decreased from 0.30% of GDP to 0.23% between 1998 and 2001 when the unemployment rate jumped from less than 15% to 19.4%.

6.4 TEACHERS AND TRAINERS

There is little specific information available on trainers involved in continuing education and training. However, it is felt that most of them are teachers and, except in Malta and Slovenia, there is no specific requirement for teachers to become adult trainers. Therefore, the document concentrates its analysis on teachers.

The past ten years saw dramatic changes in the teaching profession. It is clear that the development of a market economy, with the creation of new businesses and the rapid increase of foreign investments have offered many opportunities for well-qualified people. Therefore, many young teachers familiar with foreign languages, economics, ICT or computer sciences were easily attracted by the much higher salaries offered by the market, and consequently left the education system. Some of them rapidly joined developing private schools and training centres.

A major issue is the social status of teachers, which has deteriorated substantially in most countries, with the exception of Cyprus, Malta and Turkey.

According to a recent World Bank report, 'the fiscal pressures faced by most of the governments have put severe strains on the resources available to the traditional education sector[161]. In general, teachers' salaries have increased less than the average salary in the candidate countries. Thus, they amount to 79% of the national average in Slovakia, between 80% and 90% in Estonia, Romania, Poland and Lithuania, and 94% in Bulgaria[162]. The latter results from the report on *Key Data on Education in Europe 2002*[163] show a marked difference between the EU and candidate countries (again with the

161 Final report of the Knowledge Economy Forum *Using Knowledge for Development in EU Accession Countries*, Paris, February 2002.

162 See *Teachers and Trainers in Vocational Education and Training in the Future Member States: An Overview*, ETF (Henrik Faudel), November 2002.

163 Eurydice/Eurostat.

Table 6: Minimum and maximum salaries of teachers in upper general secondary education relative to per capita GDP, 2000/2001 in %

	CZ	EE	CY	LV	LT	HU	MT	PL	RO	SI	SK	EL	ES	PT
Min	71	79	119	30	55	50	124	78	63	77	59	122	145	147
Max	130	85	260	48	113	85	170	137	108	150	78	219	213	331

Source: Key data on education in Europe 2002, Eurydice/Eurostat.

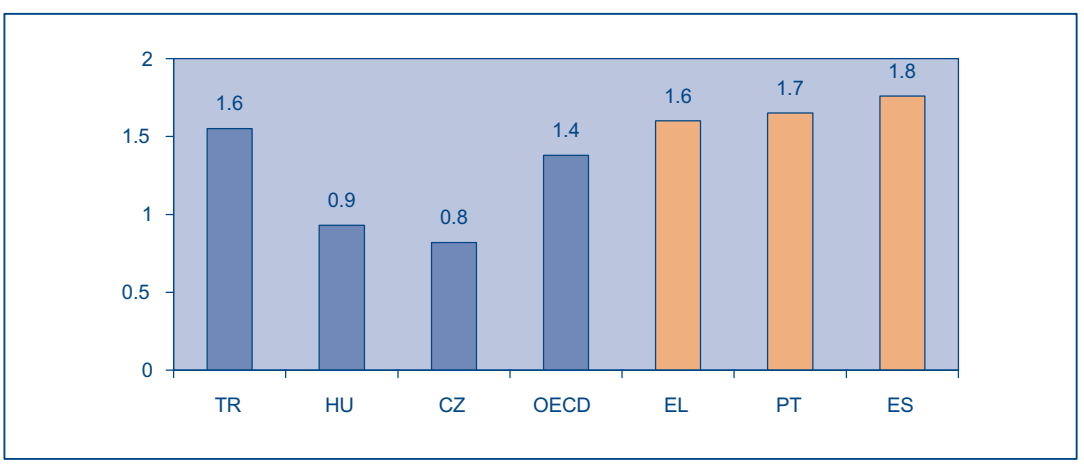
exception of Cyprus and Malta). When looking at the minimum and maximum salaries of teachers in upper general secondary education, in relative terms to their per capita GDP, all candidate countries, with the exception of Cyprus and Malta, are below the EU countries and, in particular, the cohesion countries. Figures are particularly low in Latvia (0.30 and 0.48), Slovakia (0.59 and 0.78), Hungary (0.50 and 0.85) and Estonia (0.79 and 0.85) (see table 6).

This was confirmed by the OECD analysis in the 2002 *Education at a glance* report as shown below.

When considering the male/female ratio in teaching staff, again a difference between EU and candidate countries can be seen. As analysed in the report on *Key data on education in Europe*, 'in the candidate countries, women outnumber men at both lower and upper secondary levels, except in Malta at the upper secondary level.' Indeed, the ratio of female teachers at upper secondary level goes from 50% in the Czech Republic and 59% in Hungary, to more than 66% in Bulgaria, Estonia, Latvia and Slovakia. This is when the EU average is 50% and only Portugal attains more than two thirds. The same situation appears in vocational education. For example, in Bulgaria 70% of all vocational teachers are female, in Slovakia 68% and in the Czech Republic and Estonia 60%[164].

In total, there is no shortage of teachers in any country at present. On the contrary, as concerns participation in education, student/teacher ratios are rather low in the candidate countries, and taking into account the demographic drop to come or already taking place, the question is rather about optimisation[165]. Nevertheless, the profession is ageing, albeit not more than Europe as a whole (according to data provided by Eurydice), and candidate

Figure 6: Teacher salaries in upper secondary vocational education (1999) – ratio of salaries after 15 years' experience to per capita GDP

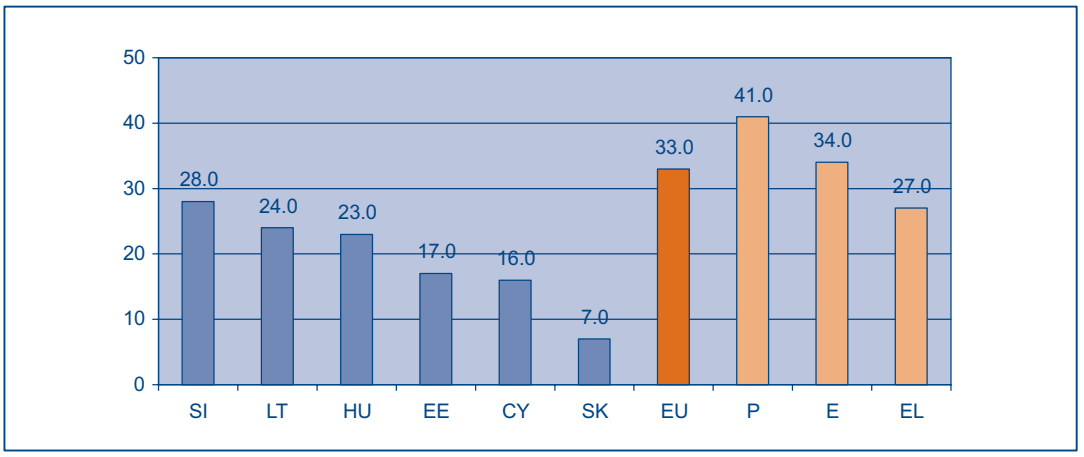


Source: Education at a Glance, OECD, 2001.

164 See *Teachers and trainers in Vocational Education and Training in the Future Member States: An overview*, ETF (Henrik Faudel), November 2002.

165 Thus, in one country, after negotiation with teaching unions the Ministry of Education decided to increase teachers' salaries and to compensate for it by reducing the number of teachers in due course.

Figure 7: Percentage of teachers having received education or training during the previous four weeks in candidate countries (2001)



Source: Labour Force Survey, Eurostat, 2001; European Report on Quality Indicators of Lifelong Learning, European Commission, 2002.

countries will start to find difficulty in attracting new qualified teachers. Furthermore, the teaching qualification is an issue, particularly for teachers involved in vocational training. Many do not have tertiary degrees, or any relevant pedagogical qualification. According to the monograph on Slovakia, 35% of the teachers operating in basic secondary vocational schools are unqualified.

Therefore, all countries now acknowledge the need to update and improve teacher training in order to deal with the requirements of the new curricula already developed, the new pedagogies and methodologies dealing with learner-centred approaches, and the development of ICT and e-Learning. Some countries have already begun to address these issues. Nevertheless, statistics from the *European Report on Quality Indicators of Lifelong Learning* show a significant gap between candidate countries and EU Member States concerning participation in teacher training (see figure 7).

***Extract from the monograph on Slovenia*:**

It is generally recognised that teachers in the vocational training system very often lack knowledge, experience and understanding of the world of work. This is true for teachers of general subjects but also for those for vocational subjects. Attempts to engage, on a part-time basis, experienced employees for teaching positions have only marginally contributed to solving this structural problem. However, there is considerable resistance among the key people within the university system involved in teacher training to substantially change the present set up. Nevertheless, it has been recognised that in order to improve the quality of learning processes vocational teachers should receive more than just a general pedagogical course, and that general subject teachers should be better prepared for the particular student population that they will be teaching. So far this has only led to the proposal to add a fifth module on special didactics on top of the pedagogical course obligatory for vocational subject teachers. Clearly, the present structure of pre-service teacher training and the particular teacher profiles produced by the system create some barriers for a fundamental reorganisation of the vocational curriculum, such as its modularization, making it problem-oriented and less academic, and improving the relation between theory and practice.

Thus, most countries now require a university degree for all teachers[166], generally followed by complementary pedagogic training. The situation is different for teachers giving practical training where some countries rely on a college degree as in Hungary, or an apprenticeship certificate as in the Czech Republic. On the contrary, Estonia decided not to recognise the difference between theoretical and practical studies from September 2003 and now require a tertiary degree for all, complemented by practical experience. However, in most countries it is felt that universities fail to deliver the right qualification. They are seen as being too academic, not prepared to teach the new learner centred 'pedagogical approaches', and also not aware enough of the needs of the labour market.

In addition, most countries develop in-service teacher training with the support of universities or specific training centres. In the Czech Republic, 15 regional pedagogical training centres have been set up; in Cyprus the target is to have 40% of teachers undergoing in-service training by 2006; in Estonia all teachers should receive 160 hours of training every five years; in Hungary every school has to spend 3% of its budget on in-service teacher training; and in Slovenia every teacher must receive five days' training a year. But these policies will have to be implemented with strong commitment as teachers often lack motivation for retraining: as quoted by an ETF report, 'in Slovakia, a survey showed that 86% of vocational teachers were not interested in taking part in continuing training'[167].

166 For a more detailed analysis, see *Teachers and trainers in Vocational Education and Training in the Future Member States: An Overview,* ETF (Henrik Faudel), November 2002.

167 id.

7. ANALYSIS OF VOCATIONAL EDUCATION AND TRAINING AND LIFELONG LEARNING PROVISION

7

7.1 HUMAN CAPITAL AND EDUCATIONAL ATTAINMENT

7.1.1 SUMMARY

As stated in the latest report on employment in Europe[168], it is a widely held view that the candidate countries have high levels of formal education. These views are also held by the authorities in these countries, and by a number of international institutions.

This is partly due to the strong performances achieved by a number of candidate countries[169] in the field of academic and scientific literacy, as shown in the Third International Mathematics and Science Survey (TIMSS) of 7th and 8th grade pupils. It is also due to the misleading impact of statistics produced for levels of qualification amongst the population, because the necessary standardisation of classification methods used by the various countries has not been ensured. This is the case above all for figures relating to the proportion of the population having at least attained secondary school level. It is also the case in the Baltic States with regard to the proportion of the population having attained higher education.

In reality, an in-depth examination of the statistics, recent qualitative studies, or the productivity gap, shows a lack of qualifications among adult populations by comparison with the European Union, not only in quantitative terms, with regard to

168 *Employment in Europe, 2002*, European Commission.

169 Over half of the nine candidate countries took part in the TIMSS: Hungary, Slovenia, the Czech Republic, Bulgaria and Latvia were above average among the countries surveyed for both mathematics and science (by contrast, Lithuania, Romania and Cyprus were below average) (see below 7.1.4).

people with higher education qualifications[170], but also in qualitative terms as a whole. This is also confirmed by the above analysis of high rates of unemployment among young people with secondary school qualifications.

Nonetheless, the results achieved in the Czech Republic with regard to the level of scientific literacy within the framework of the PISA survey are revealing in terms of the quality achieved in general education. The same is true, albeit to a lesser degree, for Hungary and even Poland, if the findings of the PISA[171] Survey are compared with those of the IALS[172] Survey, carried out four or five years earlier. Finally, the findings of the TIMSS, and the differences between results in 1995 and 1999, show the progress achieved, which has been particularly outstanding in the Baltic States, Cyprus and Hungary. That these countries come out top in the classification of rates of progress is perhaps not unrelated to the amount of expenditure on education analysed above for Cyprus and the Baltic States, and the rapidity and consistency with which Hungary has undertaken to transform its education system.

7.1.2 DEBATES ON THE QUALIFICATION OF THE POPULATION

In general, there is the feeling among decision-makers in the candidate countries that the population is qualified and able to prepare for the challenges of accession, in particular for the objectives set up in the Lisbon Council. Thus, during the World Bank Forum on the Knowledge Economy (organised in Paris in February 2002) with the participation of high-ranking officials from the candidate countries[173], as they were asked about the strongest pillars for preparation for the Knowledge Based Economy in their countries, they ranked 'educated and skilled population' in the first place, before 'regulatory and economic environment' in second, 'dynamic information infrastructure' in third, and 'research networks' in final place. Also, as part of the OECD Education Policy Analysis 2001 issue, an analysis was made about global performance in lifelong learning, which concluded by positioning the Czech Republic in the second group (as part of a hierarchy of four groups) with Canada, New Zealand and the Netherlands, and Poland and Hungary in the fourth group with Ireland and Portugal.

However, there are now a growing number of studies expressing more balanced or pessimistic views. The final report prepared by the World Bank on the Paris Forum[174] stated that 'at first glance, the accession countries would seem well positioned to provide the human resources for competitive knowledge economies. With high rates of educational enrolment and literacy, well-established strengths in mathematics and science, a long tradition of scientific and technical research, and long-established university systems, these countries would seem to have many of the tools in place for training their people for the challenges of twenty-first century economy and society'; but 'The combined legacy of highly centralised government control, rigid guidelines for outputs of different types of education and training, the remnants of a fairly inflexible regional division of labour in higher education and research, and rigid hierarchical distinctions between educational and vocational training, have left

170 With the exception of Lithuania, Estonia and Cyprus, all the candidate countries were below the European average of 21.6% for those aged 25-64 with a higher education qualification, with 10% in Romania, 11% in Slovakia, 12% in the Czech Republic and Poland, 14% in Hungary and Slovenia, 18% in Latvia and 21% in Bulgaria.

171 Programme international pour le suivi des acquis des élèves (PISA) (see below 7.1.4).

172 International Adult Literacy Survey (IALS).

173 Each delegation had five or six high-level officials from ministries of economy and finance, education and research, transport and communications (at ministerial or vice-ministerial level), the Academy of sciences, and possibly someone from the Prime Minister's office. Out of the four topics mentioned above, the question was: 'What are your two strongest pillars, and your two weakest pillars?'

174 *Building Knowledge Economies*: *Final report of the Knowledge Economy Forum* from 'Using Knowledge for Development in EU accession Countries' organised by the World Bank in cooperation with the European Commission, the OECD, the EBRD and the EIB, May 2002.

most of the accession countries ill-equipped for the human resource challenges they will face in a globally competitive knowledge-based economy.'

Furthermore, according to the report on innovation policy completed by ADE (Aide à la Décision Economique) at the request of DG Enterprise[175], 'education and training systems produce employees who are not creative or flexible enough for the needs of industry and high value-added services.' An explanation has to be found for the lack of adequate reforms of education systems as 'since 1990, education systems have expanded in terms of student numbers as a means of resolving unemployment without a corresponding increase in quality, […] higher education systems have not been fully restructured while training systems remain weak.'

Also, as part of the 2000 EBRD report on transition[176], conclusions express the idea that 'governments and firms need to pay increased attention to training, including improved systems of vocational training. Governments must also improve the conditions for investment and technological upgrading in order to capitalise on the relative abundance of well-educated workers'. However, following the results of the survey done towards informing foreign investors on the quality of labour in the transition economies, the report expresses 'some doubts, however, to what extent the high level of schooling is associated with a similarly high level of skills at the workplace'. And it appears from the survey that a 'cheap skilled labour' is not one of the main factors driving investment in the candidate countries in comparison with other regions in the world, and also that it scores lower in the candidate countries than in South Eastern Europe, in South Asia or in Africa. Furthermore, looking at the main deficiencies of workers in the transition economies relative to similar workers in the parent economy, the report says 'that the majority of workers in the transition economies lack general adaptability and flexibility', whatever their level of educational attainment (university, vocational or secondary education), and that 'relative to the demand for skilled workers, their technical and IT education is considered as insufficient.'

Furthermore, referring to a recent Eurostat[177] analysis, the *Employment Report 2002* says that 'while human capital endowments in these countries are gradually converging to the standards of the EU, the gap is still wide at secondary and higher education levels. Later, referring also to the OECD's International Adult literacy Survey (IALS)[178], the report 'points to the need for substantial improvements in skills through education and training to facilitate structural shifts to skilled non-manual occupations and to reduce unemployment.'

7.1.3 EDUCATIONAL ATTAINMENT AND RELATED ISSUES

The educational attainment of the population gives an initial indication of the quality of education and training systems in the countries concerned. Hence, we consider the percentage of 25-64 year-olds having completed at least upper-secondary level (ISCED[179] level 3), and the percentage of 25-64 year-olds having completed tertiary education (ISCED levels 5 and 6). We then consider some qualitative information including reference to studies carried out in OECD countries, such as the IALS survey and more recently the PISA study.

In quantitative terms, as demonstrated by statistics from the latest Eurostat *Labour Force Survey*[180], the situation seems better in candidate countries than in the EU *according* to the first indicator relating to upper-secondary education, but worse

175 *Innovation policy in six candidate countries: the challenges (Cyprus, the Czech Republic, Estonia, Hungary, Poland and Slovenia)* Final report by ADE (Aide à la Décision Economique) SA, September 2001.

176 *Transition report, 2000*, results from a postal survey produced by the office of the chief economist at the EBRD.

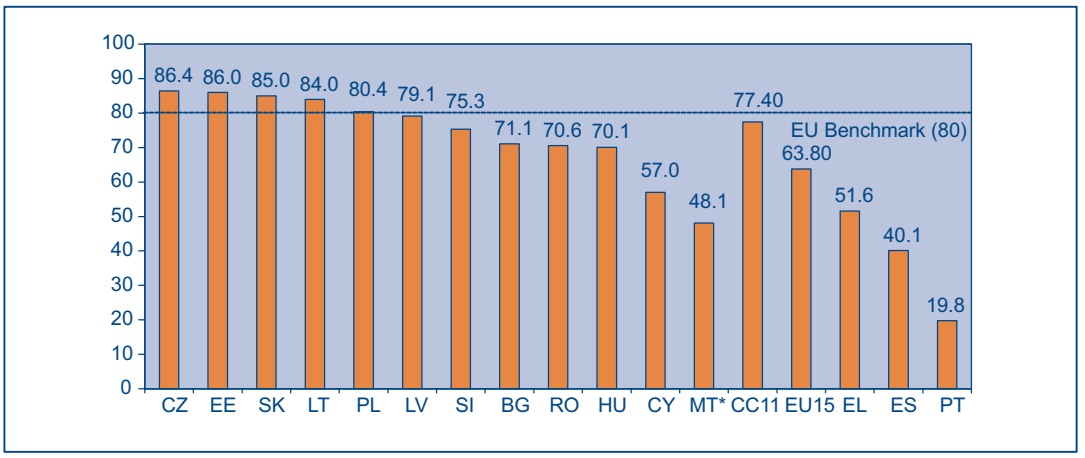
177 *Statistics in Focus 14, 2000*, Eurostat, European Commission.

178 See 7.3.3 below.

179 International Standard Clasification of Education.

180 *Labour Force Survey*, 2001, Eurostat, European Commission.

Figure 1: Educational attainment of the population (in %) aged 25-64 having completed at least upper-secondary level (2001)



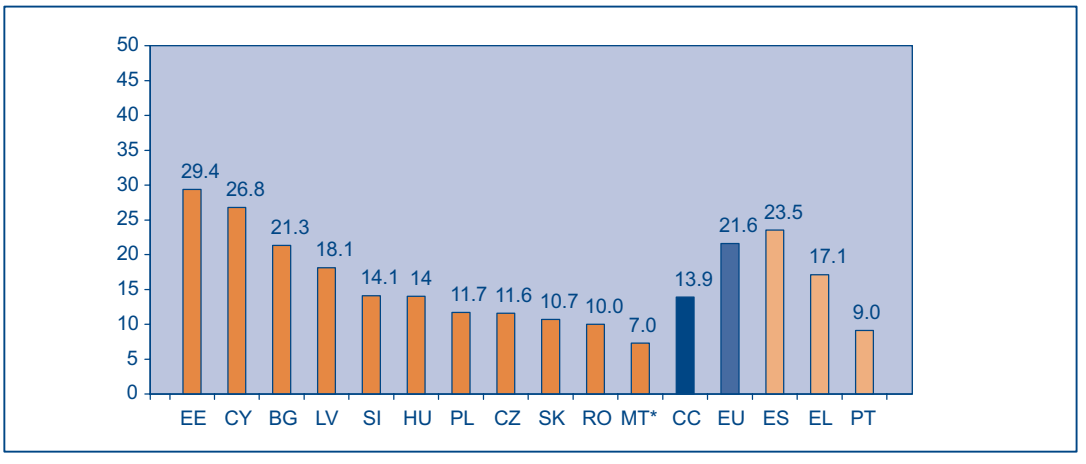
*Source: Eurostat, Labour Force Survey, 2001. *Data from national sources.*

according to the second relating to tertiary education.

As shown in figure 1, some 64% have completed upper-secondary education on average in the EU, while the average in the candidate countries is 77%, with the Czech Republic, Estonia, Slovakia and Lithuania scoring higher than the EU countries (86% for the Czech Republic, 86% for Estonia, 85% for Slovakia and 84% for Lithuania, compared with 83% in Germany and 81% in the United Kingdom). Thus, half of the candidate countries already reach the EU benchmark of 80%.

On the other hand, as shown in figure 2, while an average of 22% have completed tertiary education in the EU, the average in candidate countries is only 14%, though Lithuania[181], Estonia and Cyprus are all above the EU average. But the majority of candidate countries score less than 15%, below which we find only two EU countries, Italy and Portugal (7% in Malta, and between 10% and 12% in Romania, Slovakia, the Czech Republic and Poland, compared with 9% in Portugal and 10% in Italy).

Figure 2: Educational attainment of the population (in %) aged 25-64 having completed tertiary level



*Source: Labour Force Survey, Eurostat, 2001. *Data from national sources.*

181 In fact, according to the *Labour Force Survey*, Lithuania reaches a 45% score for this data; but this does not seem realistic according to experts, including those in Lithuania and therefore, it will not be included in figure 2.

These results must be interpreted with caution for different reasons. First, attainment levels do not refer to the quality of the qualification provided and do not usually differentiate between the narrow, often outdated, qualifications used in the former centrally-planned economies, and the new, broad-based qualifications needed for the developing knowledge-based economies. Previous chapters demonstrate how long and difficult the ongoing reform of curricula is in the candidate countries and that many old, outdated curricula are still used in vocational schools. Second, these levels are broad categories which aggregate different qualifications[182], sometimes including lower ones such as the 'lower vocational schools', generally offering one or two years training up to the completion of compulsory schooling. These were actually part of the system for basic schooling and not formerly considered as part of the secondary system in these countries[183]. However, as upper-secondary education was considered to be compulsory under the socialist system, all those who were graduating from vocational schools (at least in Soviet Union) were considered to have upper-secondary education[184] and therefore classified at ISCED level 3. Similar problems appear for level 5 where some post-secondary pathways considered as level 5b in some candidate countries are usually considered at level 4 in other countries. Thus the situation is certainly less favourable than that suggested by the quantitative indicators as far as the Baltic States are concerned, and in particular, Lithuania[185, 186].

Another limitation comes from the situation of populations like the Roma in central Europe, whose educational attainment is very low, as recent statistics indicate that only 3% of young people achieve upper-secondary education in Czech Republic and 1.5% in Hungary. Thus, there are some doubts on the way these populations are taken into account in national statistics.

Finally, when considering the trends, some indications were worrying in some countries. In Lithuania, according to the *Labour Force Survey* (2001), 8% of the 35-44 year-olds had basic education or below (ISCED 0 to 2) when the ratio was 23% for the 25-29 year-olds. In Slovakia, between 1998 and 2001, we see an increase of 1.3% at ISCED level 2, and an almost parallel decrease of 1.4% at ISCED level 3. These indications could be seen in relation to the increase of dropouts and early school leavers observed in some countries (see section 7.2.3 on participation in education).

7.1.4 SOME RESULTS OF QUALITATIVE STUDIES

These comments are supported by different qualitative approaches undertaken by the OECD. First, the International Adult Literacy Survey[187] conducted between 1994 and 1998, which covered in particular Poland, the Czech Republic, Hungary and Slovenia[188] and considered the performance of adults (15-65 years) in three literacy fields (prose, document and

182 As part of the *Labour Force Survey*, not all countries ask a wide enough range of questions to be able to classify the qualifications obtained to the correct ISCED level.

183 *The impact of enlargement on employment and labour markets in the EU Member States*, Final report prepared for the EC/3.3.1 Human capital endowments p. 217, DG Employment and Social Affairs, European Commission, 2001.

184 Valdas Dienys, Director of the Methodological Centre for Vocational Education and Training, Lithuania.

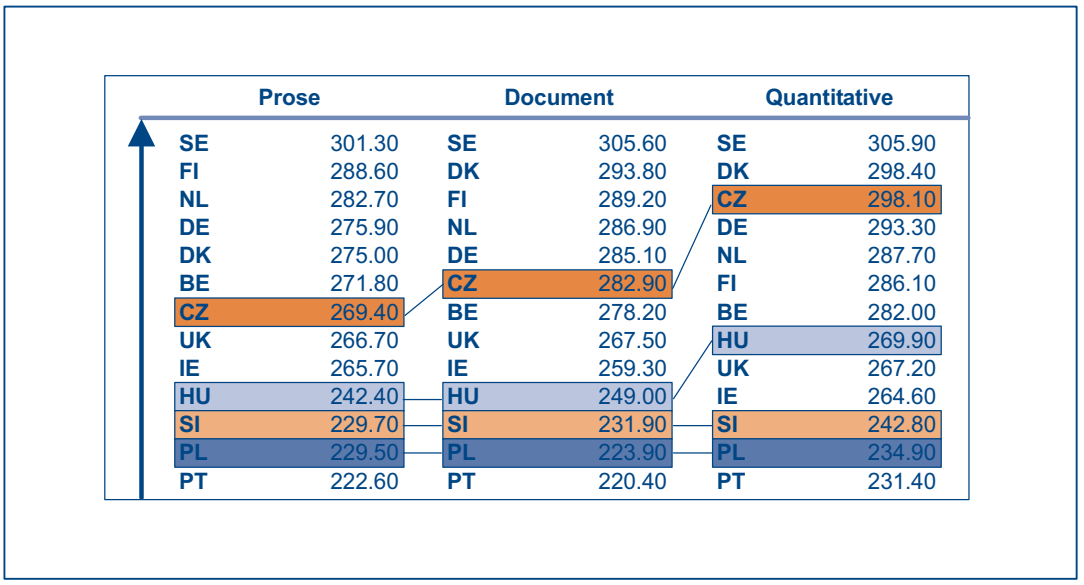
185 There are also indications from the last *Employment in Europe* report (2002) that three out of the four countries showing the highest rates of educational attainment at tertiary level (Lithuania, Estonia and Bulgaria) are those that show the highest rate of unemployment and the lowest rate of employment for highly skilled workers, markedly higher and lower than the respective EU rates.

186 Another indication is given in Cyprus where national statistics give 17% of the population having education at university or college level (a percentage rather stable between 1992 and 1997), while the Labour Force Survey gives 26.8%.

187 See *Literacy in the Information Age*, final report of the International Adult Literacy Survey, published by OECD and Statistics Canada in 2000.

188 Poland was covered in 1994, as well as Sweden, Germany and the Netherlands, while the Czech Republic, Hungary and Slovenia were concerned by the data collection in 1998, along with Denmark and Finland.

Figure 3: Percentage of population aged 16-65 at prose/document/quantitative literacy level (1994–1998)



Source: International Adult Literacy Survey, OECD, 1994–98.

quantitative literacy). As shown in figure 3, with the exception of the Czech Republic which fell midway in the 22 countries concerned for prose literacy, but came in the first third for document literacy and in third place for quantitative literacy, the three other candidate countries were placed at the bottom of the group just above Portugal (except Hungary concerning quantitative literacy).

Second, the 1999 TIMSS report[189], which covered nine of the candidate countries (only Poland, Malta and Estonia did not participate in it), gives a wide comparative study on the performance of students at the 8th grade in mathematics and science. As shown in figure 4 below, compared to EU countries involved, some candidate countries scored very high: Slovakia, Hungary, the Czech Republic and Slovenia in particular, while Romania, Cyprus and Turkey are below average. Furthermore, some candidate countries – Latvia, Lithuania, Hungary and Cyprus in particular, demonstrated the highest increase in results compared to a similar survey done in 1995, while the Czech Republic and Bulgaria saw their performance markedly decreased[190].

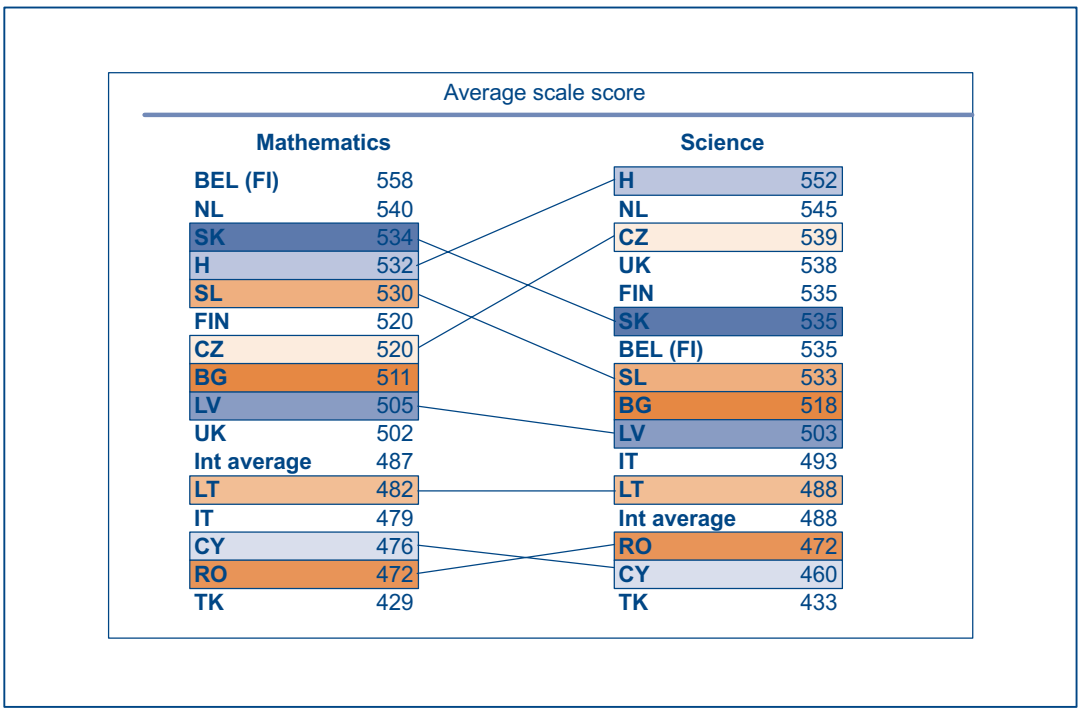
More recently, the PISA study[191], which covered the Czech Republic, Hungary, Poland and Latvia as well as other OECD countries, gives a slightly different picture with candidate countries ranking significantly lower than in TIMSS, except for the Czech Republic where there is little difference between the two measures. As shown in figure 4, the performance of

189 The *Third International Mathematics and Science Survey*, done in 1999 by the International Study Center (Boston college) and the International Association for the evaluation of educational achievement. Reports on mathematics and science, produced in December 2000.

190 Recent research on the results of *TIMMS 1995* by Ludger Woessmann for the Kiel Institute for World Economies (*Schooling Quality in Eastern Europe: Educational Production During* Transition, March 2003) concluded the positive influence of the reform in education and particularly of the decentralisation process on the results as Hungary, Slovenia, Czech Republic and Slovakia reached high scores far beyond other candidate countries. However, our observations give a more balanced picture as these countries (with the exception of Hungary) saw their results stagnate or decrease between 1995 and 1999 when Latvia, Lithuania and Cyprus improved greatly.

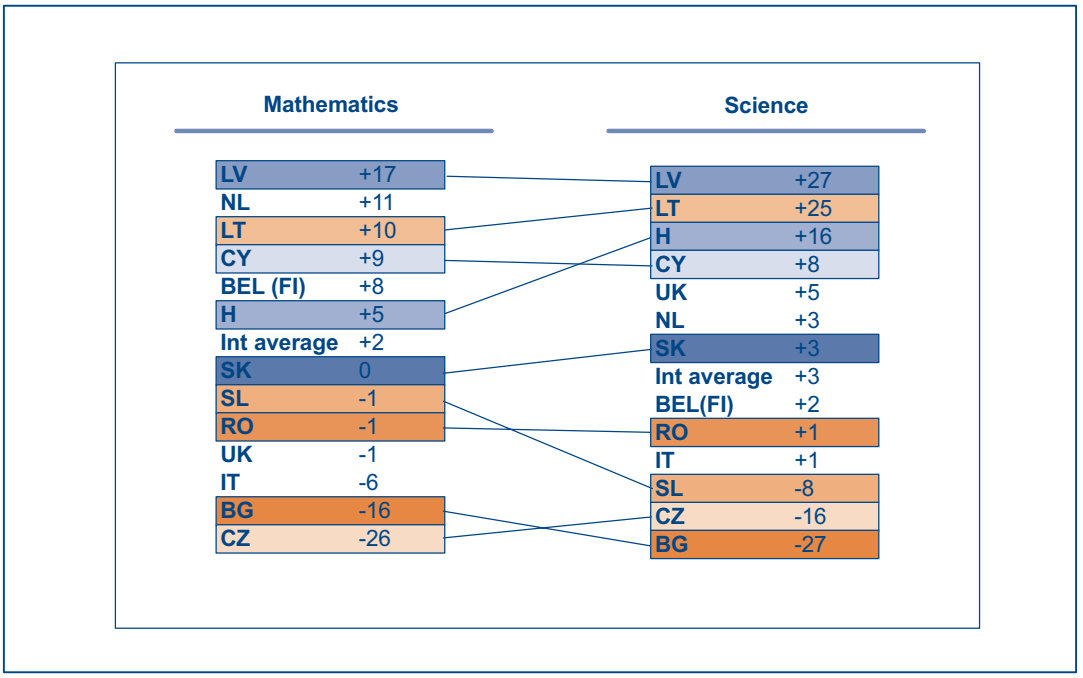
191 *Knowledge and skills for life; first results from PISA 2000*, OECD, 2001.

Figure 4a: Average scale scores in mathematics and science in 1999 in EU and candidate countries



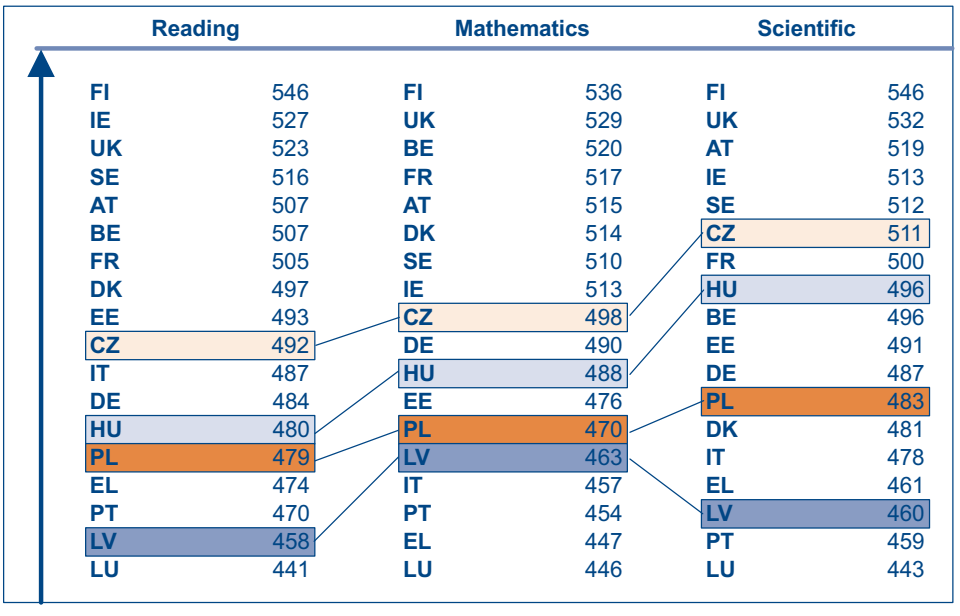
Source: TIMMS 1999, The International Study Center, Boston College, 2000.

Figure 4b: The difference in average achievement between 1995 and 1999



Source: TIMMS 1999, The International Study Center, Boston College, 2000.

Figure 5: Average reading literacy (mathematical literacy and scientific literacy) in EU and some candidate countries



Source: Programme for International Student Assessment, OECD; European Report on Quality Indicators of Lifelong Learning, European Commission 2002.

students in reading literacy places the Czech Republic a little below the average, but the three others fall into the last quarter of the countries concerned; performance in mathematics literacy is rather better, however, with the four candidate countries in the second half; and concerning scientific literacy the Czech Republic rises above the average, Hungary very close to it and Poland and Latvia in the last third, together with a number of EU countries.

In fact, there is no contradiction between PISA and TIMSS as these two surveys measure different phenomena. While TIMSS measures acquisition of knowledge, PISA measures the ability to apply knowledge. Therefore, in line with observations made earlier, it is not surprising to find candidate countries performing better for academic knowledge than for applied knowledge, and to identify here a gap in consideration of preparation for the needs of industry in the perspective of the knowledge economy. It is also interesting to consider the rapid improvement of these academic performances between 1995 and 1999 in many candidate countries, which indicates a certain priority given to general education and demonstrates the first successes of such a policy.

7.2 CHANGES IN THE STRUCTURE AND PARTICIPATION IN EDUCATION

7.2.1 SUMMARY

Catching up in participation in education

Like their EU counterparts in the 1980s, the candidate countries saw a huge increase in the numbers taking part in education during the 1990s. This was the result of governments increasing the length of education and even more by intense interest in education and training triggered by the collapse of the former system, where work was directly linked to the narrow training received during education and where educational efforts were not rewarded with social promotion. The new demand for education has been directed towards general education and even more so towards higher education.

These movements have been particularly strong in Hungary, Poland, Slovenia and Romania, and also, since 1995, in the Baltic States. Overall, they have remained more limited in the Czech Republic and Slovakia, while the upward trend was reversed in Bulgaria from 1995 on[192]. In 2000, the numbers in full-time education at the age of 20 in Poland and Estonia exceeded the European average, and were close to the average in Lithuania, Slovenia, Hungary and Latvia. On the other hand, numbers in the other countries have remained far from the European average.

The huge increases in numbers taking part in education, particularly higher education, tie in with a high level of public expenditure on education in the Baltic States and Slovenia. However, the increases in Poland and Hungary occurred without any extra spending.

Diversification of institutions and courses

These changes have occurred against a background of decompartmentalisation and wide diversification of educational courses and the creation of multiple gateways into upper secondary education, post-secondary education and higher education, but also within the framework of the considerable development of public and private, national, regional and local education and training institutions, and in some cases intense competition between them. As a result, the number of vocational schools has sometimes increased more rapidly than the number of students. This adds to the aforementioned need to optimise networks between these institutions.

These trends have also led to considerable changes in the balance between upper secondary education courses. For example, with the exception of the Czech Republic, Hungary, Slovenia and Estonia[193], all technical and vocational courses in the candidate countries have lost pupils to general education courses. Moreover, within the technical and vocational block, the so-called technical or vocational secondary courses leading to an ISCED 3-level qualification at the same time as a secondary school-leaving qualification (providing access to higher education) have grown rapidly, to the detriment of so-called vocational courses or apprenticeships, whose numbers have fallen sharply.

The new short vocational higher education courses

Above all, this has enabled post-secondary education and, even more, short vocational higher education courses to develop within the framework of 1-3 years' study after the *maturita* awarded by secondary schools, vocational secondary schools or universities. The aim was to provide the labour market with the highly skilled

192 Probably because of the introduction that year of a short "bachelor's" course of higher education and perhaps because of the sharp increase in emigration.

193 It is interesting to note that these four countries include those that have made the greatest progress in reforming vocational training, i.e. Hungary, Slovenia and Estonia; and the the Czech Republic, the European country with the most positive image of vocational education nowadays.

technicians, production engineers and middle managers required due to economic development and, in particular, required by SMEs in the field of information technology or services. These courses were almost non-existent under the socialist system, and their implementation in most of the countries has not been without resistance, sometimes fierce, from universities, who have seen them as a threat to their monopoly on higher education.

As seen in our analysis of legislative developments, the innovation constituted by the creation of short vocational higher education is a major component of current reforms. However, these developments are extremely recent and it is not yet possible to predict the success or impact of these new training courses. Given the level of development attained in the European Union, it is possible to surmise that they are likely to see huge, rapid growth, and to play a key role in the future. However, in order to do so, the qualifications on offer must be structured in close cooperation with the social partners, so that they are relevant; teachers much receive appropriate, high-quality training; technical equipment must be provided; good cooperation must be implemented with local firms and the university chancellors must play the game.

Difficulties in vocational secondary education and the question of school failure

Conversely, as indicated above by the rapid increase in unemployment rates among young people with secondary school-leaving qualifications within the context of rapidly decreasing numbers entering the labour market, these facts suggest that efforts towards reform relate mainly to general and technical education, as well as post-secondary and higher education, and that insufficient attention has been paid to purely vocational courses (or apprenticeships) at secondary level.

Therefore, with the exception of the Czech Republic, where vocational training still has a high prestige and numbers in vocational education continue to rise, encouraged by the relative stability of employment in the industrial sector until now, which has hampered growth in higher education, these courses have a rather tarnished image. The poor quality of equipment, inadequate teacher training and increasing difficulty entering the labour market are helping to dissuade potential students.

The number of students entering traditional apprenticeships has declined rapidly, as workshops in firms have closed one after the other. However, they still play a key role in Poland in the craft sector, while Hungary and Slovakia have undertaken to set up new modernised apprenticeship systems, based on the dual system of vocational training. These initiatives are hindered by firms having difficulty in providing funding and are developing slowly.

These problems are particularly damaging in that studies relating to the development of qualifications in Europe have shown that intermediate qualifications will continue to develop over the next 20 years, particularly in the service sector.

As regards shool failure, a distinction should be made between those who leave the education system without qualifications and those who drop out. According to the latest figures from Eurostat, levels of the former are much lower than those in the European Union (particularly Spain, Portugal, Italy and Ireland), and are falling in Cyprus, Estonia, Hungary, Poland and Slovenia, while rising in Romania and Bulgaria. As far as dropout rates are concerned, these are much higher in vocational than general education.

7.2.2 DURATION OF STUDIES

The duration of compulsory studies was often shorter in the candidate countries than in the EU, but it is now increasing. According to statistics provided by Eurostat, in 1997/98 the school starting age was seven and the finishing age was 15 in half of the countries (16 in the other half) compared with a starting age of six or less in 12 of the EU Member States and ending at 16 years of age or over in nine of them. In fact, the finishing age of

Figure 6: Duration of compulsory education, starting and finishing ages (1999-2000)

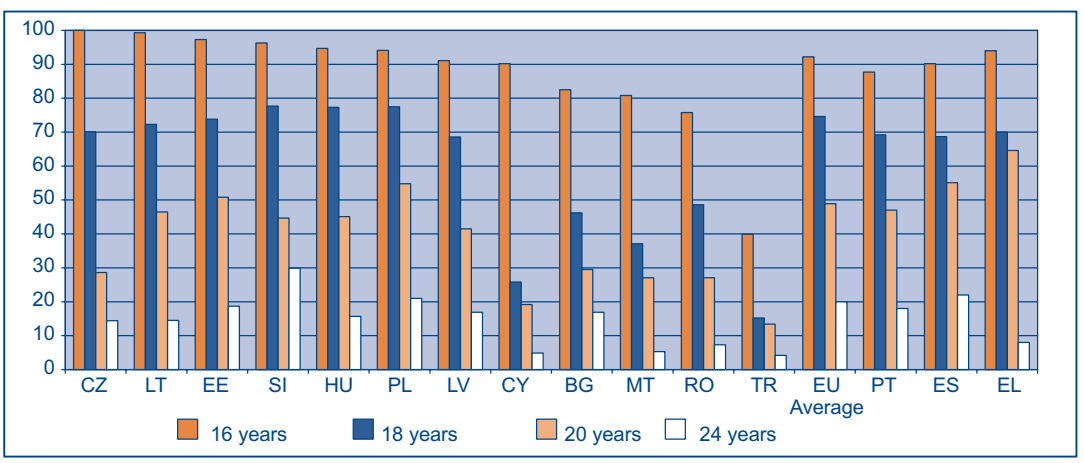
Source: Eurostat Yearbook 2002 - People in Europe, Eurostat, European Commission.

compulsory education was recently raised to 17 in Estonia and 18 in Poland and Hungary (where it was implemented for incomers at primary school). As shown in figure 6, the situation in the candidate countries is now closer to the EU.

7.2.3 PARTICIPATION IN EDUCATION, AND RECENT TRENDS

With the exception of Turkey, and to a lesser extent Romania, Malta and Bulgaria, participation in education is very high in the candidate countries; until the age of 17, seven countries are found to be above the EU average of 84.2% of students, but participation drops after age 17 (see figure 7). Participation in education at age 20 shows two countries – Poland and Estonia – reaching higher percentages than the EU average of 48.9%, and three others close to it (Lithuania, Slovenia and Hungary). Participation at age 24 also shows Slovenia and Poland to be above the EU average and Estonia and Bulgaria close to it – of course, these last two indicators also include higher education participation. The drop is particularly significant in the Czech Republic (from 97.8% at 17 years to 28.6% at 20). Overall, it can be argued that participation in education after the age of 18 in the majority of the candidate countries is still lower than the EU average, although it has developed rapidly recently.

Figure 7: Participation rates in education of students aged 16, 18, 20, and 24 (1999-2000)



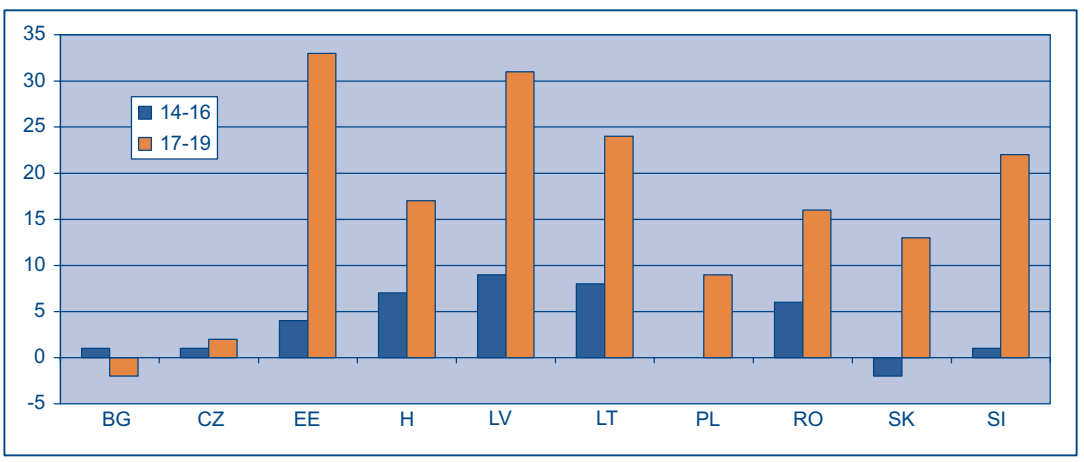
Source: Eurostat Yearbook 2002 - People in Europe, Eurostat, Euroepan Commission (Note for Cyprus that these figures do not take into account students studying abroad).

However, as a result of active policies aimed at raising the educational attainment of the population and of individual choices, participation in education at upper-secondary level has increased significantly in recent years. As demonstrated in table 1 and figure 8, participation in all education had still increased slightly between 1995 and 1998 for 14 to 16 year-olds in a majority of countries, and had increased markedly for 17 to 19 year-olds in most countries, particularly in Estonia (from 52% to 69%), in Latvia (from 51% to 67%), in Lithuania (from 55% to 68%) and in Slovenia (from 59% to 72%).

In absolute figures, this phenomenon is often hidden as the demographic drop involving young people[194] has compensated for the increase of participation in education for the same age group.

Nevertheless, there are some exceptions, such as Poland, where between 1990/91 and 2000/01 an increase of over 50% can be seen in the number of students in all vocational education and training streams and over 100% in general secondary schools. Another indicator of the increase of participation in education is also the length of the school career, which has risen.

Figure 8: Participation in education for the 14-16 year-olds and 17-19 year-olds in the candidate countries, and trends between 1995 and 1998



Source: ETF key indicators 2000.

Table 1: Participation in education for the 14-16 year-olds and the 17-19 year-olds in the candidate countries, and trends between 1995 and 1998

PARTICIPATION IN EDUCATION	14-16 IN 1995	14-16 IN 1998	% 1998/ 1995	17-19 IN 1995	17-19 IN 1998	%1998/ 1995
BULGARIA	86	87	1	46	45	-2
CZECH REPUBLIC	95	96	1	50	51	2
ESTONIA	90	94	4	52	69	33
HUNGARY	86	92	7	46	54	17
LATVIA	86	94	9	51	67	31
LITHUANIA	89	96	8	55	68	24
POLAND	95	95	0	69	75	9
ROMANIA	78	83	6	38	44	16
SLOVAKIA	97	95	-2	45	51	13
SLOVENIA	96	97	1	59	72	22
EU (in 1996)	93			67		

194 See above the demographic analysis under the chapter on the economic, demographics and employment context.

This increase has mainly benefited general secondary streams. As published by UNICEF in the *Social Monitor 2002*[195], a considerable increase of general secondary enrolments can be seen among the 15-18 year-old population, rising by 7% in Bulgaria, 15% in Lithuania and 19% in Estonia (the three countries where this rate reached already more than 30% in 1989), to 23% in the Czech Republic, 62% in Slovakia, 68% in Hungary, 90% in Latvia, 92% in Poland and 586% in Romania (where the rate amounted only to 3.8% in 1989) (see table 2 and figure 9).

As shown in the diagram below, which demonstrates the wide variation among candidate countries as well as between candidate and EU countries, there are links between enrolment in secondary education and public spending for education.

7.2.4 DIVERSIFICATION AND NEW DEVELOPMENTS IN UPPER-SECONDARY EDUCATION

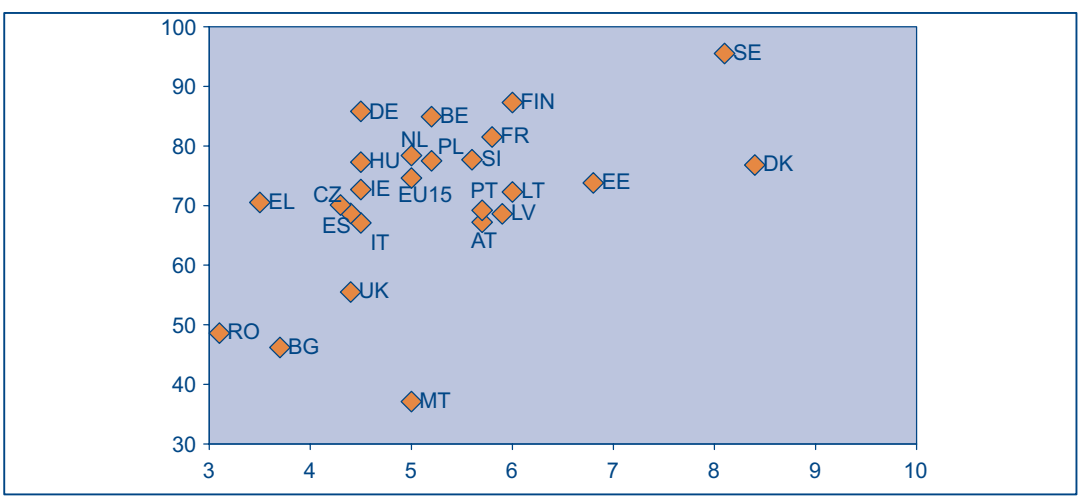
All the candidate countries differentiate between streams in upper secondary education. Parallel to grammar or secondary general schools (or lyceums), the various vocational education and training streams must be considered, which are mostly school-based. In general, these are as follows: (a) technical or 'semi-vocational' stream, known as 'secondary vocational', 'secondary specialised' schools or 'technical lyceums', these lead to the *maturita* (and on to higher education) as well as a qualification at ISCED level 3a; (b) 'real' vocational streams, often called 'apprenticeship' schools (even if provided in vocational

Table 2: General secondary enrolments in percentage of the 15-18 year-old population

	1989	1991	1993	1995	1997	1999	2000	2000/1989	2000/1995
CZ	14.1	13.1	12.3	13.6	12.4	14.5	17.3	+23%	+27%
SK	14.3	15.7	17.8	20.5	22.3	21.7	23.1	+62%	+13%
PL	20.3	22.5	25.9	29.5	31.8	36.2	38.9	+92%	+32%
HU	17.3	18.1	20.7	23.5	26.5	29.1		+68%	+24%
SI			19.5	20.5	22.7	29.0			+41%
BG	30.9	28.9	30.0	32.5	31.4	32.6	33.1	+7%	+2%
RO	3.8	15.9	18.6	20.1	21.4	26.3	26.1	+586%	+30%
EE	37.8	36.9	39.6	43.9	45.5	43.1	45.0	+19%	+3%
LV	22.6	20.5	25.0	28.7	38.6	43.0	43.0	+90%	+50%
LT	35.7	32.2	30.7	34.7	39.3	36.5	41.1	+15%	+18.%

Source: Social Monitor 2002, UNICEF.

Figure 9: Percentage participation in education at age 18 in relation to public expenditure on education as a percentage of GDP



195 The MONEE project CEE, CIS, Baltics, UNICEF United Children's Fund, Innocenti Research Centre, Florence.

schools themselves[196]), which lead to vocational certificates at ISCED levels 3a, 3b or 3c according to the duration of the studies and the specific occupations they prepare for; and (c) in a few countries, a proper apprenticeship system preparing for craft occupations run in parallel to the school-based system.

Note as well that these different streams were compartmentalised without any transversal pathways, as an inheritance from the past. The situation is now gradually changing, with the ongoing introduction of new curricula.

This system has frequently become more complex in most countries following the reforms undertaken of the whole education system, often at the end (or in parallel) of the Phare vocational education and training programmes in many countries[197]. Issues have included the development of additional pathways aimed at providing new opportunities for students to improve their qualification after completion of a general education route, to facilitate reintegration of early school leavers through adequate follow-up courses, to complement vocational streams (delivering qualifications at ISCED level 3c) with one year courses allowing access to the *maturita* and tertiary education, or to offer evening courses for adults. In addition, post-secondary and higher education have developed quickly with different schemes. As an example of these comprehensive reforms, the following extract is a description of the reform of the education system in Poland as decisions were made in 2002 after in-depth discussions.

All these changes have been introduced with the view to better answering the needs of the labour market and the individuals. However, there is still considerable rigidity in the systems in many countries, and there is the feeling that the considerable diversification of the offer has not been accompanied by sufficient flexibility. As noted in many countries, horizontal permeability between streams is still difficult, even though numerous attempts have been made to create such pathways

From the monograph on Poland:

The final structure of the new school system is expected to better meet labour market demands, and a common core curricula has been established for all types of secondary school in Poland. The new VET system is aiming to guarantee diverse educational opportunities (no more dead-end routes) and to facilitate the acquisition of high quality vocational qualifications.

1. Basic vocational schools will continue as before (lasting from two to three years), offering vocational qualifications, however, the new core curriculum provides a broader general education, expected to prepare graduates better for the labour market, where the importance of general education is growing. Moreover, graduates will be able to continue education in supplementary schools (two-year supplementary lyceum or three-year supplementary technical schools) in order to obtain the *maturita* certificate, whereas the previous concept did not provide for such an opportunity.
2. The apprenticeship system is expected to continue mainly in the crafts sector, however a new draft regulation envisages a decrease in the number of days of practical training and work in businesses and to strengthen the school-based part of the system. There were already the first signs in March 2002 that employers might boycott this change.

196 A situation inherited from the former system, where vocational schools were systematically and strongly linked to companies.

197 See the chapter on governance and partnership.

3. Profiled lycea will be introduced as a new type of school (lasting three years, with the focus on general education but providing general vocational education without qualifications), but, in a modified way to that which the previous government had envisaged. The number of profiles has been extended from five to 14: (1) environmental preservation (creation), (2) economic-administration, (3) agricultural-food processing, (4) service-economic, (5) fashion design, (6) chemical testing of environment, (7) social, (8) forestry and wood processing technology, (9) transport-forwarding, (10) electronic, (11 electrotechnic, (12) mechatronic, (13) mechanical manufacturing technics, and (14) information technology management. Graduates can obtain vocational qualifications in short educational cycles, ranging from six to 12 months at a post-secondary school or at "out-of-school" forms of training.
4. General secondary schools (the schooling cycle has been shortened from four to three years) will continue as a specific type of school as under the old school system, and not as only one profile of the profiled lyceum. It enables students to take the *maturita* exam and to follow post-secondary and higher education.
5. Technical vocational schools (*technicum*) have been re-introduced with a view to the estimated labour market demand and the need for qualifications at secondary level. The cycle has been shortened from five to four years, leading to both vocational qualifications and the Matura examination.
6. Supplementary technical schools (three years schooling) are designed for graduates of basic vocational schools who would like to pass the *maturita* examination and to get vocational qualifications at the level of a technician.
7. Supplementary lyceum, which last two years, are aimed at graduates of vocational schools who wish to obtain a complete secondary education leading to the *maturita*.
8. Post-lyceum schools (two to two and a half years for graduates of general secondary schools, six to12 months for graduates of profiled lyceum) are designed for graduates of secondary schools who wish to obtain vocational qualifications.
9. Vocational higher education and higher education will continue as three-year vocational programmes, leading to a Bachelor's degree, four-year courses granting an engineering degree, two-year supplementary Master's courses and five-year Master's programmes.

(See table 19 in annex)

between the main streams in most countries. But sometimes, in order to reach sufficient quality, entrance exams were introduced for specific upper-secondary streams (for instance in Bulgaria for the profiled gymnasium or in other countries for grammar schools). On the other hand, flexibility was introduced thanks to a modular approach in curricula design in Malta (see below).

Other important reforms have contributed to reshaping the education systems and particularly their vocational education component. Thus, they give a demonstration of the dynamism of the reforms in most countries. This is the case with the development of regional training centres (for initial education) in Cyprus, Lithuania and Estonia where they cover both initial and continuing training. There is also the development of private schools in the Czech Republic, Hungary and Slovakia, which now host 10-15% of the pupils in the technical and general education streams, and 5-10% in the vocational streams, as well as the opening of new schools at the initiative of local

Extract from the monograph on Malta:

The MCAST is an autonomous foundation totally funded by government. The College, which is regulated by a Deed and Statute dated 11th August 2000, has gradually integrated former trade schools and other technical institutes that were previously under the control of the Education Division of the Ministry of Education. In its six institutes it offers a variety of both initial and continuing training courses (post-sixteen level) at different certificate and diploma levels (ISCED 3-5), combining theoretical and practical components. The College applies a modular approach, encouraging flexibility and facilitating access to various VET programmes. Entry requirements vary according to the course applied for. The MCAST will take on an increasingly central role also in CVT over the next few years once its training potential becomes consolidated and its function as a community college confirmed.

communities. Following a more centralised approach, most of the vocational institutions in Malta have been integrated into a single institution with the recent creation of the Malta College of Arts, Science and Technology (see above).

In total, the number of secondary schools grew significantly in most countries, mainly during the first years of transition. This was the case in the Czech Republic, Slovakia, Hungary and Poland (as shown in table 3). In Slovakia, the number of grammar schools increased from 128 to 217 between 1989 and 2001, the number of specialised secondary schools (technical strand) from 181 to 373, while the number of secondary vocational schools grew from 311 to 374. This increase was sometimes even greater than the increase of the number of students. In many countries this led to situations where the number of students measured by school and by classroom, and the ratios of students by teacher, are markedly smaller than in the EU.

Another example is given in Romania where the number of secondary schools grew significantly after 1990 (from 1,128 to 1,379 between 1990 and 2002) in order to provide a better geographical distribution aimed at facilitating access. But during the same period, mainly because of the reduction of compulsory education from

Table 3: Trends in the numbers of schools, pupils and teachers, and in the ratio of pupils per teacher in Slovakia from 1989 to 2001, and % of variation between 1989 and 2001

	1989	1991	1993	1995	1997	1999	2000	2000/1989
Grammar schools	128	147	176	190	198	209	217	70
Pupils in Gr schools	51.5	59.2	68	76.4	80.1	76.7	86.2	67
Teachers in Gr schools	4.2	4.8	5.6	6.5	7	7.2	7.7	81
Ratio pupils/teachers	12.2		12.3		11.4		11.2	
Specialised Sec schools	181	276	342	364	365	379	373	106
Pupils in SSS	80.1	95.2	11.6	119.8	116.7	99.1	101.7	26
Teachers in SSS	7.9	9	11.9	13.5	14	13.2	13.1	65
Ratio pupils/teacher	10.1		9.4		8.4		7.7	
Vocational schools	311	317	344	357	346	361	374	20
Pupils in VS	155.2	143.3	138.5	139.7	126.8	102.5	106.8	-31
Teachers in VS	7.4	7.1	6.9	7.3	7.4	6.9	6.8	-9
Ratio pupils/teacher	20.9		20.1		17.2		15.8	

Source : ETF monograph on Slovakia / national sources.

Table 4: Evolution of the number of pupils (in thousands and %) in Romania enrolled in secondary education in the period 1990-2001

Years	Theoretical and vocational high schools(1)		Technical high schools(2)		Vocational and apprenticeship schools		Total technical, vocational and apprenticeship schools		Total secondary education	
	Number	%	Number	%	Number	%	Number	%	Number	%
90/91	212.8	15.6	782.9	57.5	365.9	26.9	1148.8	84.4	1361.6	100.0
94/95	363.1	34.7	394.6	37.7	288.7	27.6	683.3	65.3	1046.4	100.0
98/99	342.0	36.2	376.0	39.7	227.6	24.1	603.6	63.8	945.6	100.0
99/00	393.8	43.0	300.6	32.8	222.2	24.2	522.8	57.0	916.6	100.0
00/01	385.7	41.6	302.2	32.6	239.6	25.8	541.8	58.4	927.5	100.0
01/02	397.3	41.3	313.3	32.5	252.4	26.2	565.7	58.7	963.0	100.0

(1) The vocational route includes the following profiles: fine arts, music, choreography, sports, pedagogy, military, and theology.
(2) The technical route includes the following profiles: technical, agriculture, forestry, economics, administration, veterinarian and 'special'.
Source: Monograph on Romania, ETF, 2003.

10 to eight years in 1992[198], but also probably for demographic and socio-economic reasons, the number of students decreased substantially from more than 1,300,000 to 960,000. During the same period, the number of vocational schools went from 707 to 890, while the number of students dropped from 365,000 to 252,000 (see table 4).

Therefore, in many countries there is an issue of optimising the network of schools and the number of teachers in order to fit better with the ongoing changes in the number of students and the needs for improvement of the learning process. This has to take into account the developing new pedagogies and also what the resources are available in the public budget for education. The process of optimising the network of schools generally started in all countries in 1997 or 1998, depending on the country. It was already particularly marked in countries, such as Lithuania, where the number of vocational schools decreased from 104 in 1999 to 81 in 2001, or in Estonia where the number of vocational schools dropped from 91 in 1997 to 77 in 2001 when the number of students was rather stable (from 31,500 to 30,800 during the same period). In many other countries, if optimisation has started, it is still in its early stages.

7.2.5 VOCATIONAL PATHWAYS IN UPPER SECONDARY EDUCATION

The contribution of vocational education and training streams (technical, vocational and apprenticeship schools) to participation in upper-secondary education is on average slightly higher than in the EU, but with as many variations as in the EU. It is particularly high in central Europe where the contribution from vocational institutions amounts to between 70% and 80% in the Czech Republic, Slovakia and Slovenia (as in Austria), while it does not exceed 40% in the Baltic States and Cyprus (as it does in Spain, Greece and Portugal) (see figure 10).

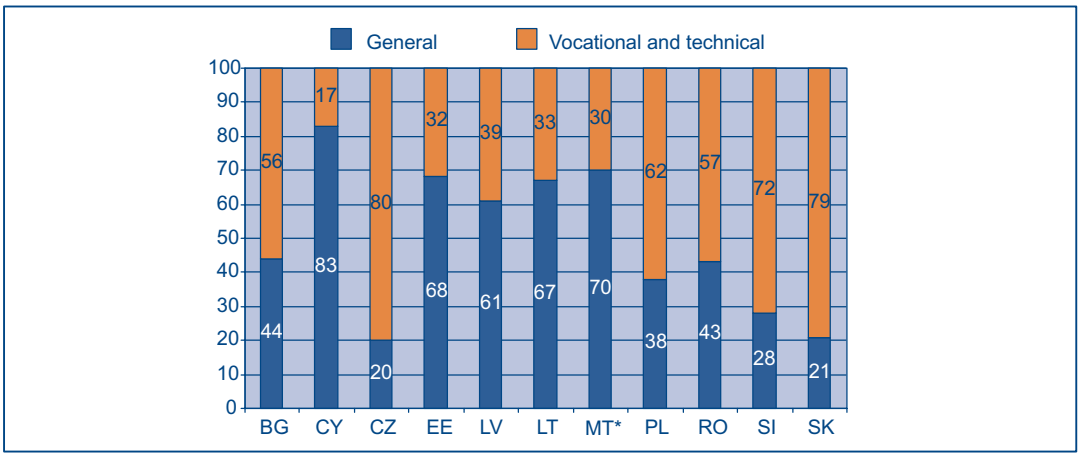
In general, this contribution of vocational education and training streams to upper-secondary education is slightly decreasing in most countries. According to the *Social Monitor 2002* report (see reference above), enrolments in vocational/technical streams decreased between 1989 and 2000 by 8% in Slovakia, Poland and Bulgaria, by 34% in Lithuania, 35% in Latvia and 41% in Romania. On the contrary, it grew by 6% in the Czech Republic, 30% in Hungary, 64% in Estonia[199], and 5% in Slovenia[200]. Of note as well, is the slight recent increase by 8% in Lithuania between 1995 and 2000 (table 5).

198 The decision was taken in 2002 to return to 10 years of compulsory education.

199 This figure is doubtful as it probably also includes newly created short higher vocational education pathways.

200 During the period 1993 to 1999.

Figure 10: Distribution of students in upper-secondary education (2000)



*Source: ETF Key Indicators database. *ETF estimate.*

Though being slowed by entrance examinations in some countries[201], the shift is also important from the point of view of 'vocational or apprenticeship' streams, which do not provide access to the *maturita* and therefore neither to tertiary education nor to the 'technical' streams aimed at delivering qualifications at ISCED level 3 as well as the *maturita* and access to universities. Thus, the rate of students in upper-secondary education starting a route leading to the *maturita* jumped from 43% to 59% in the Czech Republic, for example, between 1989 and 2000. This shift was already very significant in the candidate countries as a result of the priority given to the development of higher and post-secondary education, as well as to the choices made by students and their families. However, classical 'vocational' schools still host a substantial number of students, from 20% to 40% depending on countries, who do not have direct access to tertiary education[202].

One important reason for this growing lack of interest for vocational schools is the effect of economic changes and the rapidly decreasing involvement of company participation in initial training with schools. Linked to the difficulties in public funding for education in most countries (see chapter 6 on funding and resources), this lead to the rapid obsolescence of technical equipment and deterioration of the quality of the practical training arrangements (both

Table 5: Vocational/technical secondary streams in % of the 15-18 year-old population

	1989	1991	1993	1995	1997	1999	2000	2000/1989	2000/1995
CZ	65.1	60.9	65.7		60.1	61.3	68.9	+6%	
SK	64.7	62.4	64.1	67.7	68.1	58.3	59.6	-8%	-12%
PL	69.8	66.8	66.5	67.0	66.5	65.0	64.0	-8%	-5%
HU	55.3	55.6	58.7	63.7	69.5	71.8		+30%	+13%
SI			61.0	63.6	66.4	66.6			+5%
BG	47.3	45.4	42.2	43.6	43.5	43.0	43.5	-8%	0
RO	78.4	57.9	45.6	49.1	48.9	43.9	46.1	-41%	-6%
EE	20.5	20.9	19.7	20.2	22.0	28.8	33.6	+64%	+66%
LV	49.0	44.4	37.0	32.1	28.3	31.1	31.6	-35%	-2%
LT	38.0	30.2	23.3	22.3	22.7	28.2	24.2	-34%	+8%

Source: Social Monitor 2002, UNICEF.

201 Romania and Bulgaria in particular.

202 In general, candidate countries have set up special two-year courses in 'technical' schools aimed at helping vocational students to catch up on preparation for the *maturita*.

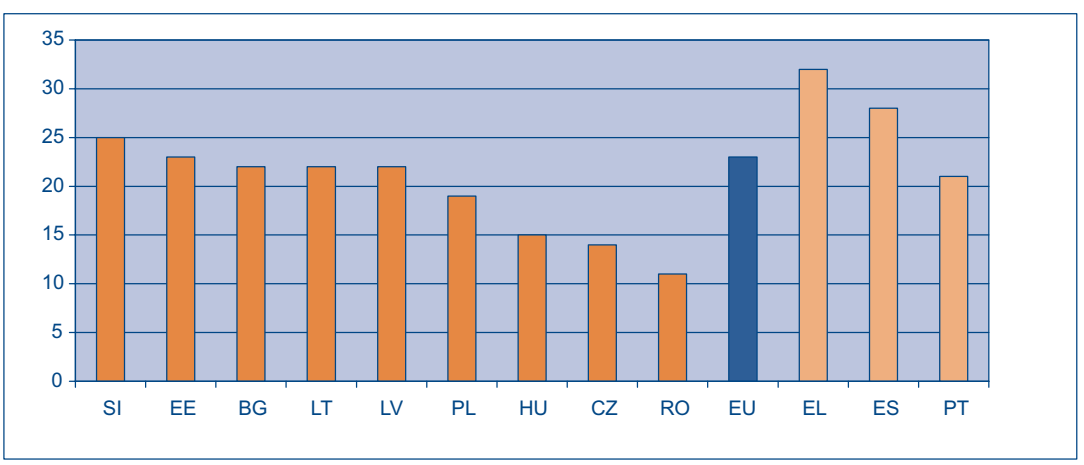
in school and in companies) which were needed for the implementation of the new curricula linked to the new occupations developing in industry and in services. This leads to the paradox that in some countries (as seen in the chapter on labour market training) young graduates from upper vocational education register as unemployed six months after graduation and are offered by the labour offices practical training in companies they could not receive from the school during normal schooling.

It is also argued in many countries that developments in preparation for the knowledge-based economy require a majority of students to enter general education and go to university, but there is still the need for education systems to provide graduates qualified at ISCED level 3. This is with the view to answering precise qualification needs of the labour market. This implies an in-depth modernisation, and often a complete revamping, of existing vocational streams at upper-secondary level. This also implies appropriate (and ambitious) policies for teacher training, for technical equipment and for cooperation with companies. In most countries traditional apprenticeship systems have disappeared. Exceptions are Poland, where a high number[203] of students still follow such pathways in the craft sector, and there are plans to better integrate these pathways under the education system; Cyprus where an apprenticeship system still exists as a way to attract students having failed in the school system[204]; and Malta where there is a significant apprenticeship system which functions well in parallel with the education system. Other countries, such as Slovenia and Hungary, are setting up new and modern apprenticeship systems based on good cooperation with the chambers of commerce and crafts, but they are still limited in extent. Bulgaria also passed a law on crafts in 2001 with the view to introducing craft training similar to the German system.

7.2.6 PARTICIPATION IN TERTIARY EDUCATION

Differences among countries were rather more pronounced at tertiary level. According to 1997-98 data provided by Eurostat, Slovenia and Estonia scored higher than the EU average in the participation of 18-24 year-olds in tertiary education (ISCED 5–6), while three other countries were close to the EU average (Bulgaria, Lithuania and Latvia), and Turkey, Cyprus[205], Malta and Romania

Figure 11: Participation rates of the 18-24 age group in tertiary education (ISCED 5-6) by percentage 1997-98



Source: Statistics in Focus, Eurostat, 2000.

203 The figure of 300,000 was given during the visit to Poland, but no confirmation has yet been received.

204 At present, this system is not well considered and a review was carried out in 2001 with a view to improving the situation.

205 These figures do not take into account the high number of students studying abroad.

Table 6: The number of Romanian higher education institutions and students[(1)], for the period 1990-2001

Academic year	Number of institutions			Number of students		
	Public	Private	Total	Public	Private	Total
1990/91	48	…	48	184,171	…	184,171
1991/92	…	…	56	…	…	205,393
1992/93	…	…	62	…	…	224,700
1993/94	…	…	63	…	…	238,219
1994/95	…	…	63	…	…	242,242
1995/96	59	36	95	237,604	85,175	322,779
1996/97	58	44	102	247,045	93,262	340,307
1997/98	57	49	106	236,024	110,610	346,634
1998/99	57	54	111	264,494	129,947	394,441
1999/00	58	63	121	309,635	130,395	440,030
2000/01	59	67	126	370,912	150,571	521,483
2001/02	57	69	126	424,864	146,749	571,613

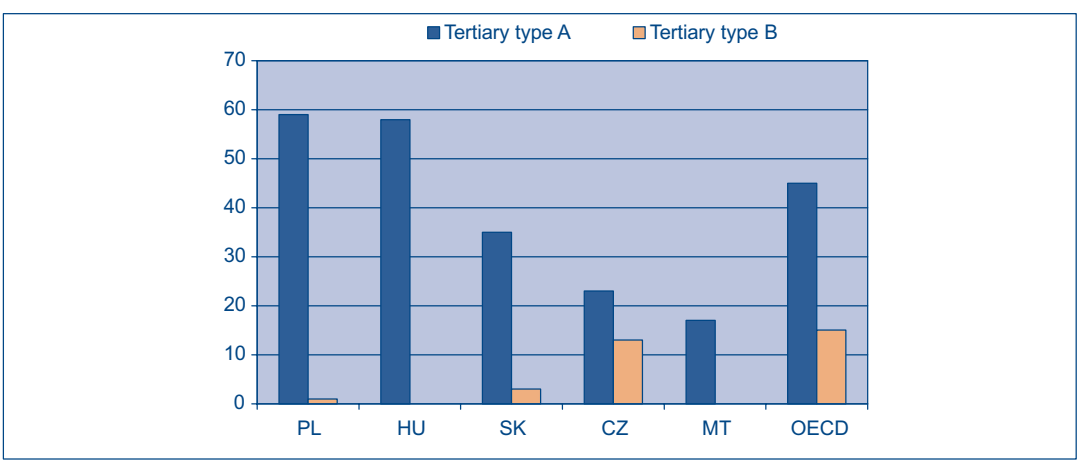
(1) Foreign students are not included.
Source: Education in Romania – statistics, NCS, 1996; Higher education at the start of the school year 1996/97, 1997/98, 1998/99, 1999/2000, 2000/01, 2001/02, CNS/INS.

were at the bottom (see figures 11 and 8). But these data are rather out of date and, with the ongoing dynamic in favour of tertiary education, the gap is diminishing quickly.

Indeed, almost all candidate countries are making a major effort to catch up with the EU level of participation in tertiary education. Poland and Hungary had the highest percentage increase in enrolments in higher education between 1995 and 1999 of all OECD countries with more than 80%, and access to tertiary education now matches OECD figures in these two countries (see figure 12 for entry rates to higher education). Estonia also shows an increase of 85% in the last five years, while other countries also had substantial increases but at a slower pace: 80% in the Czech Republic and 75% in Slovakia in the last ten years.

Data from the UNICEF *Social Monitor 2002* confirm this tendency with a considerable increase in higher education enrolments among the 19-24 year-old population between 1997 and 2000, with the

Figure 12: Entry rates to tertiary education (1999)



Source: Education at a Glance, OECD, 2001.

exception of Bulgaria where enrolments are stable or have been decreasing since 1995. It goes from 13% in Slovakia to 27% in the Czech Republic, 32% in Slovenia, 33% in Poland and Estonia, 40% in Romania, 42% in Hungary, 43% in Lithuania and 47% in Latvia. Table 6 shows the recent trends in Romania.

7.2.7 DIVERSIFICATION AND NEW DEVELOPMENTS IN POST-SECONDARY AND HIGHER EDUCATION

Diversification of pathways was an important feature of this dynamic in most countries. It covers post-secondary education (ISCED 4) with specific pathways aimed at providing graduates from upper-secondary education with the possibility of entering tertiary education. According to the OECD[206], the ratio of post-secondary non-tertiary graduates to the total population at age of graduation reached 2% in Slovakia, 9% in the Czech Republic, 13% in Poland and more than 31% in Hungary – the highest score in all OECD countries (OECD average 9%). It also covers the development of short (vocational) higher education, such as 'high professional schools' in the Czech Republic (with two to three-year programmes delivered in schools for *maturita* graduates), 'applied higher education' in Estonia, with three to four-year studies in vocational institutions, and non university higher education' in professional colleges in Lithuania. These kinds of higher vocational pathways are developing now in most countries, either in universities or secondary schools, but their development took a long time and was often hampered by great reluctance from the universities. This is why it was necessary to set up specific laws (see chapter 5 on the legislative and policy framework).

The development of private universities and/or other tertiary institutions, public or private, also happened rapidly. There are now 195 private higher education institutions operating in Poland[207], and the number of higher education institutions in Romania has more than doubled in the period 1990-2000 from 48 to 116. In total, according to an ETF report[208], in 2001 Hungary had 89 institutions including 55 public and private colleges and 34 non-public institutions, Poland had 285 institutions with 90 public and 195 private, Bulgaria had 41 institutions with 29 public, seven military academies and five private universities, and Romania had about 140 institutions, including 48 public and 92 non-public. Furthermore, as mentioned by the World Bank[209] in the report quoted above, 'private business schools are also thriving: in 1998 there were 91 private business schools in Poland, 29 in the Czech Republic, 18 in Romania and four in Bulgaria.'

Therefore, universities were very active in developing continuing education and training. According to the latest *Continuing Vocational Training Survey* (CVTS2) conducted by Eurostat[210] (see section 7.3.4) the percentage of universities in Hungary, Bulgaria and Lithuania, of all the continuing vocational training providers, was the highest in Europe; and in all candidate countries the role of universities was greater than that of industrial organisations.

In fact, extensive autonomy was given to higher education institutions right at the beginning of the transition period. Later on, accreditation arrangements were set up through national commissions (committees, agencies or councils according to the country) with a view to developing national curricula. New structures of degree programmes were adopted gradually including three to four-year vocational pathways linked to labour market needs. Flexibility is now encouraged following the introduction of credit systems and modular curricula, and quality assurance and assessment is also developing through

206 *Education at a glance*, OECD indicators, 2002.

207 *Lifelong learning in the global knowledge economy*, World Bank, October 2002.

208 *Contribution of the Tempus programme to the EU accession process*, ETF, 2003.

209 Lifelong learning in the global knowledge economy.

210 The continuing vocational training survey, CVTS2 was conducted in 2000-01 and published in 2002. However, the year of reference for the number of participants or other such data is 1999.

specific arrangements varying from one country to another[211].

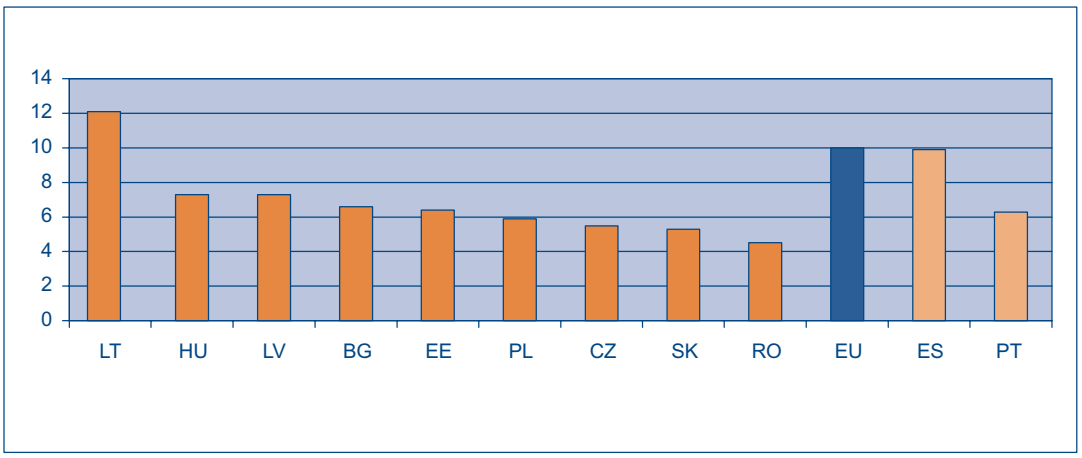
In addition, universities benefited from a dedicated European Community programme, Tempus, aimed at supporting the reform and development of higher education. It is interesting to note, as a sign of the priority set up by governments[212], that Tempus received about €100 million each year in total between 1994 and 2001, more than 10 times the amount devoted to vocational education and training during the same period. Important issues were touched upon by this programme with varied and interesting results concerning management methods, teaching methodologies and the introduction of credit systems in the design of curricula. However, as reported in the monographs in most countries, universities in general are still considered as very rigid, even conservative and academic, without sufficient links to the economy and the labour market. There was no real diversification of pathways, pedagogies did not change and they are often seen as barriers for the development of lifelong learning strategies.

Furthermore, it is interesting to consider the fields of tertiary education. As demonstrated in the *European Report on Quality Indicators of Lifelong Learning* (European Commission, June 2002), the proportion of tertiary graduates in science and technology in the candidate countries, with the exception of Lithuania, was substantially lower than in EU Member States (see figure 13).

7.2.8 EARLY SCHOOL LEAVERS AND DROP-OUTS

In addition, mainly as a result of social problems, dropout and early school leaver rates increased substantially during the first years of transition. However, the early school leavers' rate is markedly lower than in most EU countries. This rate amounted to 18.9% for the EU average according to the last *Labour Force Survey*[213], compared to 8.4% for the candidate country average at the same time (see figure 14 and table 7), with only Romania and Bulgaria achieving a higher rate than the EU average. It is also decreasing at a greater pace than in the EU (19.4% to 18.9% in the EU between 2001 and 2002, whereas it is from 9.4% to 8.4% in the candidate countries, again with the exception of Bulgaria and Romania). However, dropping out remains an issue, particularly in a number of vocational schools where students still fail to reach the *maturita* level

Figure 13: Tertiary graduates in mathematics science and technology per 1,000 inhabitants aged 20-29 (2000)



Source: European Report on Quality Indicators of Lifelong Learning, Eurostat, UOE[214], European Commission, 2002.

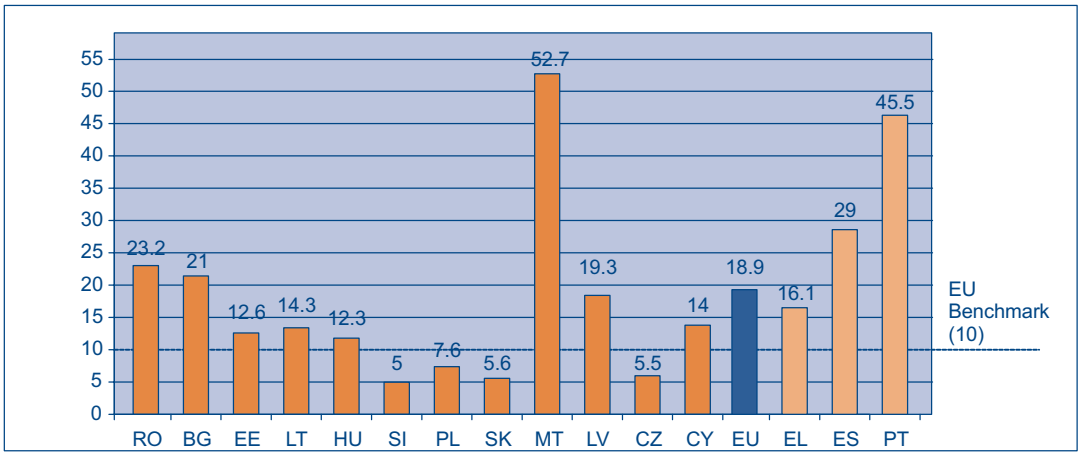
211 See *Contribution of the Tempus programme to the EU accession process* for a detailed analysis in the ETF report, 2003.

212 In the context of discussions with the European Commission on Phare programming.

213 Eurostat key indicators 15 April, 2003 update.

214 Joint Unesco/OECD/Eurostat questionnaire.

Figure 14: Early school leavers (aged 18–24)



Source: Labour Force Survey, Eurostat, 2002; European Commission.

Table 7: Early school leavers (aged 18-24)

	1996	1997	1998	1999	2000	2001	2002
CZ							5.5
SK							5.6
PL						7.9	7.6
HU		17.8	15.9	13	13.8	13.2	12.3
SI	10.8				7.4	8.3	5
BG						20.3	21
RO		19.7	19.1	21.5	22.3	21.3	23.3
EE		17.6	12.6	14	14.2	14.1	12.6
LV							19.3
LT					17.2	14.2	14.3
MT						54.1	52.7
CY				15.1	15	14.8	14
EU	21.7	20.8		20.7	19.7	19.4	18.9
EL	20.7	19.9	19.8	17.8	17.1	16.5	16.1
PT	40.1	40.6	46.8	45.5	43.1	45.2	45.5
ES	31.5	30.3	29.8	29.5	28.8	28.6	29

Source: Eurostat, Labour Force Survey, 2002, European Commission.

and to benefit fully from the modernisation process on the same scale as in other pathways.

Thus, the dropout rate is 15% in Slovenia for vocational education and training schools compared to only 6.5% in the 'gymnasiums'. It is 14% in Hungary in 'vocational schools' compared to 3.5% in grammar and secondary vocational schools. The situation is almost the same in Estonia, with 13% in vocational schools and 7% in the others. According to the JAP in Lithuania, 'the high level of dropout during and at the end of basic education' was considered as 'the most pressing problem' for initial education. These phenomena now receive particular attention in most countries: thus, the rate of early school leavers decreased between 1997 and 2002 from 18% to 13% in Estonia and from 18% to 12% in Hungary.

Between 2000 and 2002 it also fell from 17% to 14% in Lithuania and from 7% to 5% in Slovenia[215]. On the other hand, it slightly increased in Slovakia[216], Bulgaria and Poland, and above all in Romania.

215 See the results of the last *Labour Force Survey*.

216 See above paragraph 7.1.3.

From the monograph on Slovenia:

To some extent, the VET dropout phenomenon can be explained by a gap between the aspirations and the motivation of students for certain occupations, and the real possibilities they have for enrolling into different programmes. Apparently this gap has not been completely closed by the liberalisation of enrolment policy. But apart from restricted access to preferred programmes there is increasing evidence that the quality of the learning process is not adequate to the learning needs and abilities of many students. Despite the lack of a detailed analysis, available data show that pupils in vocational and technical-education programmes mostly have problems with general education subjects (for example, mathematics and the mother tongue), the content of which is still very much based on a classical academic approach. Many teachers also do seem not to be able to adopt more student-oriented learning approaches. The dropout phenomenon has also received more prominence in the light of strategic policy declarations aimed at providing more school leavers with at least full secondary education.

Several initiatives are now at work with the view to tackling these issues. They come from initiatives either of the Ministry of Education or from the public employment services who offer dedicated labour market training to school leavers. Initiatives also come from NGOs, such as the following in Poland.

Particularly worrying is the situation in Bulgaria and in Romania as the school dropout rate in primary and lower-secondary education has reached 10% to 15%[217], and is still increasing slightly in the last two years of primary education whereas it is decreasing slowly in secondary education as demonstrated below for Romania (see table 8 and figure 15).

From the monograph on Poland:

A special programme ('Voluntary Labour Corps' or VWC) addressed to school dropouts was initiated already in the 1960s, though unemployment was not yet a social problem. The basic idea was to unite work with education/training and social re-adaptation. In the 1990s this programme was included in the system of labour offices and the task of the structures of the Labour Corps is to organise the process of work and education for specific target groups, with particular focus on vocational training, provision of social rehabilitation and supervision. The programmes last two to three years and include young people over 15 years of age.

Voluntary Labour Corps are financed from the state budget and the Kurator (educational superintendents) are responsible for setting out the conditions for the organisation and activities of VWC. A system of about 400 units (labour corps, education and training centres, youth work offices), with an annual participation of about 30,000 young people, is operational all over Poland, focusing on children from families with a difficult environment (including poor families), young people threatened by unemployment and secondary school pupils who want to work during the holidays. The two-year-stay is sometimes the only chance to complete general education and to obtain professional qualifications. Other forms of VWC's units (school corps) can be found in the majority of secondary schools all over Poland. Their duty is to help the poorest group of pupils to spend a cheap holiday and to prepare job-offers for them, but also to work with young disabled people.

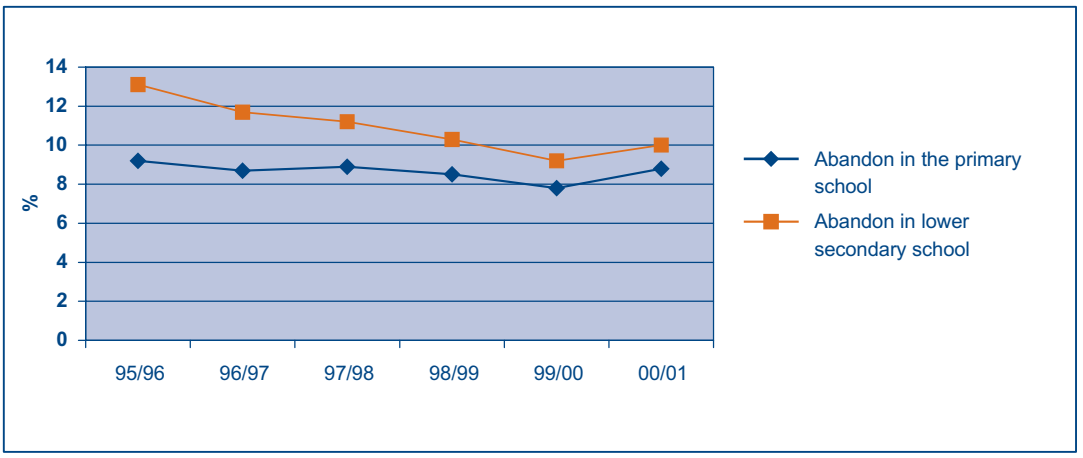
217 Reaching about 20% in Bulgaria.

Table 8: School dropout rate in primary and lower-secondary education (1995-2001) in Romania

School year	95/96	96/97	97/98	98/99	99/00	00/01
Abandon in the primary cycle*	9.2	8.7	8.9	8.5	7.8	8.8
Abandon in secondary education*	13.1	11.7	11.2	10.3	9.2	10.0

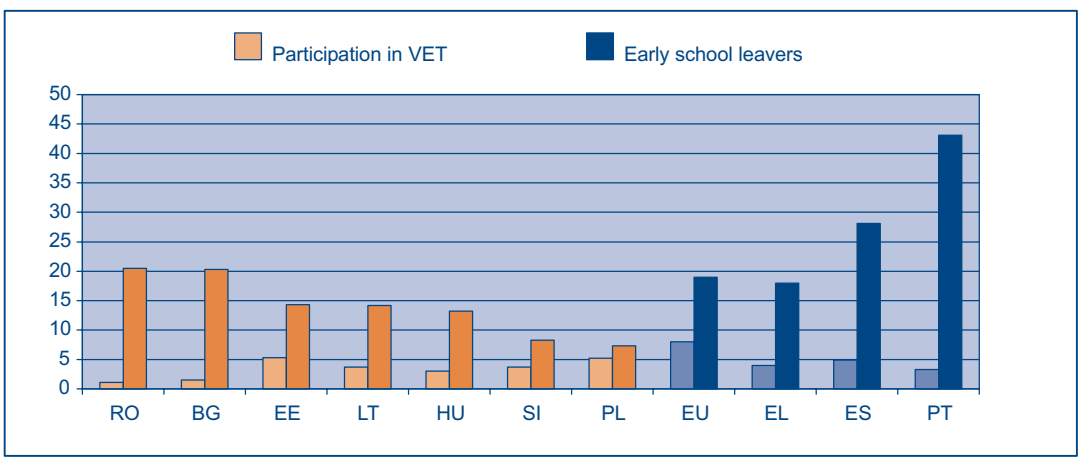
**Including cases of death and migration.*
Source: Data calculated on the basis of information included in: Education in Romania; statistics, NCS, 1994, 1996; Primary and lower secondary education at the beginning of the school year 1996/1997, 1997/1998NIS/NCS; Primary and lower secondary education at the end of the school year 1996/1997, 1997/1998, 1998/1999, 1999/2000, 2000/2001, NCS/NIS.

Figure 15: Evolution of school dropout over a cycle of education by school cohort



Source: Education in Romania.

Figure 16: Participation in education and training (population aged 25-64) and early school leavers (aged 18-24)



Source: European Report on Quality Indicators of Lifelong Learning, European Commission, 2002.

It is also important to compare the early school leaver rate with the rate of participation in adult education and training, as in the *European Report on Quality Indicators of Lifelong Learning*, in order to appreciate how far early school leavers can rely on a continuing vocational training system. Figure 16 shows gaps where such continuing training systems are lacking in the candidate countries (see section 7.3.4).

7.3 CHANGES AND PARTICIPATION IN CONTINUING EDUCATION AND TRAINING[218]

7.3.1 SUMMARY

Overall results lower than the European average

An analysis of the various components of continuing training and participation in developing actions also shows a serious shortfall compared with the European Union. Obviously, there are significant differences between the countries. However, adult access to training remains inadequate on the whole.

Overall, according to the latest figures from Eurostat, the candidate countries are on a par with the cohesion countries, well below the European average (8.4% of the population having received training over the past four weeks). Romania and Bulgaria are level with Greece at around 1.5%, Cyprus, Hungary, Latvia and Slovenia are level with Portugal at around 3.5%, while Malta, Estonia, Poland and the Czech Republic are level with Spain at around 5-6%.

Furthermore, these rates have been stagnating or falling over the past three or four years, except in Cyprus and Slovenia. The analysis also shows wide disparities between those in work and the unemployed, insofar as the unemployed receive less training than those in work, contrary to the findings for OECD countries.

A highly diversified, but fragmented supply of variable quality

However, the supply of continuing training has become widely diversified, based as it is on the public sector, through the education system, national agencies, new national networks of training centres dedicated mainly to training for the unemployed, as well as local and regional centres set up on the initiative of local authorities. There have also been initiatives in the private and associative sector, which spread rapidly at the beginning of the transition process. The basis for these initiatives is the new legislative arrangements and European and bilateral assistance, which gave priority to the sectoral approach in the first few years, and above all, the “unleashing” of demand for training by individuals and firms brought about by the collapse of the former system. Demand has focused on foreign languages, information technology, accounting, management, marketing, tourism and communications. An informal training sector has been created. However, it remains highly fragmented and concentrated in urban areas and it includes institutions of highly variable quality.

Deficiencies in labour market training

The most serious problem is the underdevelopment of labour market training, especially for the unemployed, in most of these countries. Here too, there are marked differences between the countries. Slovenia has already exceeded the European “benchmark” of 20% of the unemployed receiving training during the year, Malta is approaching this figure, and while Estonia and Hungary are almost at the halfway point, the Czech Republic and Poland fare much worse. As regards new

218 In this chapter, as well as in the whole document, there is a distinction made between (1) continuing vocational training initiated by companies, (2) labour market training organised by the employment services, mainly devoted to the unemployed, and (3) adult education mainly initiated by individuals and covers a range of education and training activities oriented towards individual promotion. Thus continuing education and training is considered as the global concept covering the three main components above.

entrants to labour market training as a percentage of the active population, Hungary has exceeded Germany despite its higher unemployment rate, but the Czech Republic and above all Poland ave much lower rates, particularly when compared with European Union countries with similar unemployment rates. The results for active labour market measures are similar to those for expenditure on training, as only Hungary and Slovenia are above the two European Union countries with the lowest ratios (the United Kingdom and Italy), with Malta at the level of Italy, the Czech Republic and, above all, Poland and Slovakia trailing behind, and with all the candidate countries therefore behind the cohesion countries.

Moreover, the duration of training seems to have fallen in countries where unemployment is increasing, and there are significant inequalities between beneficiaries, insofar as the more highly qualified are more likely to receive training than those less well qualified. These results should be compared with findings in some countries where the employment offices, faced with limited resources and targets to meet, tend to give priority to individuals with a better chance of being recruited when they finish their training. Similarly, as stated above, many young school-leavers from vocational schools tend to sign on at the employment office just after leaving school to complete their training, which they consider inadequate for successful labour market entry.

Overall, the situation is most problematic in Poland, Slovakia, Romania and Bulgaria, the countries where (with the exception of Romania) unemployment is highest. If we bear in mind the above analysis of the qualifications of the adult population, we can conclude that in these countries, there is a serious risk of social exclusion for the overwhelming majority of the less well qualified and, in particular, ethnic minorities, above all the Roma, and the long-term unemployed.

Deficiencies in the continuing training of employees

The situation is also problematic and highly diverse when it comes to training for employees on the initiative of firms. If we look at the number of employees receiving training as a percentage of the total number of employees in a company, only the Czech Republic is on a par with the European average at 42%, followed by Slovenia at 32%, while Estonia and Poland are on a par with Portugal at around 17%, Hungary, Latvia and Lithuania at 10-12% and Romania at 8%.

The analysis also reveals relatively more frequent use than in the European Union of conferences and seminars, to the detriment of training courses, training through job rotation or on-the-job training. There are also significant disparities between the various beneficiaries of training, though these are less marked than in the European Union. There are wide gaps between firms in the banking and financial sector and those in manufacturing or utilities. Within these firms, there are significant gaps between senior executives and highly qualified staff on the one hand and other employees on the other.

Adult education

Finally, adult education deserves special attention. Based on a tradition of folk education in most of the countries, it remains widespread in large foundations or municipal and associative centres. It also includes “recurrent” education provided free of charge for adults retaking secondary education courses, offering access to higher education, at evening classes or by distance learning. It also includes courses organised by universities and other higher education institutions, which are fee-paying, but attract many participants.

There are no comparable statistics for these courses. However, they seem fairly widespread, probably more so than in the cohesion countries, and in several countries, such programmes seem to offer a solid base for devising lifelong learning strategies.

7.3.2 PARTICIPATION IN CONTINUING EDUCATION AND TRAINING, AND RECENT TRENDS

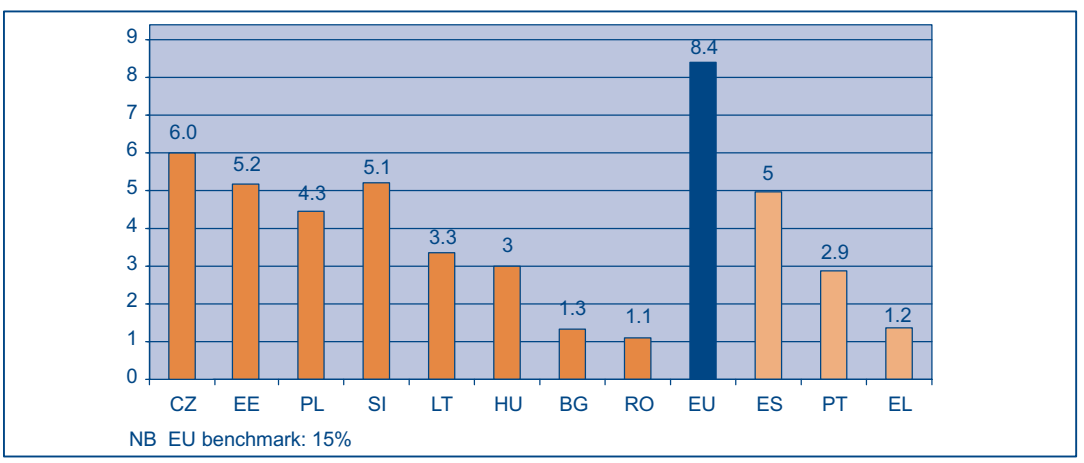
There is little comparable information and international statistics on the subject. In January 2003, the Eurostat *Labour Force Survey* provided statistics on participation of adults in education and training in all the 12 countries, but for three countries (the Czech Republic, Slovakia and Latvia) it was the first time, and only for Estonia, Hungary and Poland are there data series from 1997 to now.

Thus, the 2002 *Labour Force Survey* shows serious disparity between candidate countries and EU countries in terms of participation in continuing education and training, because no country reaches the EU average of 8.4%[219] participation in education or training for the 25-64 year-old population. Disparity between candidate countries has also been important, as demonstrated in Figure 17 (below). Thus, with less than 1.5% Romania and Bulgaria compared well with Greece; with 3% to 4% Hungary and Lithuania compared well with Portugal; and with around 5% Estonia, Poland and Slovenia compared well with Spain.

Looking at recent trends in reference to countries with data series, it is also possible to argue that participation of adults in training is rather stable in the candidate countries, with the exceptions of Cyprus where we can see a regular increase from 2.6% to 3.7% between 1999 and 2002, and on the other hand, Estonia and Lithuania with a decrease respectively from 6.5% to 5.2% and 4% to 3.3% between 1999 and 2002[220] (see table 9).

Therefore, it is possible to use results coming from the OECD/IALS survey[221] although it was a bit outdated, as it was done between 1994 and 1998. Covering four of the candidate countries – the Czech Republic, Poland, Hungary and Slovenia – this survey shows these countries below the average of the 19 countries concerned. Poland was at the bottom with a 13.9%

Figure 17: Participation in education and training (population aged 25–64)



Source: Labour Force Survey 2002, Eurostat, European Commission.

219 The figures concerning Slovakia with 9% and Latvia with 8.4% lead to some scepticism. First, because this is the first time Eurostat has provided this information on these countries (also for the Czech Republic) there is no previous data which could confirm them. Second, they are not supported by any information in the monographs. Therefore, these data will not be referred to in the document. However, the results for the Czech Republic will be used as they are in line with other information provided by the CVTS2 survey, as well as by qualitative assessment in the monograph.

220 According to national statistics, Latvia shows a significant increase in adult/continuing education and training from 100,000 in 1996 to 210,000 in 2002, in line with the LFS survey. According to the monograph, this has to be seen in relation to the short duration of most courses.

221 It has to be acknowledged that the IALS survey is now rather old as it was done in Poland in 1994 and in Hungary, Slovenia and Czech Republic in 1998. This is also a possible explanation for the lower results observed in Poland compared to the other candidate countries.

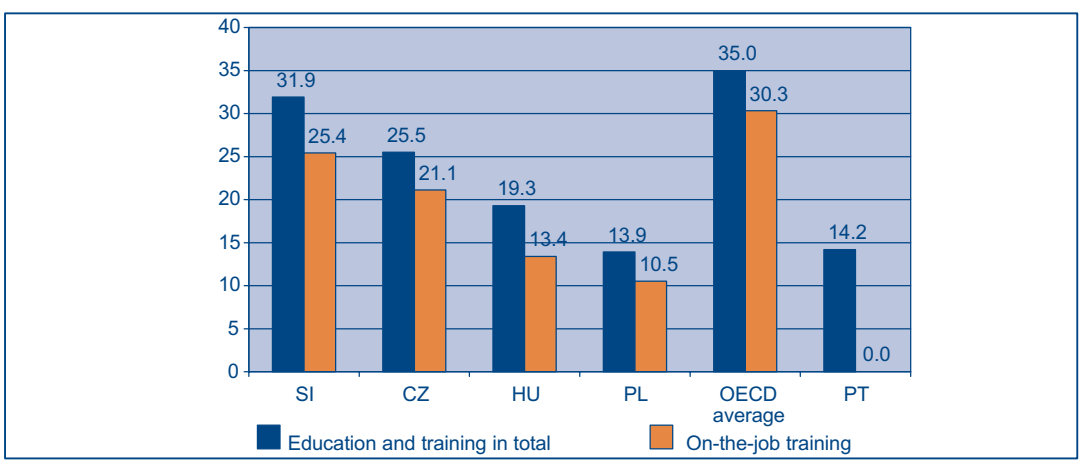
Table 9: Participation of adults in training as a percentage of total population

	1996	1997	1998	1999	2000	2001	2002
Bulgaria						1.5	1.3
Cyprus				2.6	3.1	3.4	3.7
Czech Repubic							6.0
Estonia		4.3	6.3	6.5	6.0	5.2	5.2
Hungary		2.9	3.3	2.9	3.1	3.0	3.3
Latvia							8.4
Lithuania				4.0	2.7	3.7	3.3
Malta						4.6	4.4
Poland						4.8	4.3
Romania		0.9	1.0	0.8	0.9	1.1	1.1
Slovakia							9.0
Slovenia	5.3				4.2	3.7	5.1
EU	5.7	5.8		8.2	8.5	8.4	8.4
Greece	0.9	0.9	1.0	1.2	1.1	1.4	1.2
Portugal	3.4	3.5	3.0	3.2	3.3	3.3	2.9
Spain	4.4	4.5	4.3	5.1	5.1	4.9	5.0

Source: Labour force survey (1996 to 2002), Eurostat, European Commission.

participation rate in adult education and training for the population aged 16-65 (the same level as Portugal). Slovenia had the highest score of the four candidate countries at 31.9%. This was below the average of 35%, and well below countries such as the UK at 43.9% or Denmark at 55.7%. The situation was the same when analysing participation in job-related education and training, where these four candidate countries again scored below average. However, the differences between these two indicators (participation in total education and training versus participation in 'on-the-job' training) was in relative terms greater in the candidate countries than the average, demonstrating that the proportion of non-job-related training in all continuing vocational training was greater in the candidate countries than in EU and/or OECD countries (see figure 18).

Figure 18: Participation rate in adult education and training for the population aged 16-65 (1994-98)



Source: International Adult Literacy Survey, OECD, 1994-98.

7.3.3 INEQUALITIES IN ACCESS TO CONTINUING EDUCATION AND TRAINING

Looking at results of the IALS study[222], inequalities by education level are marked. Participation reached 37% in Poland and 49% in Hungary and the Czech Republic for graduates from tertiary education, while it stayed at 6% in Poland and Hungary, and 18% in the Czech Republic for people having only lower-secondary education. Thus, participation in training for the higher educated was greater than for the lower educated, as it is in general in all EU or OECD countries, but the ratio between the two rates was much higher than the average in OECD or EU countries. However, it compared well with the ratio observed in Italy and Portugal[223].

Inequality was even greater when comparing the difference in access between employed and unemployed. As seen in table 10 below[224], when observing the volume of annual hours spent in continuing education and training by adult workers, there is a greater number of hours for employed than for unemployed in the Czech Republic, Hungary and Poland, whereas the gap is in favour of the unemployed in most OECD countries and also, for instance, in Italy.

Romanian statistics confirm this observation with a marked increase in participation in continuing training: from 550,000 training attendants in 1998 to 750,000 in 2001. This includes a net drop in the number of unemployed, going from 63% in 1998 to 32% in 2001.

7.3.4 A DIVERSIFIED CONTINUING EDUCATION AND TRAINING OFFER

After the collapse of the former system of sector and company related continuing training at the beginning of the nineties, the continuing education and training offer has been largely reshaped and is now very diversified but also very fragmented in the candidate countries. This is as a consequence of the quick development of a market of private training providers and NGOs, in addition to some initiatives taken by the state and by local and regional bodies in developing new public institutions, often with the support and advice of international donors. In parallel, the whole education system, including schools and universities, as well as large associations and folk universities continue to play a specific role.

In general, there is a lack of precise information and statistics at national level on the range of activities undertaken in the continuing training field, particularly outside the formal sector. Data on participation are also very fragmented and not easily

Table 10: Volume of continuing training of adult workers in OECD countries.

	Annual hours spent in continuing training per person			
	All	Employed	Unemployed	Ratio unemployed/ employed
Czech Republic	44	44	32	73%
Hungary	34	34	30	88%
Poland	24	25	14	56%
OECD average	55	53	89	167%
Italy	32	29	65	224%

Source: IALS (1994-1998).

222 See observations above on the time when the IALS survey was undertaken: 1994 in Poland and in 1998 in Hungary, Slovenia and the Czech Republic.

223 See *Education at a glance*, OECD indicators, 2002.

224 OECD report on improving workers' skills: analytical evidence and the role of the social partners, October 2002.

comparable between countries. This is linked to the lack of appropriate institutions dealing with studies and research on adult education. According to the monographs, only Hungary (after the 2002 law on adult education) and Slovenia have such institutions.

First initiatives in the field of labour market training were taken by the state in the early 1990s with the aim of counteracting unemployment. Specifically, it was done in Malta, Lithuania, Hungary and Romania (in the two latter with the support of the World Bank) through the establishment of institutions and networks of labour market training centres able to provide continuing training for the unemployed. The Employment and Training Corporation (ETC) in Malta and the Labour Market Training Centres under the responsibility of the Lithuanian Labour Market Authority (LLMTA) are interesting examples of these policies.

While spontaneous initiatives developed rapidly in many countries in answer to the growing needs for training from wide groups of individuals and companies, very little had been done at government level for the development of continuing training for other publics than the unemployed until 1997-1998[225]. But a new impetus was given during these years in a number of

Extract from the monograph on Malta:

The Employment and Training Corporation (ETC) was established in 1990 under the Employment and Training Services Act. It was set up as a corporate body to provide and develop a national public employment service, actively assisting job seekers in finding employment by mediating information on job vacancies and other services. The Corporation is in charge of implementing national employment policy, focusing in particular on active labour market measures.

Its mission statement is “to provide and ensure equitable access to training programmes and employment opportunities and to contribute towards the social and economic development of the community”[226].

Its mandate is:

(1) to provide training courses promoting employability, meeting the local demand for labour;
(2) to monitor the development of labour market trends in Malta.

The key clients of the ETC are job seekers, employers, employed wishing to upgrade their skills, and the government.

The ETC is governed by an independent board of directors composed in total of twelve representatives from ministries, NGOs and social partners who are nominated by the Government and social partner organisations. The Board approves the Corporation’s work programme and ensures its conformity with the national employment policy drawn up by the Government. It is also responsible for monitoring the implementation of the work programme. The Corporation reports on an annual basis to the Maltese Parliament and is audited by the Court of Auditors.

225 As noted by Peter Grootings in 1998 in a cross-country analysis of national reports on continuing training in the candidate countries prepared at the request of the ETF: ‘in hardly any or none of the partner countries has continuing training, apart from training for the unemployed, received any priority. It has developed rather spontaneously, partly as the result of project-based bilateral assistance programmes, and partly as the result of initiatives by local training providers that were quick to fill gaps left on the training market by the formal school system.’

226 Employment and Training Corporation, Business Plan October 2000 - September 2003.

Extract from the monograph on Lithuania:

In Lithuania the responsibility for the organisation and implementation of continuing vocational training is delegated to the Lithuanian Labour Market Training Authority (LLMTA) under the Ministry of Social Security and Labour.

The LLMTA implements labour market training policy and organises VET information and counselling services. The LLMTA has 6 branches – the Territorial Labour Market Training and Counselling services (in Alytus, Klaipeda, Panevezys, Siauliai, Kaunas and Vilnius). The total number of staff at the LLMTA and its branches is 175 employees.

The LLMTA defines the content of labour market training, has a supervisory role, assesses training institutions and maintains a database on labour market training programmes and teaching aids. In addition, the LLMTA runs 14 LMTCs located in eight cities throughout the country.

countries with a view to expanding and regulating the continuing education and training offer. This was done in Hungary and Estonia by establishing dedicated councils with the participation of social partners whose aim was to advise on government continuing training policies and to contribute actively to its developments. This happened in Cyprus by setting up national bodies aimed at organising and/or implementing continuing training[227] policies and measures under supervision of governments, in the Czech Republic under the auspices of the Ministry of Labour and Social Affairs by developing an ambitious human resources development strategy, and for other countries by preparing and implementing appropriate legislation. In parallel, new elected bodies at regional or county level used their responsibilities to develop specific centres, as in Poland with the CKP.

In general, social partners were associated to these developments through involvement in advisory bodies or specific councils. Two examples are given below to illustrate important state initiatives in developing continuing training policies in cooperation with social partners in Cyprus and Hungary.

The development – even mushrooming – of a private sector of training providers in most countries was very significant. According to national sources, there are

Extract from the monograph on Poland:

Therefore, in 1996 the concept of Practical Training Centres (CKPs) was launched, which are practical education and training facilities with modern equipment, offering high quality vocational training to young and adults, as well as specialised training for teachers. The core activities of CKPs are financed by the state budget and they are authorised to conduct vocational examinations. At present there is a network of about 70 CKPs and the Ministry of National Education is planning to develop the networks further. The Ministry of National Education has prepared tools for monitoring the conditions of practical training in school workshops, centres of continuing education and practical education centres, in order to improve and modernise the base for practical training.

227 The ETC (Employment and Training Corporation) in Malta in 1990 and the HRDA (Human Resources Development Authority) in Cyprus in 1999.

Extract from the monograph on Cyprus:

The Human Resource Development Law of 1999 (No 125 (I)/99) which replaced the 1974 Law for the Industrial Training Authority (which had set up the main aspects of the institutional framework, its role and the involvement of social partners in the non-formal sector) regulates the operation of the Human Resource Development Authority (HRDA) whose financial resources are drawn from a levy scheme. The HRDA is an independently managed institution under the general supervision of the Minister of Labour and Social Insurance. The HRDA's mission is to create the necessary prerequisites for the planned and systematic training and development of the human resources of Cyprus. The HRDA's activities cover five major areas:

(1) The formulation of an integrated training and human resource development policy in accordance with the priorities of national socio-economic policies, on the basis of which appropriate training activities are promoted;
(2) The continuous assessment of the economy's needs for training on the basis of which training policy and activities are promoted;
(3) The management of the training system and the creation of the necessary infrastructure, the systemisation and certification of training and the introduction of standards of vocational qualifications.
(4) The analysis of the *acquis communautaire* in the human resource development field and the promotion of actions for facilitating adjustment and convergence to European systems and practices.

The HRDA is a tri-partite institution and the role of the social partners in the board and the role of the board itself are laid down in the Human Resources Development Law of 1999. At the same time Articles 6 & 7 of this law specifies that the overall control and decision-making power lies with the Minister of Labour and Social Insurance.

Extract from the monograph on Hungary:

The National Adult Training Council was established in 2001 by an article in the Adult Education Act and began operating on July 1, 2002. It assists the Minister of Education in the preparation and development of strategies promoting adult training, the elaboration of the laws governing adult training and the rules on the accreditation of institutions and programmes as well as their technical/professional requirements. The Adult Training Council should also monitor the employment record of persons who have participated in adult training – paying special attention to those in disadvantaged positions – and will make proposals concerning the improvement of the system where necessary.

The thirteen members of the National Adult Training Council come from three representative groups:

(1) Two representatives from the Ministry of Education and one representative from each of the following ministries: Economic Affairs, Social and Family Policy, and Finance;
(2) Four experts in the area of adult training;
(3) One representative of each of the following stakeholders: employers' and employees' associations, chambers of commerce and institutions offering adult training.

now thousands of private training providers in Poland, Hungary, Slovakia and the Czech Republic, and hundreds in Malta, Slovenia, Estonia, Latvia, Cyprus and Lithuania, but on the contrary, very few in Bulgaria. They play a major role in the market of non-formal training. Thus, according to national statistics they represented 72% of all retraining providers in the Czech Republic in 2000. In Hungary they were considered as the most dynamic component of the market, hosting about 55% of all participants to non-formal learning. According to the CVTS survey on continuing training activities organised by companies[228], they play a very important role as training providers in Estonia, the Czech Republic and Poland, and to a lesser degree in the other candidate countries. Their share of the market goes from less than 15% in Slovenia to more than 60% in Estonia, where this share is the highest in all EU countries. And with exception of Slovenia and Latvia, they have a bigger share than 'specialised training institutions' in all countries.

But, in total, training providers do not seem to play as important a role as they do in EU countries[229]. Apart from a few professional institutes working closely with foreign companies and investors, they are in general very small units, specialising in informatics, accounting, marketing, management training, human resources development and foreign languages. They are located in urban centres and thus not able to cover the whole country, in particular rural areas. Their quick development was not accompanied by a corresponding increase of participation of adults. There are many concerns in all countries on the quality of their services and therefore, quality assurance and accreditation procedures initiated by ministries now develop rather quickly.

Nevertheless, it is clear that in most candidate countries there is now a 'non-formal' training sector in which private institutions play a major role, besides NGOs, local and regional government organisations, schools and other state funded training centres. In general, the education system, while playing a major role in adult education by offering free of charge evening courses following the "normal" curricula, play a limited role in the market of 'non-formal' learning. The main reasons are the rigidity of its functioning and curricula, the lack of appropriate consideration for the specifics of adult training needs, and also the fact that schools in some countries are simply not allowed to contribute to training for the unemployed[230]. Nevertheless, many schools with budget-related difficulties have been tempted to find additional resources on the market and have started to develop adult training. According to the monographs, secondary schools seem to represent between 10% and 20% of the non-formal training market.

7.3.5 THE MAIN ACTORS

In general, the main policy developments in continuing training are under the responsibility of the Ministry of Education, while Labour Market policies, including appropriate training are with the Ministry of Labour[231]. Slovenia has a rather shared balanced of responsibilities, with their ministry of Education in charge of the public adult training providers and the Ministry of Labour covering continuing training policy developments in general.

The Ministry of Education offers formal adult education mainly through free-of-charge evening courses in all education institutions, schools and universities. It also develops distance education, organises the registration of training providers and the accreditation of their training programmes when needed, and finally, it supports the involvement of

228 See 7.3.6. Continuing vocational training organised by companies.

229 See results of the Eurostat CVTS2 survey. They place Estonia in first place, Poland sixth and the Czech Republic seventh of the 21 EU and candidate countries considered for the participation of private training providers in the training market organised by companies. The other candidate countries are placed lower.

230 For instance, in Romania until very recently.

231 Hungary was an exception where the development of adult education was fully incorporated under the Ministry of Labour.

schools in labour market training organised by employment services.

The Ministry of Labour supervises the activities of the public employment services and, in particular, of the network of regional labour market training centres (and their funding within the framework of employment funds). It also manages vocational training funds (in Hungary and Cyprus) aimed at promoting continuing training in companies with the support of dedicated councils or institutions and it also helps develop appropriate procedures for recognition of non-formal or prior learning (in cooperation with the Ministry of Education) in some countries.

Local and regional governments and institutions in many countries also play a major role in accordance with the new responsibilities following the decentralisation process and the EU policy to set up appropriate regional development strategies with the support of Phare. Regional, county or local training centres have developed with the support of public and private resources. In general, they are also involved in initial education and training. Nevertheless, real regional human resources development policies are still at an early stage[232].

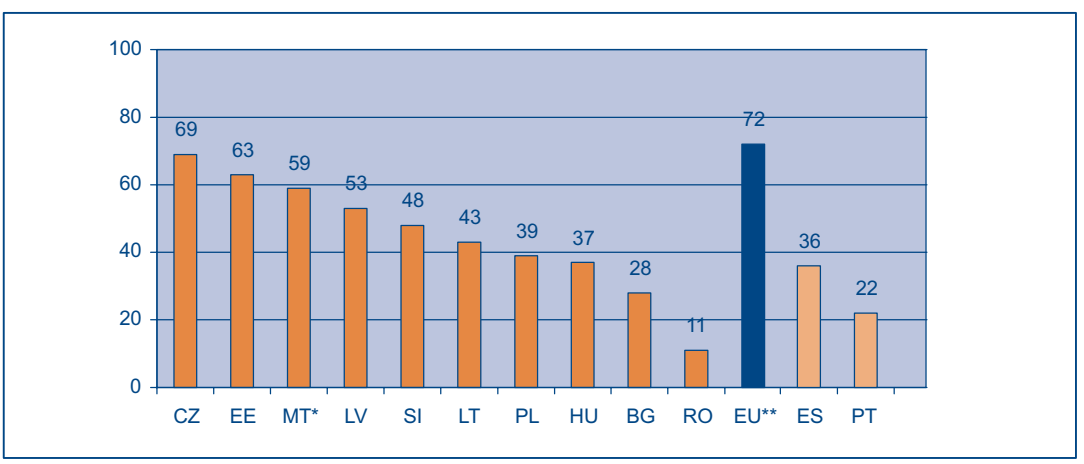
The main policy developments concerning continuing training involve social partners[233] as part of advisory councils or committees, besides being state representatives. However, they do not directly manage any training centre, with a few exceptions of training centres for trade unionists.

7.3.6 CONTINUING VOCATIONAL TRAINING ORGANISED BY COMPANIES

Concerning the continuing vocational training activities initiated by companies, the Eurostat CVTS2 survey also reveals a disparity between the candidate countries and the EU countries. An average of 40% of all companies in the candidate countries have organised some training. At the top is the Czech Republic (69%), followed by Estonia (63%) and Malta (59%) which compare well with the results obtained in the EU during the first CVTS (Eurostat, 1993) . But Poland (39%) and Hungary (37%) are at a similar level to Spain (36%). Finally, Romania (11%) follows Portugal (22%) (see figure 19).

The detailed results produced by Eurostat suggest that the proportion of courses, out

Figure 19: Training enterprises as a percentage of all enterprises (1999)

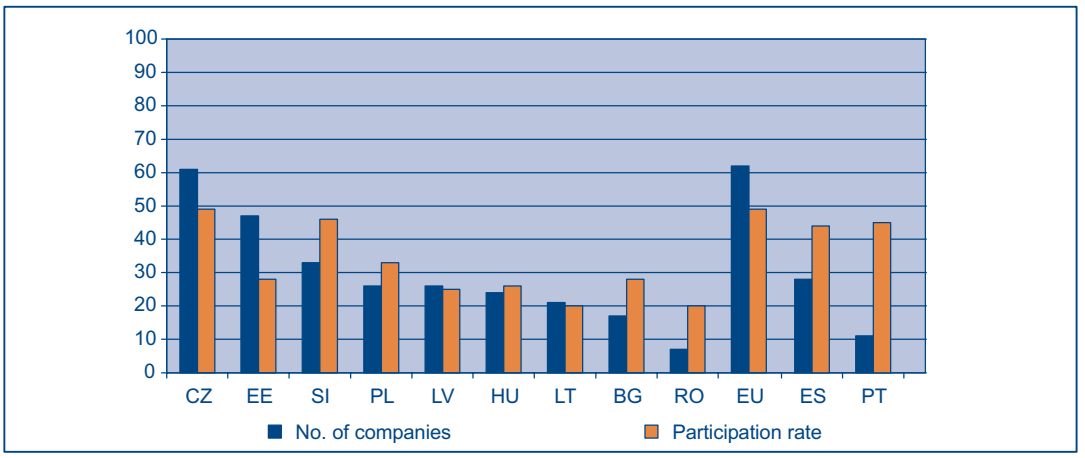


*Source: Continuing Vocational Training Survey, Eurostat, 2002. *National sources. **EU country average (ETF estimate).*

232 As noted in an ETF study published in 2002 concerning human resources in the context of regional development, undertaken in five regions from Hungary, the Czech Republic, Poland, Lithuania and Estonia. Evidence from the survey exercise indicates the general absence of a coherent and integrated human resources development framework in most, if not all, of the regions.

233 See chapter 5 for a detailed analysis of their role in VET matters.

Figure 20: Companies having organised continuing vocational training courses, and participation rates



Source: Continuing Vocational Training Survey, Eurostat, 2002.

of all training activities, was lower in candidate countries. The number of companies having organised continuing vocational training courses amounted to 29% on average, compared to 62% in the EU[234]. Of the other continuing training activities, particular importance was given in the candidate countries to participation in conferences and workshops while, in contrast, training using normal working tools or job rotation and other exchanges, were accorded less importance than in the EU.

Furthermore, it was interesting to consider the participation rate of employees in the training courses organised by companies. Thus, in figure 20, a more significant disparity between candidate countries and EU countries can be seen. With the exception of the Czech Republic and Slovenia, where the participation rate is close to 50% (EU country average), all the others are markedly lower. This indicates a concentration of training activities in favour of a rather limited number of participants.

Important differences are also shown in the type of training courses organised by companies. In particular, 'computer science and computer use' play a lesser role in the candidate countries compared to EU Member States, while 'engineering and manufacturing' play a much greater role[235]. This is related to the greater importance of the industry sector in the candidate countries compared to the EU (see chapter 4 on employment).

In addition, it is interesting to consider the importance of 'language courses' in total course hours in the candidate countries, compared to the EU average (see figure 21). This is an indication of the importance of the language skills gap in the candidate countries, but probably also of the importance of foreign investments and may be of the priority given to managers as part of all possible participants, as already indicated by the IALS study (see above).

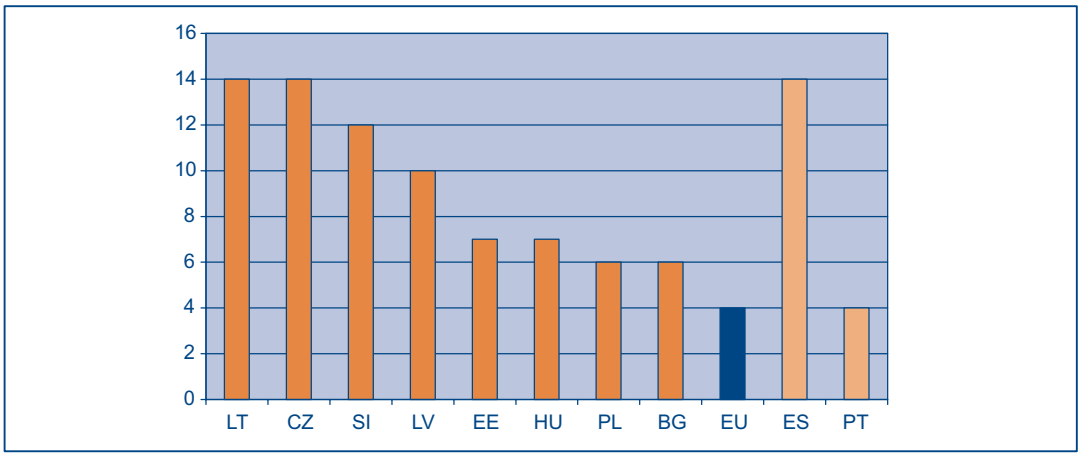
These indications are confirmed by the results of a study undertaken by the ETF in 2001 on company skills[236]. According to its findings, 'the proportions of companies reporting training are relatively high though this may be explained in some instances by supplier training accompanying capital equipment purchases'; but the proportion of employers indicating that their workforce was a major strength to their organisation was at best 40% (12% in Estonia, 17% in Lithuania, 30% in the Czech Republic and

234 ETF estimate.

235 See *Statistics in Focus* for the results of the Eurostat CVTS2 survey, 2002.

236 ETF: *Human resources in the context of regional development. Company skills survey*. Summary report, ETF, 2002 (the study was done following a series of interviews with employers in five regions in candidate countries: North West Bohemia in the Czech Republic; South Estonia; South Great Plain in Hungary; Lubelskie voivodship in Poland, and the whole of Lithuania).

Figure 21: Proportion of language courses in total course hours – 1999



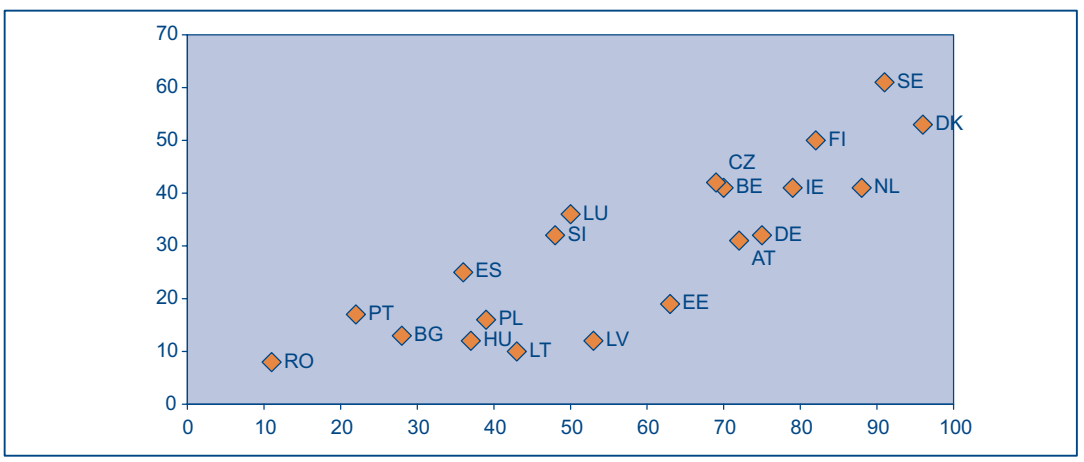
Source: Continuing Vocational Training Survey, Eurostat, European Commission 2002.

40% in Poland). The difference is significant in relation to EU countries, as demonstrated in figure 22 below, where there is a significant gap between candidate countries and EU Member States in terms of enterprises providing training, and a greater gap in terms of employees benefiting from training. In fact, with the same percentage of training enterprises as Spain, Poland and Hungary train about half as many employees; Latvia a third less than Luxemburg. Only in the Czech Republic is there a similar ratio of employees trained by enterprises as in the EU.

The report concluded that 'evidence remains that large numbers of employers undervalue the potential contribution of employees and fail to adopt a structured approach to human resources development'. These conclusions are supported by observations made in the monographs, for instance in Romania where two thirds of companies have preferred to recruit skilled personnel instead of allocating financial resources for training. Furthermore, 30% of companies did not provide training because it was considered as involving high costs.

Also significant is the comparison of participation rates in continuing training courses by economic sector. The situation here is more unequal in the candidate countries than in the EU. Using the Eurostat classification in the five main

Figure 22: Percentage participation of employees in continuing training in relation to the percentage number of enterprises providing training



Source: Continuing Vocational Training Survey 2, Eurostat, European Commission, 2002.

sectors, when considering the participation rates in training courses among the different sectors, variance among sectors is higher in the candidate countries than in the EU, with only the financial sector showing the candidate countries as having a training enterprise rate below, but close to that of the EU, whereas the gap is higher for all other sectors. Thus, the participation rate in the J sector (corresponding to financial intermediation) ranges from 35% in Lithuania to 71% in the Czech Republic (Romania is exceptional with only 17%), whereas in the EU it ranges from 42% in Germany to 83% in Sweden. While the participation rate in the O sector (other community, social and personal services activities) ranges from 15% in Estonia and Lithuania to 37% in Romania, it ranges from 22% in Austria to 69% in Ireland. And the situation is similar with sector D (manufacturing), sector K (real estate, renting and business activities) and sector G (wholesale and retail trade, repair of motor vehicles, personal and household goods).

7.3.7 ADULT EDUCATION

As has been identified, non-job-related training is important in the candidate countries. As part of this, the formal education system remains an important provider of adult education through the opening of most of the secondary, post-secondary and tertiary pathways – most often free of charge for secondary pathways, and on paid basis for tertiary education. In addition, there has been a progressive shift in adult education from upper-secondary studies towards post-secondary and tertiary studies in recent years. However, the situation varies considerably by country. According to national statistics, participation was 266,000 adults in formal education in Hungary (about 7% of the workforce); 28,000 in Slovenia (3.1%); 340,000 in Poland (2.4%); 54,000 in Slovakia (2.5%) and 52,000 in the Czech Republic (1.3%). Participation is also growing in most countries, which indicates an increasing motivation in some categories in favour of lifelong learning.

In Latvia there are two types of programmes organised for adults inside of the education system.

In addition, some national foundations, folk universities or adult training associations, continue to play an important role in the development of adult education. This was clear in 2001 during the consultation process on the European Commission's Memorandum on Lifelong Learning, where such organisations played a major role on behalf of education ministries in the structuring of the consultation process and during the debates.

Extract from the monograph on Latvia:

Further vocational education is a specific type of vocational education which allows adults with a certain educational background and professional experience to acquire a certain level of vocational qualification. Further vocational education programmes will always lead to some level of qualification. It is a part of formal education. There is no statistical data about enrolment in these programmes as they are not classified in the National Education Classification yet. The duration of these programmes is 30% of the duration set for exact IVET programmes.

Continuing vocational education is a specific type of vocational education which allows persons, regardless of their age, prior education or vocational qualification to acquire systematised vocational knowledge and skills. The duration of these programmes is more than 160 hours. They do not lead to concrete vocational qualification. It is a part of non-formal education.'

For instance, the Latvian Adult Education Association is playing an important role as follows:

Latvian Adult Education Association (LAEA) is a non-governmental umbrella organisation of providers of adult education founded in December 1993. LAEA was founded with support from the Latvian Ministry of Education and Science and the Institute for International Cooperation of the German Adult Education Association. The goal of the LAEA is to facilitate the development of the adult education system in Latvia and to participate in the lifelong learning policy development, and to promote development of a civic, democratic and open society in Latvia. LAEA members are 75 legal entities (as of April 2003) who represent adult education centres in districts, folk high schools, folk schools and non-governmental organizations, training centres, universities, vocational schools and evening schools.

LAEA has created a cooperative network of adult education providers, prepared trainers, elaborated and approved training programmes, training and methodological materials.

The most important projects implemented by LAEA are:

i) Local Human Resources Development within the context of European Union Regional Policy;
ii) Development of Transferable Adult Education Modules and Creation of a Regional Strategic Adult Education Programme

The most important current projects:

i) Civic Education for Integration of Local Community;
ii) Co-operation of NGO's and Municipalities in Creation of Learning Society;
iii) Initiatives for Local Development.

However, some 'traditional' adult education activities are decreasing, like the people's universities in Romania.

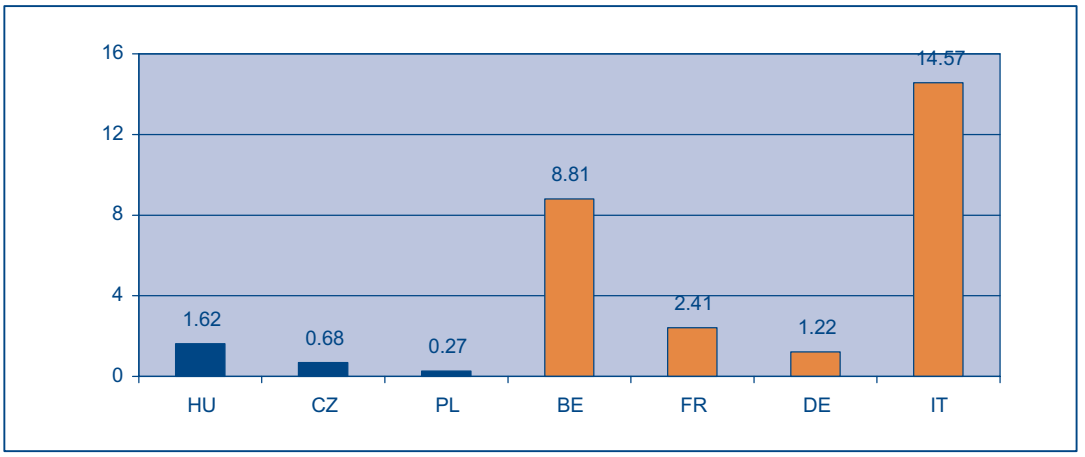
Extract from the monograph on Romania:

The network of people's universities is a distinct category of training providers for adults. These universities provide mainly non-formal education for adults.

In Romania until 1989 there were over 200 community centres, more than 2,000 culture clubs and approximately 3,000 people's universities for adults, in addition to a nationwide network of libraries, folk-art schools and folk-art guidance centres. The education for adults provided by these centres included mainly cultural-artistic activities and leisure occupations as well as specialised vocational training courses.

After 1989, in the absence of financing sources and an appropriate legislative framework, the number of people's universities fell to less than 200. Out of the total number of existing people's universities less than 10 are legal entities, while the rest are just departments of community centres or culture clubs. Initially managed by the Ministry of Culture and Cults, people's universities are now financed by local authorities.

Figure 23: New participants in training measures as a percentage of the active population (2001)



Source: Employment Outlook 2002, OECD.

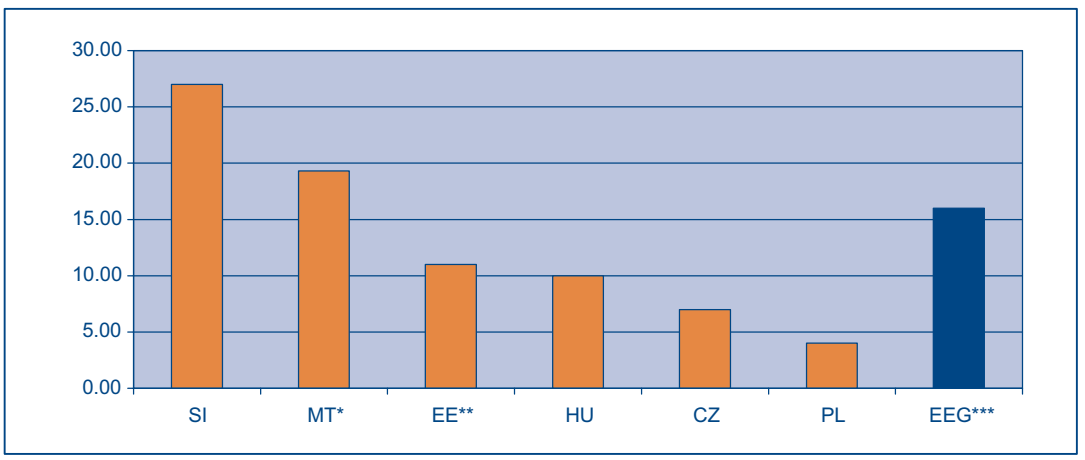
Nevertheless, there is the general feeling that the existence, and sometimes the development, of these kinds of adult education and training activities partially compensate for the under-development of continuing training by companies and labour market training compared to the EU.

7.3.8 LABOUR MARKET TRAINING

One major issue is the low development of labour market training in the candidate countries. According to the OECD's *Employment Outlook 2002*, if we consider the 'new participants in training' (or activity rate) among all participants in labour market measures as a percentage of the labour force, they amount to 0.64% in the Czech Republic, 0.57% in Poland and 1.34% in Hungary. This compares to 1.22% in Germany, 2.41% in France, about 9% in Belgium and more than 14% in Spain[237] (see figure 23). The same statistics also reveal the lack of active labour market measures in favour of employees threatened by redundancy which are able to contribute to the restructuring of the large industrial companies that are still numerous in the candidate countries.

The poor development of training measures in favour of the unemployed is confirmed by the proportion of unemployed

Figure 24: Trainees as a percentage of unemployed in 2000



*Source: National sources: *1999, **2001, ***2001 European Employment Guidelines.*

237 The EU examples used show comparable unemployment rates to those in Hungary, the Czech Republic and Poland.

participating in training activities. According to national sources, the figures range from less than 5% in Poland to 27% in Slovenia, with an average close to 10% (see figure 24).

However, labour market training is seen as an efficient tool in the preparation for the return to work. Measures in several countries show a rate of return to employment after training of more than 70% in Lithuania, about 60% in Estonia, and 50% in Poland, but only 23% in Slovakia. But, there is strong evidence from the visits detailed in the monographs that these success rates are rather misleading as labour offices often train people already pre-selected by companies or they select the most qualified applicants, who would have probably been recruited anyway. In the context of extremely limited resources for labour market training (see chapter 6 on funding and resources) this 'creaming effect' is particularly damaging.

Thus, there are indications of strong inequalities in participation in labour market training in the various categories. As statistics show in the Czech Republic, the rate of participation was 7% of the unemployed in general, with 12% for school graduates, 4% for the long-term unemployed, 3% for the disabled and 2.7% for the less qualified.

Lack of resources is also obvious when considering the trends in duration of average training sessions, from 2.9 months in 1992 to 1.7 in 2000 in the Czech Republic, or in Estonia from 29 days in 1999 to 25 days in 2000.

In addition, labour market measures directed at young people, including training through apprenticeships or other schemes, are also extremely limited, except in Poland where a significant apprenticeship system coexists with the school-based vocational education and training system. As seen already, there are countries where such measures aimed at providing practical training for students who graduated six months earlier, are simply compensating the weaknesses of the vocational education system.

7.4 MAIN REFORMS, TRANSVERSAL ISSUES AND CHALLENGES

We have already analysed how the systems of education and training were restructured by developing and diversifying the delivery systems, opening them to the private sector and creating new pathways in secondary, postsecondary and tertiary education, and in the field of adult training in general. The issue is now to explore in-depth the on-going reforms that are transversal to the education and adult training systems and to analyse how far they meet the challenges of preparing for EU integration.

7.4.1 SUMMARY

First of all, the weakness of the analysis of labour market requirements and the future of qualifications should be noted. This could be explained in part by the fact that employment patterns remain unstable in most of the countries. However, there is insufficient research into education and vocational training, while analysis rarely involves more than an examination of employment office statistics. Local authorities (districts or regions), as well as the state, are ill-equipped to play their part in terms of human resources development strategy. One major stumbling block lies in the limitations of the social partnership, as analysed above.

It is against this background that the vocational training curricula have been reformed in all the countries, as a major priority, in order to meet new training requirements. Reform is usually based on cooperation set up by the European Union under the Phare Programme, and on the initiative of donors providing expertise to institutions that became autonomous as a result of laws adopted at the beginning of the transition process. This has led to a wide variety of approaches, which each country now intends to coordinate by implementing national reference systems, allowing for some autonomy at local level.

Although this policy is underway, it is making only slow progress. In 2002 in

Slovenia, where the process is at an advanced stage, the new curricula were thought to have been implemented in just 30% of cases. The dissemination of the new curricula requires an appropriate support policy in terms of teacher training and technical and teaching equipment. Moreover, the problems involved in implementing the policy have already come to light when examining the issue of resources. In some countries, where new initial training curricula are supposed to have spread throughout the country, it is clear that few support measures have been implemented, and we may wonder to what extent the new curricula really are in place.

New curricula have probably been implemented to a greater degree in the non-formal continuing training sector, where they have developed without the constraints that hinder the education system. As a result, this sector has to some extent created innovations in terms of content and methodology that could now be applied to the formal system. It now seems essential for vocational education institutions to be able to operate in the adult training sector, which already happens in some countries.

The proliferation of new curricula and their co-existence with the old; the development of new training courses in a number of institutions, again in parallel with former operating structures that are still active in other institutions; and the proliferation of public and private training centres providing both initial and continuing training: all these have created a situation in which the transparency of qualifications has become a necessity for those receiving training and for employers, and is a major challenge for governments. However, awareness of the problem is hampered by the lack of mobility among workers between catchment areas.

We may also wonder if this policy of curricula reform has been accompanied by sufficient consideration of the ‘school map’, i.e. the geographical distribution of training specialities between schools, which seems to have stabilised. This matter is now in the hands of the districts or regions in ’decentralised’ countries, and should now involve active cooperation with the state, in line with the optimisation process of the networks of institutions.

The new curricula policy, which at first was limited to approaches based on the needs of the formal education system, is now based on the implementation of national vocational qualification systems, so that developments in vocational training in the non-formal sector, particularly labour market training, can also be regulated. However, this is a complex task, and some countries find it hard to harness the necessary resources. It is also affected by a lack of interministerial coordination and weaknesses of the social partnership.

However, the implementation of national qualification systems is becoming more and more indispensable in countries seeking to provide recognition and validation for non-formal and informal vocational knowledge. Hungary and Slovenia, and more recently Lithuania and Estonia, have taken this step in order to promote lifelong learning. But the certification systems in question are still those of the formal education system. These may not be sufficient to solve the major problem of exclusion from the labour market for disadvantaged groups, such as the long-term unemployed, people from ethnic minorities and those with disabilities.

On the other hand, the quality of training has become a major concern for the competent ministries. There is a trend towards setting up registration and accreditation procedures by national committees under the control of the education ministries. These procedures relate to the centres themselves and the training they provide. Initially established to regulate private higher education establishments, they are now being developed for all establishments likely to take part in labour market training. However, the control procedures they involve are often seen as too detailed and bureaucratic, and it is not clear whether or not they are totally efficient and effective. It is necessary to devise a range of appropriate criteria covering the relevant establishments’ performances, their operation and the resources available to

them, as well as flexible methods of intervention that encourage rather than hamper initiatives. From this point of view, self-assessment mechanisms could prove useful.

Career guidance and advice are fairly widespread in the school system. However, they are concerned with psycho-pedagogical aspects that have little to contribute to the development of vocational training. These functions are also carried out by the employment offices, where they are hampered by a lack of resources (see below). Finally, the level of cooperation between the two systems is far from ideal.

7.4.2 ANALYSING THE NEEDS OF THE LABOUR MARKET

In general, labour market intelligence is poor. This is due primarily to the speed of change within the economy. It is difficult to appreciate qualification needs clearly, even in the short-term, in the rapidly increasing number of 'very small' SMEs. Labour market data are collected by labour offices, and identification of shortages by occupations are conducted in several countries. But analysis is difficult as information is fragmented, changing rapidly and contains no clear projections by employers beyond the next six months. However, relevant methodologies have been developed in some sectors and some countries, often with the support of EU programmes such as Leonardo da Vinci. But on the whole it is still very difficult to anticipate medium and long-term qualification needs, since certain important sectors of the economy have been slow to restructure (agriculture, mining and heavy industry in particular). However, in most countries, changes in the labour market were much quicker than in the EU during the same period[238].

One important issue is that the data from the labour offices are the only method of informing both the short-term planning of labour market training and the medium-term planning of specialities in vocational schools. They are as relevant for the former as they are inappropriate for the latter, which require real medium and long-term thinking.

But the problem consists of a considerable lack of adequate research institutions in education, especially in vocational training, as well as serious difficulties in putting in place effective cooperation with social partners in the field of qualifications. In fact, the first sectoral studies, looking at a

Taken from the monograph on Poland:

A promising initiative was set up in 1997 by the Government Centre for Strategic Studies (RCSS) and the 'Interministerial Working Group for Labour Demand Forecasting', which is an auxiliary body to the Council of Ministers. This aimed to elaborate methods and procedures for forecasting the demand for labour by categories of qualifications, and to work out ways to create and verify such projections. It is expected to provide information for planning changes in the structure of secondary and higher education, to avoid training students in professions that will not be in demand in the labour market, and to allocate public spending on education more effectively. In addition, it should facilitate the planning and anticipation of training and requalifying of individuals in occupations for which demand will decrease.

238 A breakdown of the employment figures for the agricultural, industrial and service sectors in the EU reveals a number of trends. Between 1997 and 2001 employment in services rose from 67.3% to 69.4%, while industrial employment fell from 27.8% to 26.4% and agricultural employment from 4.9% to 4.2%. However, during the same period there were much more rapid changes in some of the candidate countries such as Lithuania, where employment in services rose from 50.9% to 59.3%, while employment in agriculture fell from 20.7% to 16.5%, There were similar rapid changes in Latvia, Slovenia and Bulgaria, although the situation was already more stable in other countries.

specific sector of the economy and analysing in-depth the labour market and the medium-term qualification needs, and building up appropriate methodologies, occurred only recently, at the initiative of international donors such as the ETF. Furthermore, interministerial thinking about forecasting on occupations and qualifications is poorly developed. However, an interesting initiative from Poland is worthy of note.

Another approach has been the involvement of social partners as well as teaching and administrative representatives in vocational commissions organised by occupational field, aimed at designing curricula and qualification standards. However, this is a long and very complex process that only started in the second half of the 1990s, when the reform of the curricula was moved to the top of the agenda, with the support of Phare.

7.4.3 MODERNISING CURRICULA

In fact, curricula have been put forward as one of the first priorities for change. But the challenge has been to define the best way to move from a large number of vocational education and training schemes (usually around a thousand or more in each country) linked to narrow occupational categories to new curricula adapted to the requirements of the market economy and democratic society. By its nature this has been much more difficult to achieve than the reform of curricula for general education. The general tendency at the beginning of the 1990s was to rely on local initiatives, giving considerable autonomy to schools in the adaptation or the design of new curricula. At the same time international donors and EU countries began to support these bottom-up approaches by helping them to develop their curricula. One extreme example is in Lithuania where pilot schools selected as part of a VET Phare programme launched in 1995 were twinned with schools from different EU countries; together they developed more than 20 different curriculum design methodologies.

Nevertheless, a process of modernisation in curricula, teaching and assessment methods was undertaken with the support of the Phare Programme in all the candidate countries in Central and Eastern Europe, especially in respect of vocational education and training. As concluded by the ETF[239], the review of curricula has progressed relatively slowly. 'Progress was fastest as regards the introduction of new computer technology and foreign languages, but slowest as regards non-knowledge based social skills and key competencies (problem solving, team-work, learning how to learn). The modernisation of teaching approaches was even slower, basically because countries failed to introduce substantial changes into their teacher training systems.' In addition, dissemination of results from pilot schools became a real issue in all countries, as resources to train teachers in a systematic way and to equip schools with updated materials were lacking. Nevertheless, the Phare VET reform programme stimulated a developing awareness of EU debates on education issues, and an impetus to undertake further reforms.

Thus, most countries concluded that it was necessary to come back to a more centralised approach[240] and to create a national framework for curricula, while leaving some room for manoeuvre at school level. As a result, most of them have now adopted standard or core curricula, designed at national level by expert commissions, usually with the support of a national agency for vocational education and training. Reforms generally started on the completion of the VET Phare programmes; thus, in 1998 the Czech Republic adopted the 'standard framework curricula', Hungary adopted the 'framework curricula' and Malta adopted a 'National minimum curriculum'. In 2001 Cyprus and Estonia introduced a new set of curricula, modularised and competence based. In general, 'core curricula' cover 60–80% of

239 Viertel, E. and Grootings, P., *Review and lessons learned of Phare VET reform programmes 1993–1998*, ETF, 2001.

240 This was in comparison to the very decentralised approach towards curricula that prevailed in the early years of transition.

the curricula in general, the remainder being left to schools to adapt to the needs of the local labour market. Nevertheless, designing a general framework of new, broad and competence-based curricula, linked to new qualifications, is still a real challenge for the future Member States. In 2002 it was estimated that 30–40% of the task was complete in the majority of countries, which does not necessarily mean that these new curricula were implemented at school level in the same proportions (see section 7.2).

Furthermore, there are tensions in some countries between curricula developed for general education and those developed for vocational training, as these developments originate in different national institutes not cooperating adequately. Tensions also exist between curricula developed in the formal system and those coming from the non-formal sector, the latter often being the responsibility of the Ministry of Labour. Finally, there are serious doubts regarding the validity of implementing the new curricula when the basic conditions of teacher training and technical equipment are absent, as is apparent in some countries.

7.4.4 SETTING UP QUALIFICATION FRAMEWORKS

Most countries have also felt the need to set up national qualification frameworks from which curriculum framework and certification systems could be logically derived and which would also facilitate the recognition of qualifications acquired in the non-formal sector. Hungary was the first country to set up such a National Framework (NVQR) in 1993, and revision is now under way to take on board competence-based approaches.

Several other countries have recently decided to set up such a national framework. Work is ongoing, with relevant

Taken from the monograph on Hungary:

- The National Vocational Qualification Register was established by Decree No 7/1993, issued by the Minister of Education. The first version of the register was compiled in 1993 through a tripartite interest-reconciliation process in professional committees comprised of employers', employees' and government representatives. Maintenance of the register is performed by the Qualification Subcommittees of the NVTC.
- The NVQR organises state-recognised vocational qualifications, specifying their key characteristics. Vocations are classified along the Uniform Classification System of Occupations (FEOR), published by the Central Statistics Office. The NVQR includes information on the level of vocational qualification (along the ISCED system since 1996), the organisation of training, the duration of training, the relative proportions of theoretical and practical training and the prequalification requirements.
- An updated version of the register is issued every year. In 2000 it comprised 932 vocational qualifications (955 in the first list in 1993, 973 in 1997, and 951 in 1999). But in line with key policy priorities drawn up by the government, the decision has now been taken to reduce this number drastically in order to provide broader qualifications.
- Based upon the NVQR, the line ministries in charge of vocational training issued the technical/professional examination requirements for vocational qualifications. This was followed by the specification of the standard curriculum for each vocational qualification in the school system. Since 1998 training may be introduced within the school system (at upper secondary and postsecondary levels) only for the purpose of acquiring qualifications listed in the NVQR.

Taken from the monograph on Estonia:

A national qualification framework is close to being implemented, and with effect from the school year 2002/03 graduates from vocational schools, as well as taking school examinations, can also take national qualification examinations, obtaining a vocational qualification and appropriate certificate[241].

The concept of the new Estonian vocational training standard (agreed with stakeholders and social partners) is based on three distinct and interrelated elements:

- ***National qualification standard***, prepared by working groups of the Vocational Councils and approved by the councils and the Ministry of Social Affairs;
- ***National curricula***, based on the approved vocational standard, prepared by educational experts and approved by the Ministry of Education;
- ***National assessment standard***, based on the vocational standard and approved by the newly created Estonian Qualifications Authority[242].

expert commissions mainly being established under the respective ministries of labour. In a few countries this is also seen as a way of allowing for the validation of non-formal and informal learning, which had been given little attention until recently, except in Hungary and Slovenia and more recently in Estonia, Lithuania and Poland. The situation in Estonia is an interesting example (see above).

In theory, social partners are assigned to specialised commissions organised by occupational field in order to elaborate such qualification standards; in practice, however, employers' organisations are involved in a more systematic way than are unions, highlighting the real difficulties involved in the latter playing an effective role in VET developments.

7.4.5 CERTIFICATION PROCESSES

There are usually different types of diplomas or certificates, depending on the pathways followed. In upper secondary education, the *maturita* is the diploma that gives access to higher education, although successful candidates sometimes have to pass a second examination before entering university. Vocational qualifications at ISCED level 3 are certified by a national certificate. Thus, graduates from secondary vocational education often pass two different exams, *maturita* and certificate.

Certificates and diplomas are generally organised by schools, within the framework of commissions composed mainly of teachers and inspectors. This system has often been criticised for not ensuring national comparability and not providing control mechanisms for the work done by teachers and schools. However, there are now moves to tackle these issues. Different approaches are being explored. The first is to make use of the qualification standards, as certification standards should derive directly from them and provide nationally standardised assessment. A second is to ensure better coordination between procedures in schools: in Poland for instance, eight regional examination commissions were set up by the ministry with a view to externalising and standardising procedures. Another approach is to involve social partners in the process, mainly in the framework of chambers of commerce and/or craft. In Lithuania, full responsibility will be given to chambers.

241 Qualification examinations took place for the first time at the Tallinn Construction School in June 2002.

242 Annus Tiina/Dodd Martin, March 2002

Based upon the national qualification framework currently being implemented in several countries (see above), the recognition of experience and prior learning is now on the increase in Hungary and Slovenia and is just starting in Poland, Lithuania and Estonia. In Slovenia, as analysed by Haralabos Fragoulis[243], 'the certification system is not meant to provide a substitute for the formal education system but to develop a complementarity function by building bridges between initial and adult education on the one hand, and between education and work, on the other.'

Another important initiative is from Romania, with the establishment of a dedicated tripartite institution, the Council for Occupational Standards and Assessment (COSA), which aims to implement a new certification system.

7.4.6 TRANSPARENCY

As can be seen above, it is almost impossible to have a clear picture of the curricula delivered by the formal education and training system because of the very complex situation in which old curricula coexist with new ones, these having different methodologies depending on the technical assistance on which the project was based. In addition, there are differences in the ages at which students enter vocational streams. In Hungary, for instance, under the so-called World Bank model that applies in a number of schools, some students continue general education before starting vocational streams two years later than other students, depending on which school they attend.

Taken from the monograph on Lithuania:

All vocational students sit final examinations that allow students to demonstrate both theoretical knowledge and practical skills. Since the early 1990s vocational schools have created final examination commissions consisting of an employer representative, three professionals from the relevant occupation and a vocational school teacher. School staff were initially in charge of preparing exam questions and other practical arrangements. However, since 1998 Lithuania has gradually moved away from school-driven assessment and the chambers have taken over the full organisation of final examinations, including the design of tasks, the identification of relevant members of the commission and the awarding of the qualification. In the school year 2001/02, three out of the five regional chambers covered in total six out of the ten regions in Lithuania. The training and assessment processes have been separated in an effort to ensure that, with the responsibility for assessment being passed to employers, assessment criteria will accurately reflect the qualification requirements (which should be set by employers).

In those regions that are not yet covered, the schools continue to be in charge of the overall organisation of the final exams. In these cases the chambers simply approve the examination tasks, appoint a chairperson of the examination commission and validate the composition of the commission. Notes and comments made by employers in the course of the assessment process offer training providers valuable information for improving future programme delivery.

National examinations have been introduced in both upper secondary general and vocational education in particular subjects, namely Lithuanian, foreign languages, biology, chemistry, physics, maths and history. These are assessed partly by the schools' own teachers and partly by external examiners.

243 Colardyn, D. (ed.), 'Innovations to address the challenges of lifelong learning in transition countries', *Lifelong learning: which way forward?*, Lemma publishers, Utrecht 2002.

Taken from the monograph on Slovenia:

Assessment and certification of training

Examinations are carried out externally for formal education and non-formal regulated training, and provide nationally recognised diplomas and certificates. Examinations are also carried out in some non-regulated programmes, but the evidence acquired on this basis is not yet publicly recognised. Examinations on the basis of "non-school" regulations are run at the level of individual industries, and as part of in-company training in some enterprises. The Craft Chamber carries out certification of qualifications in activities that do not require master craft examination. Most recently the Chamber of Commerce and Industry has also established its own assessment and certification system. The validity of certificates acquired within these systems is still limited to the issuing company or organisation. However, an agreement has been reached between Ministry of Education, Sport and Science and the Chamber of Commerce that the certificates now issued by the latter will be transferred into the national system and that the Chamber will integrate into the National Qualification system as it is shaped by further legislation. The same applies to the pilot certificates developed under the Phare MOCCA programme.

Assessment and certification of non-formal and informal learning and of work experience, which is intended to provide nationally recognised certificates, is undertaken under the authority of the Ministry of Labour. Procedures for assessment and certification were developed and tested in 2000 with the support of the Phare MOCCA programme. However, these publicly recognised certificates, acquired in regulated non-formal training programmes, are not recognised by the formal education system. As mentioned above, discussions have begun on the better integration of diplomas and certificates stemming from the various forms of formal, non-formal and informal learning that now operate in parallel. Clearly, within an institutional context dominated by formal regulations this is a rather delicate issue.

The situation becomes even less clear when considering the curricula developed in the non-formal sector. We must also recall the highly diversified delivery system described in the chapters on education and continuing education and training, involving schools and other training centres at national, regional or local level, from public or private initiatives that have developed in most countries. Overall, the situation has become extremely difficult to understand, particularly when considering a 'client' or user point of view, whether from the parents', the students' or the employers' side. Furthermore, this lack of transparency can be detrimental to mobility in the labour market.

Candidate countries have been late in considering transparency issues. However, they have now been exposed to recent EU developments in that field through their recent participation in the Transparency Forum set up by the European Commission with Cedefop. Thus, progress is only just beginning, since only Hungary, Slovenia and Malta are ready to establish National Reference Points and to prepare for the first implementation of the certificate supplement approach.

7.4.7 QUALITY AND ACCREDITATION

Quality is another important issue, as most of the Candidate countries have been slow to consider seriously the development of the non-formal sector and

Taken from the monograph on Romania:

In order to design a new skills assessment and certification system, a new type of institution was designed with a tripartite membership. The Council for Occupational Standards and Assessment (COSA) has 15 members, with equal representation for the government, employers' associations and labour union confederations. COSA has so far elaborated 300 occupational standards and established a competence-based assessment methodology.

Steps have been taken on the basis of the COSA methodology to establish a system for the assessment of skills acquired in non-formal contexts. Five pilot assessment centres have so far been accredited. However, the system is still far from being effective, despite the fact that large enterprises have shown interest in the approach, and that COSA has obtained international recognition for the methodology.

- The number of occupational standards accredited by COSA remains much too small for the necessities of the market.
- Access to the accredited standards is limited.
- The contents of occupational standards are sometimes contested by professionals in the field.
- Moreover, the legislative limits that do not allow official recognition of COSA certificates have so far rendered efforts to promote this type of evaluation ineffective, since individuals and enterprises have had no real interest in its use, especially when the economic context imposes a survival strategy.

The COSA system was designed in a very economic way: a limited number of experts were hired to elaborate a modern methodology for developing occupational standards and for their use in the assessment of occupational competencies. According to the new law of continuing training, COSA will continue its activity under the National Board for Adult Training (NTBA).

the issues linked to adult training (see the above chapter on continuing education and training). One approach is to rely on the establishment of qualification and certification standards and to introduce quality norms as part of the standards. Another approach frequently taken is to create national commissions for accreditation, under ministries of education, with a view to licensing institutions, and at the same time to accredit the curricula or programmes they deliver. Such commissions have recently been established in the Czech Republic, Hungary, Lithuania, Bulgaria and Romania.

It is difficult at the moment to assess the effectiveness of such approaches. However, field visits undertaken during the preparation of the monograph suggest that accreditation commissions are understaffed relative to their ambitions; processes are very long and rather bureaucratic; and objectives seem overambitious or unrealistic, since we were told in several countries that every programme, whatever its duration, would have to be accredited by the national commission as a condition of receiving state support from employment funds or other training funds. Giving more responsibility to labour offices seems to be an alternative in some countries, as far as labour market programmes are concerned. The development of self-assessment procedures should also be considered.

7.4.8 COUNSELLING AND GUIDANCE

Counselling and guidance systems are, in general, not well developed, usually with two parallel systems working under the ministries of education and labour, implemented in schools and in labour offices respectively. However, there is at present little cooperation between the two systems. Furthermore, there are indications that the system in schools is very much oriented towards psychological considerations and is not geared to the challenges of lifelong learning. As in many EU countries, there are tensions between guidance-related staff and vocational teachers, with the latter accusing the former of systematically promoting general education pathways.

In a special report commissioned by the ETF[244], as part of the Public Employment Services, the situation was described as follows: 'career guidance services for adults tend to be remedial in nature, and narrowly targeted at the unemployed and the long-term unemployed, with the immediate goal of finding them employment', instead of developing a more proactive approach 'helping all adults sustain employability and respond flexibly to change'.

Employers and trade union representatives make an input at career fairs or exhibitions, but such involvement tends to be sporadic and dependent on personal initiatives. Furthermore, only the larger enterprises offer a guidance service to personnel with a view to helping them to make progress in their career.

7.4.9 THE FIGHT AGAINST SOCIAL EXCLUSION

Candidate countries are working towards the integration of different groups of disadvantaged individuals and students with disabilities in schools by combining mainstreaming and discriminative approaches through a balance of 'normal' and 'special' schools. The situation varies for specific groups and countries. In the Czech Republic, Estonia, Lithuania and Poland the focus seems to be on special schools, which are often integrated with other schools under the same umbrella. In Cyprus, Hungary, Malta

Taken from the monograph on Lithuania:

Vocational training is available to prisoners, the majority of whom are unskilled. According to a study carried out for the Ministry of Social Security and Labour in 2000 in six prisons with a total of 1,476 prisoners, almost 8% of the prisoners had not had a basic education and 56% did not have a vocational qualification. This increased to 71% amongst the 18–24 year olds. The Programme for Increasing Employment 2001 – 2004 detailed measures to promote the employability of ex-prisoners including:

- projects on vocational guidance for young offenders and soldiers;
- special offenders' social adaptation programme.

In 2000 and 2001, approximately 18% of the prisoners participated in vocational training. In 2001 the Lithuanian Labour Exchange allocated 149,000 Litas for the training of ex-prisoners, and funding continued in 2002 for this purpose. At the end of their confinement period, 8,166 ex-prisoners registered at the Lithuanian Labour Exchange. Over 30% participated in active labour market measures and a total of 786 were employed with the assistance of the labour exchange.

244 Sultana, R.G., *The situation of career guidance in eleven candidate countries; An ETF synthesis report*, ETF, Nov 2002.

Taken from the monograph on the Czech Republic:

- In 1996/97 preparatory classes for children from socially and culturally disadvantaged backgrounds were introduced in kindergartens and basic schools (110 in 2000/01, accommodating 1,364 children).
- Roma assistants were introduced in basic schools to support teachers and to facilitate communication with Romany families (175 in 2001).
- Smaller groups of pupils, modification of the basic school curricula, and didactical approaches and testing tools for school entrants have all been implemented.
- Instructions have been issued concerning the transfer of Roma pupils to mainstream basic schools and the admission of pupils with an incomplete basic education to secondary school, as well as support (including financial) to Roma students.
- Educational and career counselling have been promoted.

and Slovakia priority seems to be given to mainstreaming approaches, including giving special support and resources to schools.

Other measures aimed at disadvantaged adults or those with disabilities are taken by the labour offices, often with the support of very active networks of non-governmental organisations. Nevertheless, these initiatives are very much hampered by the low level of resources available for active labour market measures (see chapter 6 on resources). An interesting initiative taken in Lithuania concerning vocational training programmes for ex-prisoners is worthy of note.

Taken from the monograph on Romania:

The end of 2001 saw the approval of the *Programme on access to education of disadvantaged groups, especially Roma children*, designed by the Ministry of Education and Research with a budget of 8.33 million (7 million of which came from the European Union). One of the main objectives of the programme is to school the entire population to the compulsory education level as a fundamental condition for ensuring real equal opportunities. In this sense the programme scheduled to run between 2002–2004 in approximately ten counties aims, among other things, to encourage the enrolment of children in compulsory education, to prevent schooling being abandoned prematurely, and to provide a second chance in education for people who have not finalised their studies in compulsory education. The programme is a major step in the application of the *Strategy for improving the situation of the Roma population* designed by the government of Romania in 2001 as a fundamental component of the sector-based strategy (education and training).

Other major initiatives related to the access of minorities to education are those that provide separate places in universities for young Roma candidates (150–200 places annually), the appointment of an inspector for education for Roma in all the 42 school inspectorates, training programmes for Roma teaching staff (including intensive summer school courses, and open and distance learning) and the consolidation of the network of teachers of Roma, designing school books and curricula as well as cultivating the Roma language in extra-curricular activities.

The situation of the Roma in some countries is also extremely worrying, both in the school system and in the field of labour market training. In the Czech Republic, Hungary and Slovakia, statistics show that only 1–2% of young Roma complete secondary school. In Slovakia, 1991 figures showed 5% of the adult population having an ISCED 3c qualification, but only 0.5% an ISCED 3a qualification, and 0.07% an ISCED 5 qualification. The countries concerned have developed ambitious measures, including sometimes 'positive discriminatory' measures aimed at dramatically increasing school attendance in secondary and tertiary education. Vocational pathways are seen as an important tool for such strategies. Developed in 1995, the Czech approach is a good example of this[245].

Romania has also recently developed ambitious measures aimed at fighting discrimination and facilitating access of the Roma to secondary and higher education, including through 'positive discriminatory' approaches.

Taken from the monograph on Estonia:

There are special provisions in place for schools whose language of instruction differs from the national language (mainly the Russian language). The Law on Basic and Upper Secondary Schools provides for a transition towards the use of Estonian as a teaching language in upper secondary schools by the school year 2007/08 at the latest.

Although there are positive shifts in the integration of Russian-language schools into the Estonian education system, structural problems persist. Insufficient mastery of the Estonian language at preceding levels of education is restricting graduates' opportunities for continuing their studies in higher education.

With regard to VET there is still a great need to provide additional language studies to non-Estonians, as 30% of admissions to secondary VET are students from the Russian language group. The problem is most intense in North-East Estonia (Ida-Virumaa county), where a greater proportion of pupils are enrolled in schools where instruction is in Russian (83%, compared with an average of around 30% for the country as a whole). This is coupled with the problem of a high concentration of vocational schools, many still producing graduates for professions that are no longer in demand in the labour market.

In the area of continuing training, non-ethnic Estonians, significantly more of whom are unemployed, have participated in training courses half as often as Estonians.

The unemployment rate among non-ethnic Estonians was considerably higher (at around 6–7% more) than for Estonians between 1995 and 2000. Most vulnerable are the younger non-ethnic Estonian age groups (20–29 years of age) with general secondary or vocational education. They are more than twice as likely to be unemployed than Estonians in the same age group.

There is still insufficient awareness at the level of education management of the existence of a multicultural society in Estonia. Some authors assume that probably the biggest waste of human resources in Estonia is related to the ethnic factor, because the effects related to stratification, labour market and educational opportunities have been especially negative for non-ethnic Estonians.

245 Similar approaches were taken in Hungary, and recently in Slovakia (2002).

Taken from the monograph on Estonia:

Business-related training started in 1992 with the Estonian Junior Achievement Development Fund (JAAF). The main programmes offered are the 'Business education programmes' in basic and secondary schools and the 'Fundamentals of Market Economics' programme, which was first provided to middle-level managers (about 120 participants) of large enterprises privatised in 1997 in order to facilitate restructuring and to prevent unemployment and adjustment difficulties. In 1999/2000 the Junior Achievement business programmes were provided in 432 Estonian schools to 24,000 pupils.

The Estonian Business Education Programme, initiated through bilateral assistance (Danish Government) and continued by Phare funding between 1995 and 1999 (and finally taken over by the national government), has made a considerable contribution to both programme and institutional development (development of a four-year and two three-year business education cycles; in addition, adult education programmes have been developed in selected subjects). In 2000 the new basic business administration curriculum was delivered to about 1,000 students, and other schools are keen to join the programme. The national vocational qualifications for Business Manager's Assistant and Junior Business Manager have been developed, and the basis for adult and distance learning has been established in a number of schools.

Unemployment among the Roma is also an extremely difficult issue, as many were made redundant from heavy industries and are now concentrated in isolated settlements in most countries. Here again, non-governmental organisations and international donors such as the Soros Foundation have been very active, but resources coming from the public employment services are very limited, and discriminatory attitudes at local level still hamper the full implementation of measures.

Non-native Estonian speakers also encounter difficulties, as Estonian law will oblige all students to use Estonian in school after 2007. A special programme is therefore being set up in order to facilitate integration of this group into mainstream education.

7.4.10 PROMOTING ENTREPRENEURSHIP

Entrepreneurship was promoted at school generally by inclusion of the issue as part of core skills in the framework of the new curricula. In addition, specific subjects on economics were taught in upper secondary education in all programmes (the Czech Republic after 1991), and particularly in VET pathways (Lithuania after 1996, and Poland) or in postsecondary education (Hungary).

Furthermore, most countries developed have two complementary approaches, either within schools or in their immediate environment: simulations of companies using various EU models, such as the Austrian 'training enterprise'; and 'junior achievement programmes', as introduced successfully in Poland, Lithuania and Estonia, and concerning both students and adults.

In the field of adult training, however, many activities were launched by the employment services mainly for unemployed adults and others at risk of redundancy. In addition, many programmes were initiated by foreign assistance, particularly from Phare, and then further consolidated by national funds. The Czech National Training Fund (NTF) is an interesting example of such an approach.

Taken from the monograph on the Czech Republic:

The National Training Fund's (NTF) mission to support and develop management training, including extending the scope of management training, increasing training quality, and widening access to training with a view to improving management of enterprises in the public and private sector, has had a positive impact on both the quality of provision and demand.

Examples of NTF activities are:

- the establishment of a network of training institutions;
- needs analyses, programme development and know-how transfer including monitoring, evaluating and supporting selected management training programmes;
- the development of teaching and methodological materials and the training of trainers;
- the provision of information and counselling services;
- support to initiatives relating to quality assessment and quality assurance.

7.4.11 PROMOTING EQUAL OPPORTUNITIES

Although gender stereotypes are very strong in vocational schools in all candidate countries, even stronger than in the EU, this has not led to any counteracting measures being implemented, except in Malta.

Another aspect of this issue is that females make up the majority of students in secondary general education and tertiary education in all countries, and in vocational education in some countries. Thus, in Estonia, the issue of equal opportunities is seen primarily as an issue of participation for males.

Taken from the monograph on Estonia:

In Estonia there is an increasing gender inequality **in education** in favour of females, and this tendency has deepening during the 1990s. The dropout rates are disconcertingly high at the upper level of basic education, especially for boys. This leads to gender differences, which increase at higher levels of education. Boys also outnumber girls by more than two to one among grade repeaters.

Gender differences also occur in secondary general education, where 60% of pupils are female. In vocational education there was a dominance of male students in the early 1990s (100 females to 116 males in 1992), but by 1999 women also prevailed in VET (100 females to 98 males).

In the academic year 1999/2000 the female-to-male ratio in higher education was 140 to 100. Even if those study fields that are traditionally regarded as 'female' are left out of the calculations (fields such as teacher training and nursing), developments in recent years clearly indicate an increasing gender gap. For example, in 1993/1994 at the bachelor level the ratio was 113 women to 100 men, and in 1999/2000 the ratio was 122 women to 100 men. Men still prevail in mathematics and computer sciences, in engineering and technology and in agriculture. All the other fields of study are dominated by women.

The situation is different in the field of labour market training, where specific programmes are generally designed to facilitate the return to work for women or to promote entrepreneurship.

As for other groups, measures are limited by the lack of resources managed by labour offices, and hence, dedicated programmes for women are not well developed.

8. OVERVIEW OF PUBLIC AND PRIVATE EMPLOYMENT SERVICES

8

8.1 SUMMARY

A public employment service is now in place in each of the candidate countries, usually within the context of a national institution under the aegis of the employment ministry (except Poland, where the employment service at the time writing was decentralised to the 373 districts (*powiat*)). The social partners are involved in the operation of the employment services within the framework of tripartite committees. However, their role is mostly formal, except when accompanied by a form of intervention fund co-management, like in Hungary.

The employment service is responsible for registration of the unemployed, the distribution of unemployment benefit, and active employment measures within the framework of a package funded by unemployment contributions. As the funds available have stagnated, there has been a sharp fall in the amount allocated to active measures in countries where unemployment has risen steadily in recent years. As analysed above, active measures, which include the amount set aside for the operation of the employment service and its agencies, are therefore limited. However, there is a lower gap with regard to the operation of employment offices compared with European countries than with regard to the measures they are supposed to manage. This suggests organisational problems that go beyond mere staff shortages.

Given the variety and increase in the number of tasks assigned to them, the employment agencies are short-staffed and their personnel receive inadequate training. In addition to the collection of contributions from firms in some countries, registration of the unemployed and the payment of unemployment benefit, they often find it difficult to cope with their new tasks of individualised management, career guidance and advice and the preventive measures required by European employment policy. Their equipment is also often obsolete.

Furthermore, the monitoring of their activities by national services is rather inflexible, while the rules and performance targets they are set tend to favour the most highly qualified unemployed to the detriment of the most disadvantaged categories.

Finally, private employment services have developed in the context of market services meeting the requirements of firms (and foreign investors in particular) and the more highly qualified. They therefore work alongside the public service, without really cooperating with it.

Extract from the monograph on Poland:

The new Polish model had no predecessors in other countries and therefore created serious challenges. Regional and local labour offices have ceased to function as a separate special administration and have been incorporated into regional and local self-government administrations as an integral part of the overall public administration reform implemented in 1999. The Head of a local self-government administration (Starosta) can now nominate and dismiss the Director of the local labour office, in consultation with the Local Employment Council.

Functions and tasks have changed at all public employment service levels due to the reform. Local (powiat) labour offices and their field offices became most important, whereas the regional level (voivodship) and the national one (National Labour Office) have lost functions and had to adjust to a new identity and new roles.

Local offices have gained increased responsibility for initiating and managing ALMPs (receiving resources from the Labour Fund according to an algorithm), while leaving the responsibility for monitoring and evaluation of these programmes with regional offices and the NLO. The unemployed are registered and paid the unemployment benefit and other benefits in local offices which have to render assistance to the unemployed and jobseekers in finding work (including vocational counselling and guidance). Employment policy (creation of additional jobs, counteracting unemployment) is expected to happen to a great extent at local level.

Regional offices do not deal directly with the unemployed and mainly focus on analytical tasks and labour market information, as well as on promotion of regional employment policy by means of initiating, coordinating and co-financing regional and local programmes. The cooperation with the Kurator (school-superintendent at regional level) regarding the organisation of vocational training and labour market training builds an important link to the education system.

There are indications that the public employment service system might change again and a third model is likely to be established in 2003, as ongoing discussions on the effectiveness of the new horizontal system are leading to preliminary conclusions about redistribution of responsibilities from the local to the regional level. The initial phase of the latest reform has shown coordination problems, 'compartmentalisation' and to a degree weak labour market policy capacity at local level. Currently different options and models for a redesigned public employment service are being discussed and preparations are underway to introduce changes. As of 1 April 2002 the National Labour Office has been abolished and its functions were mainly incorporated into the Ministry of Labour and Social Policy; some tasks have been transferred to regional labour offices.'

8.2 ORGANISATION AND STRUCTURE

Public employment services play a very important role by implementing passive and active labour market policies, often complemented by a range of additional tasks. In general, the structure of the public employment services has changed several times since the beginning of the 1990s. The most common structure to date has been a national autonomous body operating under the responsibility of the Ministry of Labour and/or social affairs (in Hungary, Lithuania, Malta and Slovenia), sometimes responding directly to the government (in Slovakia) and managing a network of regional, district and local offices, according to the administrative structure of the country. There are a few exceptions, such as in the Czech Republic, Estonia and Cyprus, where public employment services are managed directly by a specialised department in the Ministry of Labour. On the other hand, Poland has set up a completely decentralised system of employment offices under the responsibility of self-governing bodies (see monograph extract above), although recent changes at a political level in Poland could call this policy into question. In general, the current situation is being examined and the preparation for implementation of the European Employment Strategy could lead to further changes.

Social partners form part of the tripartite committees or councils set up at national and regional (or county) levels to monitor the work of the public employment services and labour offices. Their specific involvement is largely dependent on the quality and commitment of their representatives and there are indications in several countries that this should be greatly strengthened, in particular at county level where it is generally acknowledged that it is not effective due to a lack of interest and organisational difficulties. Nevertheless, their commitment seems to be greater when they are involved in fund management, as is the case in Hungary where they play a decisive role as part of the Labour Market Fund Steering Committee (see extract below).

8.3 RESOURCES

Resources managed by the PES come directly from the state budget (as in Cyprus), from an employment contribution or fund collected together with social insurance (as in the Czech Republic, Lithuania and Malta) or separately (as in Poland, Estonia and Slovakia) and then incorporated into the state budget. Thus, Hungary is unique in having a specific labour market fund managed autonomously by the Labour Market Fund Steering Committee.

Contributions to these funds come from income tax paid by employers and employees. But there are great differences between the levels of taxation, ranging from 1.5% in Estonia (0.5% from employers and 1% from employees) to 2.45% in Poland, 3.6% in the Czech Republic, 3.75% in Slovakia (2.75% for employers and 1% for employees), 4.5% in Hungary (3% from employers and 1% from employees) to 10% in Malta. But they are often completed by additional state funds, in particular when the funds encounter problems as in Poland in the last period.

At present, these funds finance both passive and active labour market measures, often creating difficulties in how to arbitrate between measures. As seen in the chapter on resources, active labour market measures suffer deeply from that situation, as decisions are always to secure first unemployment benefits when unemployment is growing. Therefore, there are indications that countries are tempted, as promoted in some countries in particular by the World Bank, to introduce a clear split between active and passive measures, the former being financed by the ‘normal’ state budget and the latter by the unemployment insurance.

As a consequence, funds devoted to the functioning of the public employment service are generally limited. As pointed out in chapter 6 concerning the amounts devoted to labour market training, administrative costs for public employment services and administration are limited in a similar way. In comparison with EU

Extract from the monograph on Hungary:

Social partners in Hungary have a decisive role in the field of employment and labour market policies and their implementation. Their involvement stems from the administration of the Labour Market Fund (LMF), which is the financial instrument for all employment and labour market-related activities. It is financed through the contribution of employers and employees (currently 3 and 1.5 per cent levied on wages, respectively). Social partners can thus reasonably claim to have a strong say in how the fund is spent.

The management of the LMF is based on two strongly linked tracks:

- state administration, including central and county structures
- tripartite structures at national and decentralised levels.

Organisational structure of LMF

Responsibility for the disbursement of the LMF is formally granted to the Ministry of Economic Affairs, but according to the law, the minister exercises this right jointly through the Labour Market Fund Steering Committee (LMFSC), a tripartite body comprising 18 members nominated by the respective organs and appointed by the Ministry of Economic Affairs for four years. In the tripartite body all ministries concerned are represented, namely: the Ministry of Economic Affairs, the Ministry of Education (two seats each), the Ministry of Social and Family Affairs, and the Ministry of Finance. National employer organisations and trade unions have 6 seats each, thus the three sides have an equal number of votes, thus equal powers.

The LMFSC has extensive powers in the administration of the LMF, including:

- approving the three-year strategic programme
- deciding on the allocation among the subfunds
- deciding on the co-financing of the national programmes for economic and regional development
- proposing the LMF's annual budget
- evaluating the expenditures at least every quarter

The LMFSC is also active in policy formulation. It is the specialised body which discusses employment policy and the related draft legislation on, for example, unemployment provisions, employment promotion measures and the operational rules of LMF. The Steering Committee regularly evaluates the government policy achievements as well as the utilisation of the LMF.

The LMFSC, however, is not the only tripartite body that has a stake in the employment policy field. The National Labour Council, the central tripartite body, scrutinises all draft laws related to employment. The LMFSC submits its annual report to the National Labour Council.

countries, there is a gap, but to a lesser extent than that for active labour market measures (see chapter 6).

In 2001 these expenses amounted to 0.17% of GDP in Belgium, 0.25% in France, 0.23% in Germany, 0.11% in Portugal and 0.09% in Spain while they reach 0.11% in Hungary, 0.08% in the Czech Republic and Lithuania, 0.02% in Estonia and 0.01% in Cyprus.

Staffing in particular is limited. Looking at the ratio of the unemployed to a staff member in direct contact with them through job mediation or counselling and guidance activities, the figure is around 200 in the Czech Republic and Cyprus, around 300 in Slovakia and Hungary, 330 in Estonia and Lithuania, 350 in Slovenia and over 500 in Malta. In addition, there is a feeling that although staff are usually qualified, with about 35% to 40% holding university degrees, they need further training to help them to perform their new tasks, in particular the more proactive role now requested by the implementation of the European Employment Strategy. There are also indications that salaries are often inadequate, particularly in Estonia and Poland, probably in relationship to an extremely high staff turnover in the latter.

Technical equipment also needs improvement. In general, employment offices are equipped with computers, with an average of less than one computer per employee. The machines are also often outdated as most of them were installed before 1995, so the hardware is no longer adequate. Meanwhile, national integrated computerised systems are developing. Access to the internet is growing, but only Hungary and Lithuania have set up internet-based self-service for individuals.

8.4 RESPONSIBILITIES, ACTIVITIES AND MARKET SHARE

The scope of activities is very broad and varies between countries. In addition to the traditional tasks of registering the unemployed, job brokering, counselling and guidance to the unemployed and school leavers in the labour market, developing relations with employers, and implementation of active labour market measures, public employment services are often in charge of the collection of the unemployment insurance from businesses and the payment of unemployment benefit (with the exception of Cyprus). They implement and monitor apprenticeship schemes in Cyprus and Malta, they manage individual scholarships for students in Slovenia, and they deal with employment issues for foreign workers and for national citizens working abroad in several countries. The preparation of ambitious and proactive employment policies in most countries is also going to give them additional tasks in the near future.

The scope of active labour market measures they manage is comparable with that in the EU (see below for the Polish case).

From the monograph on Poland:

SEVEN BASIC FORMS OF ACTIVE LABOUR MARKET POLICY CARRIED OUT BY THE PUBLIC EMPLOYMENT SERVICE IN POLAND

1. The employment service is the central function of labour offices – powiats, county or local. Local labour offices are one-stop-shops for re-employment assistance. These offices act as a unified clearing-house offering referral to a variety of active and passive support. The employment service offers a full range of placement services including job interviews, referral, counselling, skills assessment, job search training, back-to-work preparation, and job clubs.
2. Labour market training and retraining of unemployed workers provides an additional short-term job skill training to make job seekers ready to fill job openings in the region. The cost of training cannot exceed two average wages and should not last longer than six months. Retraining participants receive a stipend of 20% of the unemployment benefit.

3. The public works are a short-term (up to 12 months) direct job creation programme with employment on projects organised by government agencies including municipal governments. For up to six months the Local Labour Office (LLO) refunds wages of hired unemployed up to the level of 75% of the national average wage plus social insurance contribution. Alternatively, LLO may refund up to 100% of the average wage and social insurance contribution for a period of 12 months, every second month. The wage level makes clear the main aim of public works, which is an income transfer. The secondary aims of the programme are to maintain job readiness skills of the unemployed and to contribute to the public health and infrastructure.
4. Intervention works are much like the public works programme, except that either public agencies or private firms may operate the projects. The refund is set as equal to the unemployment benefit and it is paid for six months. Another available option is that labour office refunds up to the level of the minimum wage for 12 months, every second month. There are also incentives for employers to permanently retain workers. After the end of an intervention works project, which may last up to six months, employers can receive a one-off wage subsidy for retained workers amounting to up to 150% of the national average wage. The low project wages and the incentive for continued employment mean that intervention works project operates essentially as a wage subsidy programme.
5. The graduate programme is similar to the intervention works project with the exception that it is targeted only at school graduates, i.e. those unemployed who graduated from school within the last 12 months. For up to 12 months the Labour Fund refunds the costs incurred by the employer, but the subsidy may not exceed the amount of unemployment benefit. The social security contribution is also covered by the Labour Fund. The objective of the graduate programme is to create opportunity for graduates to get experience and on-the-job training to improve their labour market situation in the future. There is an incentive provided to employers for keeping the graduates employed after 12 months of the programme. The Labour Fund covers the social insurance contribution for an additional 12 months for each graduate employed.
6. Loans are provided for employers who create jobs for the unemployed for at least two years and for unemployed individuals who are interested in setting up their own business. The maximum loan is limited to 20 times the national average wage. Loans are set at market rates of interest and must be repaid immediately in full if the planned business is not initiated. A strong incentive for business survival is provided by a 50% loan principal reduction granted to businesses that survive at least two years.
7. Special programmes are aimed at risk groups and should not exceed 10% of the amount allocated for active labour market policies. These risk groups include the long-term unemployment, women, young people under 24 years of age, workers laid off from businesses undergoing restructuring, and the unemployed in rural areas. These special programmes provide many of the services available in the programmes defined above (training, wage and payroll tax refunds, loans), although in many instances under more favourable conditions, for instance, interest rates on loans can be reduced to zero in certain circumstances.

But the balance between activities is slightly different. As seen in the chapter on continuing education and training, labour market training is limited. Its share as part of all active labour market measures is lower in proportion than in the EU. On the other hand, the share of public works is higher as funding for public works as a percentage of GDP is more than twice as high as the share of training in the Czech Republic, Hungary and Poland, while it is lower in most EU countries (one-third in Portugal, less than a half in Spain).[246]

Other limitations arise from the regulations under which the services operate. The system is often seen as over-centralised, administrated bureaucratically, and without sufficient autonomy given to the employment offices. This is an issue of administrative capacity in general.

As a whole, the market share of unemployed clients dealt with by the public employment services range from about 55% in Estonia to 78% in Cyprus, with a majority of countries between 60% and 70%. Measured in terms of job vacancies managed by the public employment services, the proportion is much lower, between 10% and 20%, confirming the indication that employers in general do not make much use of these services.

8.5 PRIVATE EMPLOYMENT SERVICES

Private employment services are now developing rather rapidly in all countries. They are considered as playing an important role in a majority of countries, such as Poland, Hungary and the Czech Republic, while their responsibility is considered to be very limited in the Baltic States where they are developing without any specific regulation[247]. However, they are mainly limited to job mediation for the highest qualified people as well as head-hunting, and they operate mainly in the larger towns. Their role is considered to complement the role of the public employment services but without real cooperation. An exception is in Slovenia,

Extract from the monograph in Hungary:

The first *legislation* related to private employment services was issued in 1997, and regulated labour exchange. (Government decree No. 274/1997 (XII. 22.)). This was replaced by the Government decree No. 118/2001 (VI. 30.)) on the registration of, and the conditions for, pursuing temporary labour leasing and private brokerage activities by private entities, which has been in force from 1 July 2001.

The legislative intention of the government was twofold:

1. to allow private enterprises to pursue labour exchange, and from 2001 temporary labour leasing, and thus put an end to the public monopoly in these fields;
2. to provide legal protection for clients against private businesses operating in an unfair manner. This was especially urgent for certain types of labour exchange abroad (nannies and au pairs, for example).

The decree does not set restrictions concerning the corporate form: therefore, legal persons, business entities without legal personality or individual entrepreneurs may all be private employment services. This diversity is reflected in practice.

246 See *2002 Employment Outlook,* OECD.

247 On the contrary, specific regulation was adopted in Cyprus and in Hungary, both in 1997, to encourage and regulate their activities in complement to the PES ones.

Extract from the monograph on Slovenia:

To be able to achieve the targets such as, for example: to increase the quality of placement, to achieve greater efficiency and competence to fulfil the tasks after joining the EU, the Employment Service of Slovenia (ESS) will guarantee increased professional competence of its staff, improve efficiency and rationalise work procedures. It is necessary to strengthen the professional and technical capacity of the ESS so as to improve the quality of placement. Improvement in the individual approach to clients, professional teamwork and intensive collaboration with employers are the priorities which the ESS will pay most attention to. These development trends require a strengthened role for local offices, an increase in the number of employment advisers, greater cooperation with local and regional employers, rationalised work procedures due to less administration, establishment of an even more efficient system of monitoring the unemployed and work of external providers, development of self-service forms of approach to labour market information and increased quality of work. To improve efficiency in employment programmes the ESS will take into account regional labour market characteristics and collaborate with regional social partners and development institutions. The tasks which do not belong to the common tasks of public employment services will be transferred to other institutions (such as national scholarships and subsidising of student meals).

where private employment services are called upon to participate in public tendering and therefore can undertake activities subcontracted by the public services.

8.6 ON GOING REFORMS

In preparation for the implementation of the European Employment Strategy, reform of the private and public employment services is on the agenda in every country. Strategies are in preparation in all countries in relationship with drafting National Action Plans for employment. These are in accordance with the next implementation of the European Employment Strategy and are in most cases thanks to Phare support in particular on computerisation and introduction of IT based services. There are however, indications that these services should move towards giving more autonomy to employment offices, reinforcing staff training, developing ICT-based services, putting in place standards aimed at improving the quality of work and at facilitating the monitoring of activities. This would be with the general aim of making the services more proactive and giving them the capacity to rapidly implement the European Employment Strategy. The ‘proposals for strategic labour market development targets up to 2006’ give an idea of the challenges public employment services will face in the near future and the radical changes they will provoke.

9. OVERALL CONCLUSIONS

9

9.1 THE DIFFICULT CONTEXT FOR CHANGE IN THE ACCEDING AND CANDIDATE COUNTRIES IN THE FIRST YEARS OF TRANSITION

In order to assess properly the challenges acceding and candidate countries have met and are still facing when adapting their education and training systems to the needs of the market economy and democratic society, it is important to remind ourselves what these systems looked like under the socialist regime, how deeply they were interlinked to industrial processes, and how narrow and vertical were their educational pathways. Transition from school to work was not an issue, as students at fourteen embarked on a given pathway determined by the needs of the business the school was associated with. Initial and continuing vocational training was organised in schools and training centres attached to businesses, and workers stayed in the same company until retirement. Entrepreneurship was not an issue as the majority (sometimes the totality) of businesses were state enterprises.

Thus, acceding and candidate countries' education and training systems had to address fundamentally different issues, in the short and long term. On the one hand, short-term issues were concerned with supplying appropriate answers to the needs of the newly emerging economy and individuals, mainly in the fields of services, management training, accounting, marketing, informatics, foreign languages, communications and tourism. Other short-term issues also concerned coming up with adequate answers to deal with the rapid increase in unemployment. On the other hand, medium and long-term issues involved a complete transformation of the education system, which meant adopting a new paradigm aimed at raising qualification levels, preparing for active participation in an open and flexible labour market, introducing the culture of lifelong learning, being pro-active in preparing for new occupations and promoting responsible citizenship.

As integrated in state enterprises, the former continuing training system was not at all ready to answer emerging needs for qualifications in the field of services.

Furthermore, it collapsed rapidly as a victim of the new constraints faced by businesses when entering the market economy. Thanks to new legislation on liberalisation of the education offer in some countries, and to the external assistance and particularly the EU assistance through Phare, new training providers emerged rather rapidly at the bottom level and were able to offer the first answers to short-term needs.

More difficult was the fundamental transformation the formal education system had to undertake and, in particular, the formal vocational training system, with the view to integrating the new societal and economic paradigm. Indeed, some sectors of the economy, particularly heavy industries, were very slow in restructuring, and more than ten years after the beginning of the transition, the process is still only beginning in some countries. As a consequence, vocational schools linked to these industries were not inclined towards radically changing their traditional links with businesses and continued to send massive groups of students to these companies until quite recently, as seen in Romania where the Phare RICOP programme (Enterprise Restructuring and Conversion Programme), aimed at restructuring heavy industry, only started in 2001. A similar situation also occurred in other countries where the rate of employment in industry is still ten points above the average in EU countries, and there are difficulties in developing the service sector at the same level as in the EU. The situation is also difficult in agriculture where decisions taken in some countries in the early 1990s created private but very small holdings and abolished the traditional cooperatives. The consequence has been the retention of the traditional production process, even sometimes calling for an increased workforce on farms. This of course does not encourage vocational schools in rural areas to prepare for the new qualifications needed by a modernised agriculture.

Thus, among all components of the education systems, the vocational training systems were in the most difficult situation – stretched between short-term and long-term constraints; between businesses investing less in education on the one hand, and society and individuals demanding more on the other; between rapidly moving sectors and other very slow ones; between central administration trying to keep control and local authorities asking for more autonomy. The vocational training systems also started to face increasing social exclusion, lack of resources and their best teachers leaving school because of the attraction of better paid occupations, and above all they did not receive priority from governments in most countries.

9.2 POLICIES IN EDUCATION AND TRAINING

At the beginning of the nineties, the situation in education and training systems was already diversified among countries. In Hungary, reforms had started during the 1970s in close relation to changes in the economy, and the Vocational Training Fund[248] had been set up at that time. In Slovenia also in-depth thinking about vocational education had developed during the 1980s in the context of the economic reform in Yugoslavia. In contrast, the Baltic States were still deeply involved in the soviet organisation of labour and economy where focus was more on general and tertiary education. Thus, when discussions started with the European Commission and other donors or international institutions on priorities for technical assistance, vocational training was put forward by national policy makers in countries like Hungary or Slovenia, but for other countries this came rather from Commission proposals.

In addition to the collapse of the links between businesses and vocational schools, another important feature was influential in the design of the first policies in the fields of education and training – that is, the growing demand for learning from individuals when the first stages towards market economy and democratic society created new opportunities for personal, economic and social development.

248 See above in Chapter 6.

Thus, the policy adopted by most candidate countries at the beginning of the nineties was the following: (a) to give priority to tertiary education by giving strong autonomy to universities and asking them to prepare the new elites needed to prepare for and to steer the changes. Importance given to the Tempus programme in all candidate countries was a clear signal of that policy; (b) to give priority to general education at upper secondary level by adapting curricula and creating pathways aimed at increasing access to tertiary education; (c) to set up a public employment services system able to deal with the unemployed by setting up labour market measures including training activities; (d) to give autonomy to schools and, in a number of countries[249], to support the opening up of secondary education and, in particular, vocational education to local and private initiatives aimed at giving appropriate answers to emerging needs in an open market.

Reforms of the initial training system occurred in a second stage, starting at the very beginning of the 1990s in Hungary, where the first vocational training reform was set up in 1993 through a special act, and developed until 2000 for the other countries. In most cases, this was done as part of global reforms of the education systems, often in relation to the achievement of the Phare VET programmes. In parallel, specific regulations were created in order to develop higher vocational and/or post-secondary vocational education.

A third stage is now in progress on the development of continuing education and training to a wider extent as well as the regulation of the non-formal sector. Although some first initiatives were taken rather early in Hungary, Slovenia and Estonia, this is now taking place in most countries in relation to the process of setting up national qualification frameworks, the consideration given to quality issues and the need to find adequate resources. In continuity with these initiatives many countries are now seeking to prepare global lifelong learning frameworks.

In general, these reforms were supported by the EU through the Phare Programme and the assistance of the ETF after 1995. Nevertheless, frequent changes in the national administrations as well as some changes in the priorities for education and training in the Phare approach[250], and constraints inherent its procedures[251], did not always facilitate the design of appropriate strategies or the continuous effort needed by the implementation of the systemic reforms of the vocational training systems. On the contrary, the countries which were clear about their strategies from the beginning, often because they had started reforms before the fall of the iron curtain and managed to preserve the continuity of the policy makers in charge of these reforms, benefited greatly from the EU assistance.

In total, all countries, stage by stage, started to integrate the EU soft acquis[252] in education and vocational education and training in their national strategies, and are now embarked on the same track as the EU, but with serious gaps which this report has tried to identify and to analyse.

---

249 The Czech Republic, Slovakia, Poland and Hungary.

250 Starting by focusing on the development of local and private capacities, evolving towards vocational training reform support in 1994, moving in 1997 to priority given to the adoption of the *acquis* through ESF type actions at regional level and for priority for a reinforced preparation for structural funds through a combination of national and regional activities after 2000.

251 In particular, time constraints, procurement issues and the necessity to set up for each programme a dedicated project management unit, sometimes not well connected with the ministry responsible.

252 This refers to the ability of the countries to take on board general objectives referring to vocational training in EU policy documents, such as the *European Employment Strategy*. It differs from the formal *acquis* in VET, which mainly concerns the mutual recognition of regulated professions, and was considered as part of the formal negotiations for accession (see chapter 3).

9.3 MAIN RESULTS

As demonstrated in the report, a lot has now been done in all countries:

1. Participation in education, particularly at upper secondary and tertiary level, has increased markedly in most countries;
2. The education offer in upper-secondary and tertiary education has been largely diversified and a number of new pathways have been set up;
3. Curricula for general education have been revised and the process is ongoing for vocational pathways;
4. The educational attainment of the overall population is increasing in most countries, though some negative trends have appeared recently in the countries most affected by unemployment;
5. Some countries, such as the Baltic States, Hungary and Cyprus, demonstrated rapid progress in education in mathematics and sciences in the framework of the TIMMS study between 1995 and 1999 when the Czech Republic obtained better results than the EU average in the context of PISA;
6. Entrepreneurship has become a priority and many initiatives are ongoing in education and training in that field.
7. Considerable autonomy has been given to schools, private training providers have been encouraged in most countries and therefore a non-formal vocational training system has emerged and is developing and providing for adult training;
8. Decentralisation is in progress in many countries;
9. All of this led to new possibilities for social and economic actors to interact with the delivery system for education and training and to prepare for human resource development strategies;
10. The rates of early school leavers are markedly below the EU rates (with the exception of Malta, Romania and Bulgaria) and are decreasing;
11. A fairly comprehensive legislative system is now in place for education and training and ambitious policy documents have been prepared.

Thus, it is possible to say that education and training systems were responsive to the changes developing in the economy and the society as well as to the challenges coming from the EU policy developments in education and employment. Long-term challenges are formally addressed by new policy frameworks. Furthermore, short-term training needs from individuals and enterprises may now be answered through the variety of training providers operating in all countries. But realistic and effective implementation is another story. Many other factors at stake are mentioned below. Contrary to many positive developments in general and tertiary education, a number of components of vocational training systems continue to face very serious difficulties. They could be seen globally as weak links in the lifelong learning chain.

Of course, the situation is very diverse between countries. As analysed in the report, Cyprus, Malta, Hungary and Slovenia have performed better than others in education and training in general; on the contrary, Romania and Bulgaria face extremely difficult problems. And it is interesting to observe that these four countries are also among those that perform best on employment issues. This is not to say that sound education policies were able to rapidly produce good results in employment,[253] but rather that bad performance in education handicaps the situation in employment, and a critical situation in employment creates difficult challenges for education. Also active (even pro-active) vocational training reform policies have already led to interesting results[254]. This underlines above all else

253 It is very clear that the situation in employment in Cyprus and Malta, as well as in Hungary and Slovenia, was different from the situation in the other candidate countries at the beginning of the 1990s.

254 Indeed, without considering Malta and Cyprus for which all data are not available, the three countries where vocational training reforms progressed most (Hungary, Slovenia and Estonia) are the only countries where vocational streams receive more students than ten years ago (with the exception of the Czech Republic); they are also countries where the rate of unemployment for medium-qualified people is among the lowest.

that education and employment policies must go in hand.

In general, there is still a gap in human capital in the acceding and candidate countries compared with the EU. Although some figures and reports emanating from international institutions could contribute to a certain optimism as far as qualification of the population is concerned, we have to acknowledge that figures are often misleading. Indeed, education systems are well developed at secondary level. Many of the acceding and candidate countries reached excellent levels in mathematics and sciences compared with other countries worldwide, but rather in terms of academic and theoretical knowledge. The situation is far less promising in so far as it concerns the skills and qualifications of the population as a whole. In total, qualification of the adult population is generally inadequate, and policies aimed at addressing this are not efficient and effective enough, as demonstrated by a range of indicators.

Looking in particular at indicators such as the level of investment in labour market training per unemployed person, all the acceding and candidate countries[255] are markedly below the EU average and also below the three cohesion countries. Only Hungary and Slovenia score above the two worst performing EU countries (the United Kingdom and Italy), and Malta only scores a little above Italy. Looking at the percentage of businesses organising training and the percentage of employees benefiting from training, the Czech Republic scores close to Ireland and the EU average; Slovenia has more training enterprises and more trained employees than Spain and Portugal; Estonia also has more than Portugal; however all the other acceding and candidate countries[256] have fewer employees benefiting from training than all the EU countries. And when considering public spending on education, Cyprus, Slovenia and the three Baltic States spend more than the EU average, but except for Slovenia, these countries do not have a well developed VET system in secondary education. Other countries have less public spending on education than the EU average, and less than Portugal; the Czech Republic, Slovakia and Hungary are close to Spain, and Romania and Bulgaria are close to Greece[257]. But the situation is probably more serious if we take into account the costs linked to the lack of optimisation of the systems.

Looking at performance indicators, the situation is also critical. For instance, the unemployment rate of 15-39 year-olds qualified at ISCED level 0 to 4 is very high and except in Hungary, Cyprus, Slovenia and Romania[258], higher than in the EU, while the rapid increase of students in upper-secondary and even more in tertiary education reduced markedly the number of young people entering the labour market at 17 or 18. Moreover, the differential between the unemployment rates of this group according to their educational attainment is much higher than in the EU except in Cyprus, Estonia and Romania[259]. In some countries, graduates from vocational schools register at the labour office immediately after graduation. All this constitutes strong incentives either to drop out from vocational schools or to opt for higher education when possible. Then, with the exception of Hungary, Slovenia, Estonia and the Czech Republic, initial training systems loose students in particular pathways leading to ISCED level 3b and ISCED level 3c qualifications. This is particularly damaging when it is now clear from all relevant studies[260] that occupations at these levels will continue to

255 Except for Cyprus, Latvia, Romania and Bulgaria for which data are not available.

256 Data are not yet available for Cyprus, Malta and Slovakia.

257 Considering the last Eurostat data (1999), Portugal reaches 5.7, Spain 4.5 and Greece 3.6 .

258 Comparable statistics are not available for Malta.

259 Going from 1 (for ISCED 5/6) to 1.5 (for ISCED 3/4) and 2.6 (for ISCED 0/2) in the EU, it goes from 1 to 2.2 and 4.5 in Bulgaria; from 1 to 2.2 and 8 in the Czech Republic; from 1 to 4.4 and 11.6 in Hungary; from 1 to 2.1 and 3.1 in Lithuania; from 1 to 2.6 and 3.9 in Poland; from 1 to 2.9 and 7.5 in Slovakia; and from 1 to 2.3 and 4.9 in Slovenia.

260 See in particular the second report on vocational education and training policy in Europe in preparation by Cedefop (Spring 2003).

develop in the EU in the next twenty years, particularly in the service sector. There are also considerable disparities between regions in all countries, and also between economic sectors.

9.4 GAPS AND CHALLENGES

The challenge to transform education and training in the acceding and candidate countries is as real as ever because the success of the Lisbon strategy for the whole European Union will in good part depend on it. In some areas, individual acceding and candidate countries still have to bridge a gap in order to catch up with the objectives set at the 2000 Lisbon Summit.

9.4.1 A GENERAL LACK OF FINANCIAL, PHYSICAL AND HUMAN RESOURCES, PRINCIPALLY FOR LABOUR MARKET TRAINING BUT ALSO FOR INITIAL TRAINING

Adequate resources are non-existent in most countries, above all for active labour market measures and training in particular, where the spending per unemployed individual as a percentage of GDP is ten to twenty times less in most countries compared with the EU average. The trends in spending are also rather negative when unemployment is rising as it is in most countries. Therefore, adequate measures for combating unemployment, for populations at risk of unemployment and for the bulk of under-qualified adults, are lacking and the scarce resources are also often implemented through a creaming effect[261] which undermines even more the results of labour market policies.

Therefore, social inclusion objectives have received insufficient support and there is now a pressing need to tackle issues such as the exclusion from the labour market of the long-term unemployed, young unemployed, the Roma population and low-qualified people in general. The public and private employment services should play a major role in these active and proactive policies, but they are not well equipped for such challenges. Under-funded and understaffed, with little training and high turnover in some countries, they also suffer from a lack of an adequate and flexible monitoring system. And the private services are still very underdeveloped compared with the situation in the EU.

Moreover, considering continuing training activities as a whole, either financed by the state or by businesses, and ever more by individuals, in-depth inequalities in access among beneficiaries can be seen, more so than in the EU, between most and least qualified, between employed and unemployed, between regions, between more advanced and less advanced branches of the economy[262], and in general, recent trends are not positive in developing access. This is particularly worrying when considering demographic trends, which should lead to an increasing importance for adult training.

Also, in most countries there is a shortage of resources for education in general and particularly for initial training, with negative trends for the overall education systems. It is worrying to see the countries with the largest vocational training system spending less for all education than the others, including EU countries, where vocational training is certainly more costly than general education. Furthermore, existing resources are often spent in a suboptimal way and optimisation of resources is a big issue in many countries with the view to addressing, in particular, the size of schools and the ratio of students per teacher, which is lower in most countries than in the EU. As a consequence of this overall lack of resources, the situation is critical for the

261 This means that the beneficiaries of training measures are selected among the best educated unemployed, who could find a job even without any additional training, in order to maximise the success rate of the given measure.

262 With a strong priority given to the financial sector, except in Slovenia where the community, social and personal service activities rank at the first place, just before the financial sector, in contrast to the manufacturing sector, and the retail trade, repair of motor vehicles and household goods sector.

status and salaries of schoolteachers, particularly concerning replacements for older teachers about to retire, and critical also for teacher training.

Extremely critical as well is the lack or the obsolescence of technical equipment for practical training in a number of vocational schools. This does not concern ICT equipment and internet connections (which receive priority and dedicated strategies from the state and therefore develop rather rapidly in most countries) but rather the issue of heavy equipment for industrial vocational streams, with many schools using more than 50 year-old material, particularly in pathways dealing with metalwork, mechanics and electrotechnics. In addition to the lack of cooperation between schools and businesses, this has led to an extremely worrying situation for practical training in a number of schools. In such cases, there are serious doubts about the effect of implementing new curricula. The risk is to reinforce the traditional dominance of academic knowledge and to provide inadequate qualifications for the labour market. The approach taken by many schools and encouraged by some countries to secure direct resources by selling products and services on the market is also doubtful, as it requires students to undertake production work at a low level of qualification and prevents them from benefiting from adequate pedagogies based upon a good balance between theoretical, technological and professional learning. And it is even worse when schools are obliged to transfer these amounts back to the state, thus becoming 'contributing schools'.

Therefore, it is clear that if more funds were made available for vocational training, coming from the state or from other sources, they could be used with efficiency and effectiveness. Of course, some components need serious improvements and structural reforms before being able to spend more funds in an efficient way, but subjects such as technical equipment for vocational schools or labour market training for the unemployed for instance, would certainly benefit immediately from additional resources.

9.4.2 OTHER POLICY AND GOVERNANCE ISSUES

Sound forecasting systems concerning new occupations, skills and competences are still hampered by difficulties in economic restructuring. Research in vocational training is underdeveloped and few countries have a systematic and coordinated forecasting system involving all relevant ministries and representatives of social partners. Distinctions between short and long-term challenges are still unclear in some countries, as we saw during the monograph process, regional authorities are looking for regulation of the map of vocational specialities in schools for the next year (a typical medium or long-term issue), by considering only shortages and surpluses in skills and occupations from the labour offices!

A non-formal sector has developed but is still at an insufficient level. And further consolidation and development are now hampered in some countries by the lack of resources from both the state and businesses, and also by bureaucratic *a priori* quality control through over-ambitious accreditation mechanisms.

The process of updating curricula in vocational schools is slow and it could become counterproductive if not accompanied by proper teacher training and sufficient equipment endowment. Meanwhile, the rapid increase in the number of curricula and pathways has created a situation where transparency is lacking, as well as sound mechanisms for quality assurance. Thus, the building up of national qualification and certification frameworks should be a priority, supported in a well-coordinated fashion by all responsible ministries as well as social partner representatives. Combined with sound forecasting on occupations and skills at both national and regional level, it could become a basis for a real adaptation of the map of specialities in vocational schools through revamping strategies, including teacher training and proper funding.

Teacher training and retraining is also critical as training concepts developed by

universities often far from adequately take into account the needs of the labour market and the economy as a whole. Furthermore, integration of new more 'learner centred' approaches is very slow and problematic.

Some groups have demonstrated a real appetite for education and training, and have contributed to the development of private training centres, including private universities, but in general, there is the feeling that motivation for learning is still weak in the candidate countries. Motivation of employers for encouraging and developing training for their employees is also weak; employers generally prefer to appoint new qualified staff from the labour market rather than invest in retraining their employees. This is of particular concern in SMEs. Thus, further developments of continuing education and training in a lifelong learning perspective still need a comprehensive framework including incentives and proper mechanisms aimed at increasing the need for training either for businesses or for individuals.

Social partnership is still poorly developed. There is very little bipartite social dialogue on vocational training at the national level. Contribution by social partners to policy developments in vocational training is possible through tripartite advisory councils, but the functioning of these councils is often suboptimal as social partner representatives do not receive proper information in time and their proposals are not systematically taken into consideration. Their feeling is often that they are not taken seriously by state representatives. Furthermore, they often lack adequate preparation, above all for union representatives.

Finally, the poor cooperation between major actors, particularly ministries of education and labour, hampers further developments as well as the preparation and implementation of true lifelong learning strategies. Cooperation is also limited between schools and businesses, which is damaging for the quality of training and in particular the development of apprenticeship systems. In general, the partnership culture must be promoted at the national level and also at regional or district levels where decentralisation is progressing at a slow pace.

9.4.3 FOUR DIMENSIONS OF GAPS

The gaps can be analysed through four main dimensions which cross over the issues already analysed: (a) the lack of financial resources; (b) institution building; (c) economic developments; and (d) cultural issues, that is, a set of social habits and behaviour patterns inherited from the past, particularly from the socialist regime (except of course for Malta and Cyprus). These four dimensions cross all the gaps, albeit at different scales. Their analysis will provide a better understanding of when the gaps will need to be addressed. Of course, the time scales would be different according to the dimensions.

An *appropriate level of resources* is absolutely the first condition. Of course, ESF will be available soon and countries are already planning its use. But in general, the efforts to be undertaken require a much stronger commitment at government level, including increasing funding in most countries. Currently, high growth rates[263] provide better opportunities to strongly raise the importance of human capital in the political agenda. Moreover, effectiveness in spending must be promoted heavily by all stakeholders working closely together, with the view to optimising state resources and to reducing drastically the inequalities in access to training.

Institution building issues are crucial. Institutions are rather well developed at national level, though there is need for more funds and better co-ordination in order that they function efficiently. However, research on vocational training is drastically insufficient in many countries, and administrative preparation for structural funds is very problematic[264].

263 At least in 2000 and 2001.

264 See *Drevet in Futuribles: Europe: les fonds communautaires et l'élargissement,* Numero 282. A detailed analysis by JF Drevet, January 2003.

More difficult still is institution building at the regional level. Regional approaches will be hard to implement because decentralisation was most often implemented at county (or district) level, as the county is rooted in the history of many countries of central Europe.

Economic developments and challenges are extremely important for shaping the vocational training systems as it has been seen how far the latter are stretched between the more and the less dynamic sectors of the economy. This influences strongly the definition of standards and curricula as well as the quality of technical equipment for practical training, the cooperation between schools and businesses, the development of modern apprenticeship systems and globally the needs for training. It is clear then that vocational training system modernisation will still suffer from proximity to late restructuring industries, but vocational training can become proactive towards businesses, as far as developing interaction, and towards the involvement of social partners, firmly supported and encouraged by the state and local governments at all levels.

Dealing with cultural issues will take more time as they are firmly rooted in situations and behaviour patterns mostly inherited from the past, and in particular from the socialist system[265]. This relates in particular to the lack of motivation for training among the vast majority of the population, the passive attitude towards change, and the poor involvement of employers and unions in training issues. Only recently, education reforms were conducted after wide debates among the population. These have now to be strengthened. Another difficulty deals with the need to move towards transversal approaches and, in particular, to develop cooperation between relevant stakeholders, including representatives of the education system, the employment services, regional development agencies, employers' associations, trade unions and relevant associations at local, regional and national level. This is often difficult as vocational training systems had a vertical organisation under the socialist regime, and horizontal coordination or partnership was strongly discouraged even prevented. Another cultural tradition deals with the prominent role given by educationists to academic knowledge to the detriment of professional experience which is still a problem for the good combination of general, technical and vocational subjects in vocational curricula, and also for appropriate teacher training by the universities. However, all of them need to be clearly identified, as they should receive the attention of all relevant actors, and suggest appropriate actions, such as awareness campaigns and/or training actions.

9.5 FUTURE PROSPECTS

After the Copenhagen Declaration, candidate countries are now fully embarked on the enhanced cooperation in vocational training, including full involvement in following the report on the objectives adopted in 2001. This means active participation in a series of technical working groups dealing with transparency, quality, credit transfer, the development of competences and qualifications at sectoral level, lifelong guidance, validation of non-formal learning, teacher training, key competences, new developments in communication technologies and the EU dimension in vocational training.

As demonstrated throughout the report, these topics are strongly connected with the gaps identified in the candidate countries, and therefore the work already started in some cases in technical working groups is extremely relevant for the continuous transformation of their vocational training systems. But it will not be sufficient if the issue of funding is not properly addressed.

265 Of course, other habits could be seen as inherited from more ancient traditions active before the socialist regime. As part of them, we could quote the tradition of apprenticeship in the former Czechoslovakia, as well as the fact that this country had one of the most advanced industries in the world before the second world war; also the territorial organisation in counties in all countries coming from the Austrian-Hungarian empire, which has now become so popular in Hungary and Poland.

As mentioned in a recent communication on investment in education and training[266], 'EU enlargement is likely to exacerbate rather than reduce these deficiencies (in public and in private funding).' At the end of this report, we can confirm this view and reinforce it even more by assessing the situation as actually deteriorating in a majority of the candidate countries. Indeed, many trends in public funding for different components of the vocational training systems are stagnant or decreasing in most countries when they start from levels below the EU.

Therefore, the issue has to be raised at government level. International institutions and primarily the European Commission have a major responsibility and a crucial role to play in emphasising the role of the vocational training systems as key components of any strategy aimed at increasing the human capital, and supporting adequate strategies aimed at preparing for the knowledge economy and the knowledge society as expressed in the Lisbon conclusions.

266 Communication from the Commission:' Investing Efficiently in Education and Training: An Imperative for Europe', January 2003.

ANNEX

Table 1: Growth rate of GDP in candidate countries and some EU countries in 2000 and 2001

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
EU	1.7	1.2	-0.4	2.8	2.4	1.6	2.5	2.9	2.7	3.4	1.6
BG		-7.3	-1.5	1.8	2.9	-10.1	-7	3.5	2.4	5.8	4.3
CY	0.7	9.7	0.7	5.9	6.1	1.9	2.4	5	4.5	5.1	3.7
CZ	-11.6	-0.5	0.1	2.2	5.9	4.3	-0.8	-1	0.5	3.3	3.3
EE				-2	4.6	4	10.4	5	-0.7	6.9	5.4
HU	-11.9	-3.1	-0.6	2.9	1.5	1.3	4.6	4.9	4.2	5.2	3.8
LV	-10.4	-34.9	-14.9	0.6	-0.8	3.3	8.6	3.9	1.1	6.8	7.6
LT	-5.7	-21.3	-16.2	-9.8	3.3	4.7	7.3	5.1	-3.9	3.8	5.9
MT			4.5	5.7	6.2	4	4.9	3.4	4.1	5.2	-1
PL	-7	-33.9	3.8	44.5	7	6	6.8	4.8	4.1	4	1.1
RO	-13.1	-8.7	1.5	3.9	7.1	3.9	-6.1	-4.8	-1.2	1.8	5.3
SK			1.9	4.9	6.7	6.2	6.2	4.1	1.9	2.2	3.3
SI	-8.9	-5.5	2.8	5.3	4.1	3.5	4.6	3.8	5.2	4.6	3
TR	0.9	6	8	-5.5	7.2	7	7.5	3.1	-4.7	7.2	-7.4
EL	3.1	0.7	-1.6	2	2.1	2.4	3.6	3.4	3.6	4.1	4.1
P	4.4	1.1	-2	1	4.3	3.5	3.9	4.5	3.5	3.5	1.7
E	2.5	0.9	-1	2.4	2.8	2.4	4	4.3	4.1	4.1	2.8

Table 2: (1) Share of the private sector in the economy; (2) % of SMEs in the GDP; (3) employment in SME as compared with total employment; (4) indicators on SME development in %

	1	2	3	4
CZ	77	45	55	19.1
HU	75	47	67	23.6
PL	65	45	61	17.8
SK	75	47	67	23.6
SI	50	36	58	10.4
BG	65	63	40	16.4
EE	98	50	74	36.7
LV	65	35	68	15.5
LT	70	35	65	15.9
RO	59	40	35	8.3

Source: UNECE, 2001.

Table 3: Employment rate in some EU countries and the candidate countries in 2001, and variation rate from 1998 to 2001

	1996	1997	1998	1999	2000	2001	% change 2001/ 1998
EU	60.1	60.5	61.2	62.3	63.2	63.9	4.4
EU BENCHMARK 70							
BG					51.5	50.7	
CY				64.2	65.5	67.9	
CZ		68.6	67.5	65.6	64.9	65	-3.7
EE		64.9	65.3	62	60.6	61.1	-6.4
HU	52	52	53.2	55.4	55.9	56.3	5.8
LV			58.6	59.4	57.7	58.9	0.1
LT			62.9	65	60.1	58.6	-6.8
MT	53.8	53.5	53.3	52.7	54	54.6	0.2
PL		58.8	59.2	57.5	55.1	53.8	-9.1
RO		67.2	65.9	65	64.2	63.3	-3.9
SK				58	56.3	56.7	
SI	61.7	62.8	63.5	62.5	62.7	63.6	0
EL	55	55.1	55.5	55.3	55.7	55.4	0
P	62.8	64	66.6	67.4	68.3	68.9	3.4
E	46.8	48.2	49.9	52.5	54.8	56.3	12.8

Table 4: Employment rate of young people aged 15-24 years in the EU and the candidate countries from 1996 to 2001, and percentage of variation between 1998 and 2001

	1996	1997	1998	1999	2000	2001	% change 2001/ 1998
EU	36.5	36.9	38	39.2	40.2	40.7	7
BG					20.5	21	
CY				36.6	34.4	38	
CZ		42.7	41.3	38.3	36.4	34.4	-16.7
EE		35.4	35.3	29.2	27.4	27.1	-23.2
HU	27.4	28.6	33.6	34.9	33.1	31.4	-6.5
LV			30	33.2	30.1	29	-3.3
LT			34	33.8	26.7	22.9	-32.6
MT		61.8	55.6	53.3	55.7	49.6	-10.8
PL		27.8	27.8	24.3	24.1	21.4	-22.3
RO		38.1	37.4	35.3	34	32.7	-12.6
SK				31.1	28.3	27.7	
SI	35.5	38.5	36.2	32.9	31.2	30.3	-16.3
EL	25.3	25.3	28	26.8	27.1	26	-7.1
P	36.4	38.4	43.1	43.5	43.1	43.8	1.6
E	23.9	25.2	26.8	29.8	32	33.1	23.5

Table 5: Employment rate of 55-64 year-olds in the EU and the candidate countries from 1996 to 2001, and percentage of variation between 1998 and 2001

	1996	1997	1998	1999	2000	2001	% change 2001/ 1998
EU	36.2	36.3	36.6	37.1	37.8	38.5	5.2
EU BENCHMARK 50							
BG					22.1	23.9	
CY				47	49	49.8	
CZ		38.5	37.5	37.6	36.1	36.9	-1.6
EE		48.8	50.2	47.9	43	48.6	-3.2
HU	17.6	17.9	16.7	19.1	21.9	23.7	41.9
LV			37	36.6	35.4	36.4	-1.6
LT			40.2	42.6	42.2	39.1	-2.7
PL		35.5	33.3	32.5	29	30.5	-8.4
RO		55.0	54.7	52.9	52	50.5	-7.6
SK				22.2	21.4	22.5	
SI	19.9	22.7	25.9	23.4	22.3	23.4	-9.7
EL	41.2	40.9	39	39.1	38.6	38	-2.5
P	46.3	47.3	50	50.8	51	50.3	0
E	33	33.5	34.8	34.9	36.8	38.9	11.8

Table 6: Self-employment rate as part of total employment

	1996	1997	1998	1999	2000	2001
EU	16	15.9	15.7	15.3	15	14.8
BG					14.7	13.7
CY				21.6	21.4	20.6
CZ		11.8	13	13.9	14.5	14.6
EE		6.2	8	8.2	8.1	6.7
HU	16.8	16.3	15.2	14.9	14.5	13.9
LV			11.7	11.2	10.6	10.3
LT			16.3	17	15.9	15.9
PL		23.3	22.8	22.8	22.5	22.5
RO		22.4	23.2	23.8	25.4	25.7
SK				7.4	7.8	8.4
SI	12.6	12	12.5	12.6	1.2	11.8
EL	45.7	45.4	45.1	44.8	44.3	43.3
P	18.9	18.1	17.7	17.1	16.5	16.4
E	29.6	29.4	29.4	28.4	27.4	28.5

Table 7: Part-time employment rate as part of total employment in the EU and the candidate countries in 2000 and 2001, and percentage of variation between 1998 and 2001

	1996	1997	1998	1999	2000	2001	% change 2001/ 1998
EU	16.4	16.9	17.3	17.6	17.8	17.9	3.5
BG						3.4	
CY				6.4	8.3	8.1	
CZ		6.1	5.9	5.7	5.4	4.3	-27.1
EE		10.3	7.3	7.1	6.7	6.9	-5.5
HU	3.2	3.7	3.8	3.9	3.6	3.3	-13.2
LV			12.3	11.8	10.8	10	-18.7
LT					8.6	8.2	
PL		10.7	10.4	10.2	10.6	9.5	-8.7
RO		15.2	16.3	16.5	16.4	16.8	-3.1
SK				2.1	1.9	2.3	
SI	6.8	8.2	7.6	6.6	6.1	6.1	-19.7
EL	5	4.8	5.6	5.8	4.5	4	-28.5
P	9.3	10.7	10.9	10.9	10.8	10.8	0
E	7.7	8	7.9	8.1	8	8.1	2.5

Table 8: Employment rate in agriculture in the candidate countries and in the EU from 1996 to 2001, and variation rate between 1998 and 2001

	1996	1997	1998	1999	2000	2001	% change 2001/ 1998
EU	5	4.9	4.7	4.5	4.3	4.2	-10.6
BG					13.2	9.7	
CY				4.7	5.4	4.9	
CZ		5.8	5.6	5.3	5.2	4.9	-12.5
EE		9.9	9.5	8.8	7	7.1	-25.3
HU	8.2	7.8	7.3	7	6.5	6.1	-16.4
LV			18.7	17.2	14.4	15.1	-19.3
LT			20.7	21.4	18.4	16.5	-20.3
MT	1.6	1.6	1.6	1.5	1.5		
PL					18.7	19.2	
RO		40.9	42	44	45.2	44.4	5.7
SK				7.2	6.9	6.3	
SI	10.2	12.1	12.1	10.8	9.6	9.9	-19
EL	19.4	18.8	18	17.5	16.7	16.3	-9.4
P	12.2	12.2	12	11	10.8	10.9	-9.1
E	7.9	7.7	7.4	6.9	6.6	6.5	-12.2

Table 9: Employment rate in industry in the candidate countries and in the EU from 1996 to 2001, and variation rate between 1998 and 2001

	1996	1997	1998	1999	2000	2001	% change 2001/ 1998
EU	28	27.7	27.5	27.1	26.7	26.4	-0.4
BG					32.8	32.7	
CY				24.6	24.1	24	
CZ		41.6	41.5	40.6	39.9	40.5	-2.4
EE		33.4	33.1	31.8	34.7	34.2	-3.3
HU	33.2	33.2	34.8	34.4	33.8	34.5	-1
LV			27.1	25.8	26.8	25.3	-6.6
LT			28.4	26.5	27.4	27.2	-4.2
MT	29.1	28.5	28.7	28	28.4		
PL					31.1	30.7	
RO		30.3	28.8	27.1	25.8	25.8	-10.4
SK				38.4	37.3	37.1	
SI	42	40.5	39.5	37.8	37.7	38.6	-2.3
EL	24.7	24.2	24.3	24.1	24.1	24.2	0
P	31.5	32	32.1	31.3	31.2	30.6	-4.7
E	28.3	28.6	29	29.4	29.7	29.8	2.7

Table 10: Employment rate in the service sector in the candidate countries and in the EU from 1996 to 2001, and variation rate between 1998 and 2001

	1996	1997	1998	1999	2000	2001	% change 2001/ 1998
EU	67	67.4	67.8	68.5	69	69.4	2.3
BG					54	57.6	
CY				70.7	70.5	71.1	
CZ		52.6	52.9	54.1	54.8	54.6	3.2
EE		56.7	57.4	59.4	58.3	58.7	2.3
HU	58.5	59	57.9	58.7	59.8	59.4	2.6
LV			54.2	57	58.7	59.6	10
LT			50.9	52.1	54.2	56.3	10.6
MT	69.3	69.9	69.8	70.5	70		
PL					50.3	50.1	
RO		28.8	29.3	28.9	29	29.7	1.3
SK				54.3	55.8	56.7	
SI	47.8	47.4	48.4	51.4	52.7	51.4	6.1
EL	56	57	57.7	58.3	59.1	59.5	3.1
P	56.3	55.9	56	57.7	58	58.5	4.4
E	63.9	63.8	63.6	63.7	63.7	63.8	0.3

Table 11: Unemployment rate in the candidate countries and in the EU from 1996 to 2002, and variation rate between 1998 and 2002

	1996	1997	1998	1999	2000	2001	2002	% change 2002/ 1998
EU	10.3	10.1	9.5	8.7	7.9	7.4	7.6	-20
BG					16.2	19.9	18.1	
CY					4.9	4	3.8	
CZ		4.3	5.9	8.5	8.8	8	7.3	24
EE		10.6	9.6	11.7	13.2	12.4	9.1	-5
HU	10	9	8.9	6.9	6.6	5.7	5.6	-37
LV			14.5	13.7	14.2	13.1	12.8	-12
LT			12.5	10.2	15.6	16.5	13.1	5
MT						6.7	7.4	
PL		11	9.9	12.3	16.3	18.4	19.9	101
RO		5.5	5.6	6.2	7	6.6	7	25
SK				15.9	19.1	19.4	18.6	
SI	6.9	6.6	7.4	7.3	6.9	5.7	6	-19
TR							10.4	
EL	9.6	9.8	10.9	11.6	10.9	10.2	9.9	-9
P	7.3	6.8	5.1	4.5	4.1	4.1	5.1	0
E	18.1	17	15.2	12.8	11.3	10.6	11.4	-25

Source: 1996-2001: Employment in EU 2002; 2002: Structural Indicators, Eurostat, last update 15/04/03.

Table 12: Unemployment rate of young people (15-24) in the candidate countries and in the EU from 1996 to 2001, and variation rate between 1998 and 2001

	1996	1997	1998	1999	2000	2001	% change 2001/ 1998
EU	20.8	20.1	18.6	17	15.5	14.9	-19.9
BG					33.3	39.3	
CY					10.5	8.4	
CZ		7	10.8	16.6	17	16.3	50.1
EE		19	14.8	22.1	23.7	24.5	65.5
HU	19.4	16.9	15.2	12.3	12.3	10.5	-30.9
LV			27.1	23.4	21.4	22.9	-15.5
LT			23.7	21.3	27.5	30.9	30.4
MT	5.2		6.5	7	5.9		
PL		22.8	21.3	29.6	35.7	41.5	4.8
RO		17.4	16.8	17.3	17.8	17.6	17.9
SK				32	36.9	38.9	
SI	16.6	16.3	17.6	18.5	16.4	15.7	-10.8
EL	31	30.8	30.1	31.3	29.4	28.1	-6.6
P	16.7	15.1	10.5	8.9	8.8	9.3	-11.4
E	37.1	34.5	31.1	25.6	22.6	21.5	-30.5

Table 13: Long-term unemployment rate in the candidate countries and in the EU from 1996 to 2001, and variation rate between 1998 and 2001

	1996	1997	1998	1999	2000	2001	% change 2001/ 1998
EU	5.5	5.1	4.7	4.2	3.7	3.3	-29.8
BG					9.5	12.5	
CY					1.3	0.9	
CZ		1.3	1.8	3.1	4.3	4.1	183.3
EE		4.2	4.4	5	6.3	5.8	31.8
HU	5.3	4.2	4.4	3.3	3.1	2.5	-43.2
LV			8.1	7.4	8.1	7.7	-4.9
LT			7.8	4	8.2	9.3	19.2
PL		5.1	4.7	5.1	7.3	9.2	95.7
RO		2.6	2.5	2.8	3.4	3.2	28
SK				7.4	10.3	11.3	
SI	3.5	3.4	3.4	3.1	4.3	3.6	5.9
EL	5.2	5.3	5.9	6.5	6.1	5.4	-8.4
P	3.3	3.2	2.1	1.7	1.6	1.5	-28.6
E	11.7	10.8	9.4	7.3	5.9	5.1	-45.7

Table 14: Unemployment rate by educational attainment for the people aged 15-39

	(A) ISCED 5/6	(B) ISCED 3/4	ratio unempl ISCED (B) / (A)	(C) ISCED 0/2	ratio unempl ISCED (C) / (B)
BULGARIA	9.5	21.2	1.2	43	2
CYPRUS	3	4	1.3	6.9	1.6
CZECH REPUBLIC	4.1	9	2.2	32.6	3.6
ESTONIA	8.6	15.2	1.8	23	1.5
HUNGARY	1.4	6.2	4.4	16.3	2.6
LATVIA		14.3		23.4	1.6
LITHUANIA	10.7	22.4	2.1	32.9	1.5
POLAND	9.3	24	2.6	36.7	1.5
ROMANIA	5.5	9.8	1.8	10.3	1.1
SLOVAKIA	8	23	2.9	60	2.6
SLOVENIA	2.8	6.5	2.3	13.8	2.1
EU	5.3	8	1.5	13.6	1.7
GREECE	11.2	17.1	1.5	14.5	0.8
PORTUGAL		4.9		5.3	1.1
SPAIN	10.3	12.7	1.2	14.8	1.2

Source: Labour Force Survey 2001, Eurostat, European Commission.

Table 15: Demographic variation between 1997 and 2000 for 0-14 and 15-24 age groups (population in 1,000)

	TOTAL POP 1997	TOTAL POP 2000	0 to 14 2000	VARIATION 2000/1997	15 to 24 2000	VARIATION 2000/1997
BULGARIA	8,341	8,191	1,302	-8%	1,196	-2.50%
CYPRUS	741	755	175	-5%	112	7%
CZECH REPUBLIC	10,309	10,278	1,706	-9%	1,593	-7%
ESTONIA	1,462	1,372	251	-14%	198	-5%
HUNGARY	10,174	10,043	1,717	-7%	1,506	-7%
LATVIA	2,480	2,380	424	-15%	340	2%
LITHUANIA	3,707	3,699	732	-8%	529	-2%
MALTA	374	389	78	-6%	59	7%
POLAND	38,639	38,654	7,421	-14%	6,571	6%
ROMANIA	22,581	22,456	4,154	-8%	3,638	-4%
SLOVAKIA	5,379	5,399	1,069	-10%	923	0
SLOVENIA	1,987	1,988	320	-10%	292	-2%
TURKEY	61,992	64,815	19,250	-3%	13,028	6%

Source: Statistical Yearbook on Candidate Countries and South Eastern Europe Countries, Data 1996-2000, Eurostat, European Commission.

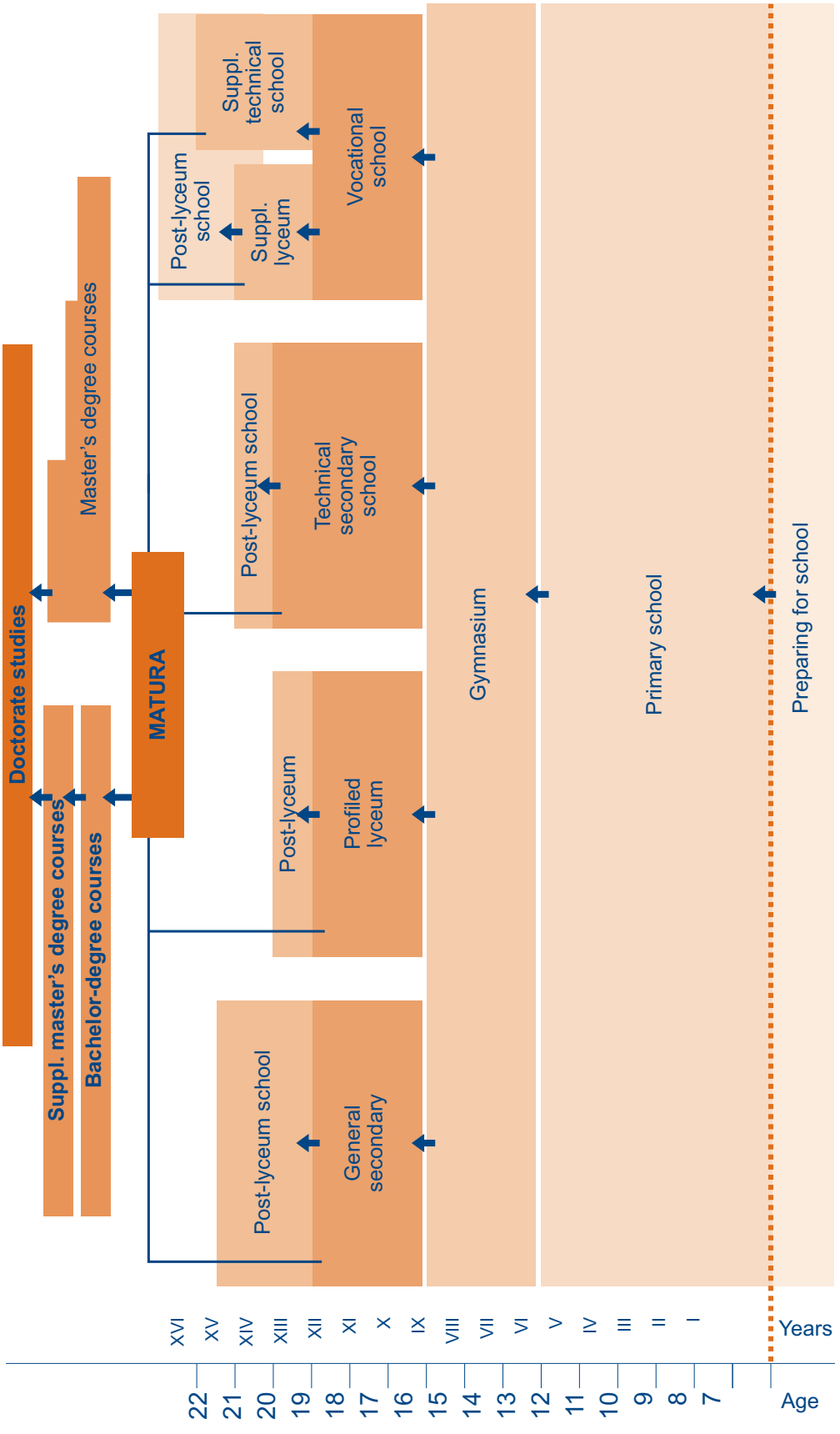
Table 16: Distribution of earnings: Gini coefficient from 1989 to 1999 and variation from 1994 to 1999 in percentage

	GINI COEFFICIENT					
	1989	1994	1996	1998	1999	VARIATION 1999/1994
BULGARIA	0.212 (1990)	0.251 (1993)	0.291			
CZECH REPUBLIC	0.204	0.26	0.254	0.258	0.257	-1%
ESTONIA	0.253			0.384		
HUNGARY	0.268	0.324		0.35 (1997)		
LATVIA	0.244	0.325	0.349	0.332	0.333	2.40%
LITHUANIA	0.26		0.35	357	0.368	
POLAND	0.207	0.281	0.302	0.294	0.305	8.50%
ROMANIA	0.155	0.277	0.305	0.358	0.372	34%
SLOVAKIA	0.2					
SLOVENIA	0.219	0.275	0.298	0.306	0.305	11%
TURKEY	0.219	0.275	0.298	0.306	0.305	11%

Table 17: Participation in education for the 14-16 year-olds and the 17-19 year-olds in the candidate countries and trends between 1995 and 1998

PARTICIPATION IN EDUCATION	14-16 IN 1995	14-16 IN 1998	% 1998/ 1995	17-19 IN 1995	17-19 IN 1998	%1998/ 1995
BULGARIA	86	87	1	46	45	-2
CZECH REPUBLIC	95	96	1	50	51	2
ESTONIA	90	94	4	52	69	33
HUNGARY	86	92	7	46	54	17
LATVIA	86	94	9	51	67	31
LITHUANIA	89	96	8	55	68	24
POLAND	95	95	0	69	75	9
ROMANIA	78	83	6	38	44	16
SLOVAKIA	97	95	-2	45	51	13
SLOVENIA	96	97	1	59	72	22
EU (in 1996)	93			67		

Figure 19: The final structure of the new education system in Poland, 2002



Source: ETF monograph on Poland / national sources.

REFERENCES

1. *Innovation policy in six candidate countries: The challenges (Cyprus, the Czech Republic, Estonia, Hungary, Poland and Slovenia) Final report,* ADE (Aide à la décision économique) SA, September 2001
2. *Learning for employment. Report on education and vocational training policies in Europe*, Cedefop, 2003
3. *Reconnaissance et validation des acquis professionnels et de l'expérience,* Conférence internationale, Paris, 28-29 janvier 2002, Centre international d'études pédagogiques (CIEP), 2002
4. *Cet étrange post-communisme : Ruptures et transitions en Europe centrale et orientale*, sous la direction de George Mink et Jean-Charles Szurek, Presses du CNRS/La Découverte, 1992
5. Colardyn Danielle (editor), *Lifelong learning: Which way forward?*, Lemma Publishers, Utrecht, 2002
6. Drevet Jean-François, 'Les Fonds communautaires et l'élargissement', *Futuribles* No 282, January 2003
7. *Transition report 2000*, EBRD (European Bank for Reconstruction and Development)
8. *Transition report 2002: Agriculture and rural transition*, EBRD, 2002
9. *Education and training reform processes in the CEECs*, Mission report of the Task Force Human Resources in Poland, Hungary, Bulgaria, the Czech Republic and Romania, European Commission, September 1991
10. *Phare sector paper: Reforms in the sectors of education and training in central and eastern Europe*, DG1 - External Economic Relations/Phare Unit, European Commission, 1994
11. *The Phare Programme: An interim evaluation*, DG for External Relations/Evaluation Unit, European Commission, 1997

12. *Agenda 2000,* Communication of the CEC: For a stronger and enlarged Union, European Commission, 1997

13. *New Phare guidelines in the context of pre-accession EU assistance*, Communication of the CEC, European Commission, 1997

14. *Phare 2000 Review*, Communication from Mr Verheugen, European Commission, 2000

15. *Making a European area of lifelong learning a reality*, Communication of the CEC, European Commission, 2001

16. *The impact of enlargement on employment and labour markets in the EU Member States,* Final report prepared for the CEC, European Commission, 2001

17. *Report on economic and social cohesion*, European Commission, 2001

18. *First progress report on economic and social cohesion*, Communication of the CEC, European Commission, 2002

19. *European report on quality indicators of lifelong learning*, European Commission, 2002

20. *Employment in Europe 2002: Recent trends and prospects*, DG Employment and Social Affairs, European Commission, 2002

21. *Investing efficiently in education and training*, Communication of the CEC, European Commission, 2003

22. *Progress in the implementation of the Joint Assessment Papers on employment policies in the candidate countries*, Communication of the CEC, European Commission, 2003

23. *Phare sector paper on training*, European Training Foundation, 1997

24. *A cross-country analysis of curricular reform in VET in central and eastern Europe*, European Training Foundation, 1998

25. *Transnational analysis of the reforms in vocational education and training in the countries of central and eastern Europe*, European Training Foundation, 1999

26. *Review and lessons learned from Phare VET programmes 1993-1998*, European Training Foundation, 2001

27. *A comparative review of vocational education and training and labour market developments in south-eastern Europe*, European Training Foundation, 2001

28. *Summary and analysis of the feedback from the candidate countries on the Commission's Memorandum on lifelong learning*, European Training Foundation, 2001

29. *Human resources in the context of regional development/company skills survey*, European Training Foundation, 2002

30. *Teachers and trainers in vocational education and training in the future Member States*, European Training Foundation, 2002

31. *Country Monograph on Slovenia*, European Training Foundation, 2002

32. *Country Monograph on the Czech Republic*, European Training Foundation, 2002

33. *Country Monograph on Estonia*, European Training Foundation, 2002

34. *Country Monograph on Malta*, European Training Foundation, 2002

35. *Country Monograph on Hungary*, European Training Foundation, 2002

36. *Country Monograph on Slovakia*, European Training Foundation, 2002

37. *Country Monograph on Cyprus*, European Training Foundation, 2002

38. *Country Monograph on Lithuania*, European Training Foundation, 2002

39. *Country Monograph on Poland*, European Training Foundation, 2002
40. *Country Monograph on Estonia*, European Training Foundation, 2003
41. *Country Monograph on Bulgaria*, European Training Foundation, 2003
42. *Country Monograph on Latvia*, European Training Foundation, 2003
43. *Cross-country summary of needs in the fields of employment /Human Resource development - ETF synthesis report*, European Training Foundation, 2003
44. *Contribution of the Tempus programme to the EU accession process*, European Training Foundation on behalf of the European Commission, 2003
45. *Lifelong development of competences and qualifications of the workforce*, International conference, Athens, 23-24 May 2003, European Training Foundation, 2003
46. *The situation of career and guidance in 11 candidate countries*, European Training Foundation, 2003
47. *Key indicators on accession countries*, European Training Foundation, 1999
48. *Key indicators*, European Training Foundation, 2000
49. *Key indicators on vocational education and training*, European Training Foundation, 2002
50. *Key data on education in Europe*, European Commission, Eurydice/Eurostat, 2002
51. 'Indicateurs de base sur l'intégration des TIC dans les systèmes éducatifs européens : Faits et chiffres', *Rapport annuel 2000/2001*, Eurydice, 2001
52. *: Les technologies de l'information et de la communication dans les systèmes éducatifs européens*, Eurydice, 2001
53. *Flux financiers de l'enseignement obligatoire en Europe*, Eurydice, 2001
54. *Statistical yearbook on candidate countries and south-east European countries,* European Commission/Eurostat, 2002
55. *Labour Force Survey 2001,* Eurostat 2002
56. 'CVTS 2 The second Continuing Vocational Training Survey'*, Statistics in Focus*, Eurostat, 2002
57. Fragoulis Haralabos, 'Innovations to address the challenges of lifelong learning in transition countries', *Lifelong learning: Which ways forward?*, Lemma Publishers, Utrecht, 2002
58. Gauron André, *Formation tout au long de la vie*, Rapport pour le Conseil d'analyse économique, La Documentation française, 2000
59. Ramoff André & expert group, *Report on the development of human resources in the CEECs,* delivered to the Task Force on Human Resources, 1993
60. *Employment and labour market policies in selected transition economies*, International Labour Office, 1999
61. *Social dialogue in central and eastern Europe*, International Labour Office, 1999
62. Reports on mathematics and science, International Study Center (Boston College) and the International Association for the evaluation of educational achievement, 2000
63. Woessmann Ludger, *Schooling quality in eastern Europe: Educational production during transition*, Kiel Institute for World Economies, 2003
64. Nunez Ferrer Lorge and Jansky Radomir, Report for the European Commission on regional and rural unemployment in Poland, Hungary and Slovakia, DG ECFIN, 2002
65. Masson Jean-Raymond, 'La formation professionnelle dans les PECO', *Le Courrier des pays de l'Est,* la Documentation française No 1007, August 2000

66. Mouranche Sylvie, 'L'émergence problématique des relations professionnelles', *Une nouvelle Europe centrale*, Editions La Découverte, 1998

67. SMEs in Europe, including in a first glance at EU candidate countries, Observatory of European SMEs, No 2, European Commission, 2002

68. *Human capital investment: An international comparison*, OECD, 1998

69. *Where are the resources for lifelong learning?*, OECD, 2000

70. *The role of human and social capital*, OECD, 2001

71. *Lifelong learning: Economical and financial aspects*, OECD, 2001

72. *Education at a glance*, OECD 2002

73. *Employment outlook*, OECD 2002

74. *Education policy analysis*, OECD 2002

75. *Literacy in the information age. Final report of the IALS Survey*, OECD and Statistics, Canada, 2000

76. *Phare ex-post evaluation of country support implemented from 1997-98 to 2000-01*, Consolidated report, Ramboll, May 2003

77. *A decade of transition/ The MONEE project /CEE /CIS/Baltic regional monitoring report* No 8, Innocenti Research Center, Florence, Italy, UNICEF, 2001

78. *Social Monitor 2002: The MONEE project*, UNICEF, 2002

79. *Assessment of productivity in the candidate countries*, Vienna Institute for International Economic Studies, 2001

80. Final report of the Knowledge Economy Forum: *Using knowledge for development in EU accession countries*, World Bank, Paris 2002

81. *Lifelong learning in the global knowledge economy*, World Bank, 2002

82. *Sustainable development in a dynamic world*, World development Report 2003, World Bank, 2003

LIST OF ACRONYMS

AC	Acceding country
ACCs	Acceding and candidate countries
ALMM	Active labour market measures
ALMP	Active labour market programme
CC	Candidate country
CEC	Commission of the European Communities
Cedefop	European Centre for the Development of Vocational Training
CET	Continuing education and training
CNC	Computer numerically controlled
CVT	Continuing vocational training
CVTS	Continuing Vocational Training Survey
EBRD	European Bank for Reconstruction and Development
ESF	European Social Fund
ETF	European Training Foundation
EU	European Union
Eurostat	Statistical Office of the European Communities
GDP	Gross domestic product
HE	Higher education
HRD	Human resource development
HRDA	Human Resource Development Authority (in Cyprus)

IALS	International Adult Literacy Survey
ICT	Information and communication technologies
ILO	International Labour Office
ISCED	International standard classification of education
JAP	Joint assessment paper (on employment policy)
Leonardo da Vinci	Action programme for the implementation of a European Community vocational training policy
LFS	Labour Force Survey
LLL	Lifelong learning
NAVET	National Agency for Vocational Education and Training (in Bulgaria)
NGO	Non-governmental organisation
NTF	National training fund
NUTS	Nomenclature of territorial statistical units
NVQR	National Vocational Qualification Register (in Hungary in particular)
OECD	Organisation for Economic Co-operation and Development
PES	Public employment service
PHARE	Poland-Hungary: aid for economic restructuring
PISA	Programme international pour le suivi des acquis des élèves
PMU	Project management unit
PPES	Public and private employment services
PPP	Purchasing power parity
PPS	Purchasing power standard
SME	Small and medium-sized enterprise
SPP	Special Phare Programme (for preparation for structural funds)
SSS	Specialised secondary schools
SVS	Secondary vocational schools
TIMSS	Third International Mathematics and Science Survey
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UNICEF	United Nations Children's Fund
VET	Vocational education and training

EUROPEAN TRAINING FOUNDATION

THIRTEEN YEARS OF COOPERATION AND REFORMS IN VOCATIONAL EDUCATION AND TRAINING IN THE ACCEDING AND CANDIDATE COUNTRIES

Luxembourg: Office for Official Publications of the European Communities

2002 – 188 pp. – 21.0 x 29.7 cm

ISBN 92-9157-347-7