

**Preparation by candidate countries for
involvement in the EU lifelong learning policy:
achievements, gaps and challenges**

REPORT

**Synthesis of the
monographs exercise**

Interim report





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The European Training Foundation is an agency of the European Union which works in the field of vocational education and training in Central and Eastern Europe, the New Independent States, Mongolia and the Mediterranean partner countries and territories. The Foundation also provides technical assistance to the European Commission for the Tempus Programme.

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1. Introduction

- This is an interim report on the synthesis of the monographs exercise prepared by the European Training Foundation at the request of DG Employment and Social Affairs¹ as a contribution to monitoring Joint Assessment Papers (JAP) on employment priorities. It also takes into consideration the results of the review of progress in vocational education and training (VET) reforms undertaken annually since 1999 by the ETF at the request of DG Enlargement as a contribution to the preparation of regular reports.
- The analysis is carried out with reference to the priorities for lifelong learning set out by the EU following the Conclusions of the Lisbon Summit (23–24 March 2000), under the guidelines of the European Employment Strategy and the Commission’s Communication on Lifelong Learning, *Making a European Area of Lifelong Learning a Reality*. Indicators and statistics produced by Eurostat, OECD, Eurydice, the ETF and national sources are used.²
- The report starts with an in-depth analysis of the ‘lifelong learning provision’, covering the following: indicators relating to educational attainment and participation in the different components of the initial and continuing education and training systems; the main funding sources and related issues such as the main human and physical resources involved in lifelong learning provision; the vocational education and training system (initial and continuing), covering governance and partnership issues; qualitative issues linked to quality, responsiveness and relevance; the public and private employment services as key actors in the development of policies relating to training; overall conclusions.
- This draft is incomplete as three monographs, concerning Bulgaria, Latvia and Romania, have yet to be prepared. Nevertheless, some data on these three countries have been used where available³. In-depth analyses of Bulgaria, Latvia and Romania⁴ will be undertaken in the near future and a complete draft will be prepared at that stage.

1 As expressed in a letter from DG Employment and Social Affairs on 18 July 2000, ‘the key aim of the requested analysis was to provide up-to- date detailed information on the development of the VET systems and structures as well as of the public and private employment services in the candidate countries, in order to support the monitoring process of the JAP’.

2 The indicators are intended to show comparable data on the EU average, or the OECD average, and data concerning the three EU ‘cohesion’ countries: Greece, Portugal and Spain.

3 Some data concerning Turkey have also been used.

4 Turkey will be covered at a later date.

2. Executive summary

2-a. *Educational attainment and participation in education and training*

- Although in the candidate countries the percentage of the population aged 25–64 having completed at least upper-secondary education is higher than in the EU in most countries, a more in-depth analysis demonstrates the existence of a gap in qualifications of the adult population. In addition, the percentage of adults having completed higher education is markedly below the EU average.
- However, qualitative analysis carried out by OECD through the International Adult Literacy Survey (IALS) during the period 1994–98 and the Programme for International Student Assessment (PISA) study in 1999 show substantial differences between the candidate countries concerned. In particular, the Czech Republic achieves good results in both studies. These studies also indicate better results in general for mathematics, and even better for scientific literacy, than for reading in the candidate countries.
- The duration of compulsory education is still slightly lower than in the EU, and participation in education falls rather quickly after 17 years of age in a number of the candidate countries. Nevertheless, they all show rapidly increasing participation in education, and participation at age 20 is already close to the EU average in half of the countries. This increase varies according to the different educational streams at upper-secondary level. It is particularly marked in general education and the vocational or technical streams leading to the Maturita school-leaving examination. In contrast, participation in vocational education is decreasing in most countries.
- Enrolment in post-secondary and tertiary education has also risen very substantially and countries such as Poland, Hungary and Estonia have attained some of the highest enrolment rates in higher education in Europe.
- The early school leaver rate is below the EU average in most of the candidate countries; however, the drop-out rate is markedly higher in vocational schools compared with general education streams.
- The disparity between candidate countries and EU countries in terms of participation in continuing education and training is very substantial. It concerns continuing vocational training (CVT) organised by companies for their employees, although countries such as the

Czech Republic, Estonia and Malta are close to the EU average. But company-organised training courses represent a lower proportion of all training activities than in the EU countries and the number of participants is markedly less.

- The disparity is even greater concerning active labour market measures as organised by employment offices, including training for the unemployed as well as specific activities for young people and for those threatened by unemployment, which are at a very low level in almost all of the candidate countries. On the other hand, adult education is often promoted as part of the formal education system.

2-b. *Funding and resources*

- There are important variations among countries in the way that public funds are allocated to education. While the Baltic States, Slovenia and Cyprus spend more than the EU average of percentage GDP (5.2% in the EU), this rate is below 5% in the 'biggest' countries and in less in others. In addition, doubts have arisen as to the efficient use of existing resources. The small size of many schools, the low ratio of students per teacher and the high number of teachers and administrative staff in the education systems indicate the need for optimisation, as has begun in some countries. With the exception of Cyprus and Malta, private funding is very limited.
- Meanwhile, developments in education face two particularly important issues. The social status of teachers has fallen dramatically and teacher training is insufficient in most countries, and although some consideration is now being given to this situation, substantial improvements are still required in order to face the challenges of quality and efficiency. Furthermore, technical equipment for practical training in vocational education and training schools is often obsolete and must be improved if countries want to tackle drop-out and make VET systems more attractive. However, computer and Internet access is growing rapidly in schools, through active national policies.
- Active labour market policies in general, and labour market training in particular, generally suffer from a very serious lack of resources. The level of resources available, when measured in percentage GDP, can be five to ten times less than the amounts devoted to similar measures in EU countries with comparable or even lower unemployment rates. This is probably the most crucial issue when considering the high rate of unemployment still at stake in a majority of countries: between 15% and 20% in Poland, Slovakia, Bulgaria and Lithuania, between 12% and 15% in Latvia and Estonia.

2-c. Governance and partnership

- Legislative and policy frameworks concerning education and training are now generally well developed in most countries. However, CVT still lacks a comprehensive framework able to develop incentives for both companies and individuals, to promote the involvement of social partners and to further increase the funding of active labour market measures. Furthermore, strategies to promote specific lifelong learning approaches are missing.
- Coordination is still insufficient among the most important actors, such as government ministries of education and labour, as well as the regional and local governing bodies or other main actors concerned with vocational education and training developments. In particular, the involvement of social partners is still very low, although the framework is usually in place.
- Decentralisation is ongoing in many countries. Launched at the same time as many important reforms in the fields of education, training and employment, it has often created additional difficulties in the implementation of these reforms. However, this should contribute to the preparation of active human resources development strategies at regional level, and should also promote efficient partnership approaches at regional and local levels, with particular emphasis on cooperation between schools and companies.

2-d. Modernisation, relevance and responsiveness

- Looking at the past ten years, it is clear that reforms in education and training have concentrated on the formal system, in which priority was given to the development of general and tertiary education. In the field of vocational education and training, bottom-up approaches have mushroomed with a view to better adapting the system to the needs of the labour market. Therefore, a partial response was made to short-term needs but education and training systems now face a general lack of transparency.
- New curricula were set up, in general through bottom-up approaches and without considering the necessity to start from a national framework for vocational qualifications. Such frameworks are now developing together with competence-based curricula, but these reforms still need considerable time and resources and many 'old-fashioned' curricula are still used in schools.
- Research work on vocational education and training issues as well as systematic analysis of labour market needs are still underdeveloped, as are quality assurance and accreditation systems able to promote the quality and responsiveness of VET systems.
- In general, responsiveness has been low concerning social exclusion issues in general and the integration of the Roma population in particular.

2-e. *Public and private employment services*

- Public employment services are established in all candidate countries, where they play an important role in managing active and passive labour market measures. However, they are overloaded by a number of administrative tasks. Under-resourced and understaffed, they cannot devote enough time to efficiently support job-seekers and other members of the public through job mediation or guidance and counselling; as a result their market share and efficiency are limited.
- In order to take on board the new tasks from the next steps of the European Employment Strategy, these services will need better funding as well as staff training and updated equipment. They will also need more flexible management and monitoring mechanisms to perform these tasks.

Overall conclusions

- ➔ *Looking at vocational education and training systems and public employment services systems, it appears that much has been done and impressive results have been achieved so far. But preparation for the European Employment Strategy, including the challenges of lifelong learning, needs very dramatic improvements.*
- ➔ *Most important are the need for more resources for active labour market measures in order to much better address social exclusion issues and to prepare for the preventive and proactive measures demanded by the ongoing movements in the labour market, as well as the search for better use of existing resources for education, more consideration for the status and training of teachers, and equipment for practical training at school level. Also crucial are the efforts to improve administrative coordination on vocational education and training issues, at government level but also between national, regional and local layers, and to fight for the targeted involvement of social partners, all in order to promote true partnership approaches wherever possible.*

3. Analysis of vocational education and training and lifelong learning provision

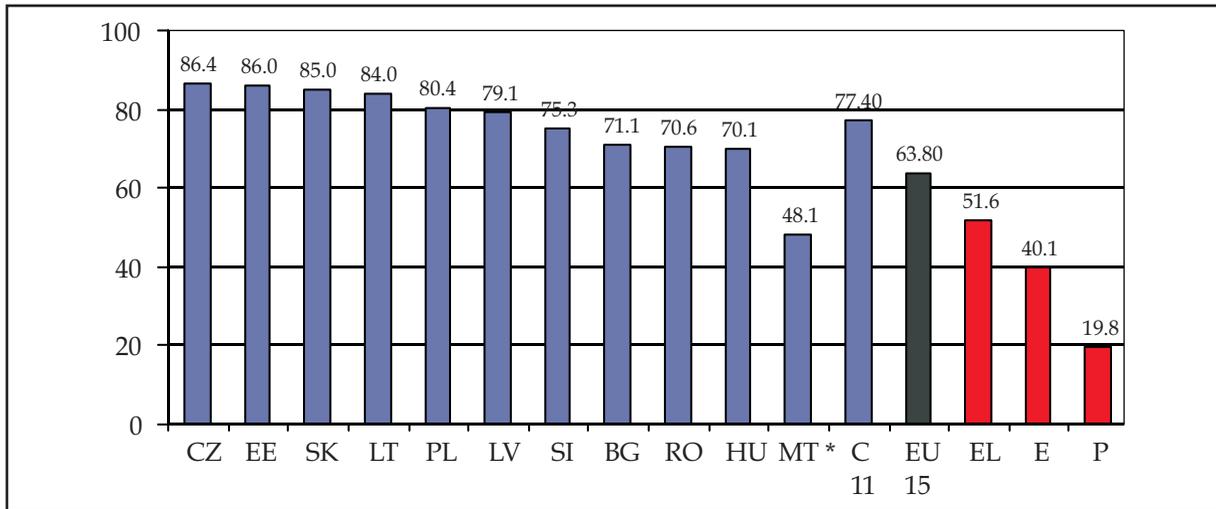
This analysis uses some indicators to provide relevant information on the different components of lifelong learning provision, mainly educational attainment in the population, participation in secondary education and its share of vocational education, participation in tertiary education, participation in continuing vocational training including the development of training initiated by companies, the situation of adult education in the formal system, and finally the situation of training as part of labour market measures.

3-a. Educational attainment

- 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 (International Standard Classification of Education (ISCED) level 3), and the percentage of 25–64-year-olds having completed tertiary education (ISCED level 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**,⁵ **the situation seems better in candidate countries than in the EU according to the first indicator, relating to upper-secondary education, but worse 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 UK).

⁵ Eurostat, *Labour Force Survey*, 2001. Principal results published in 2002.

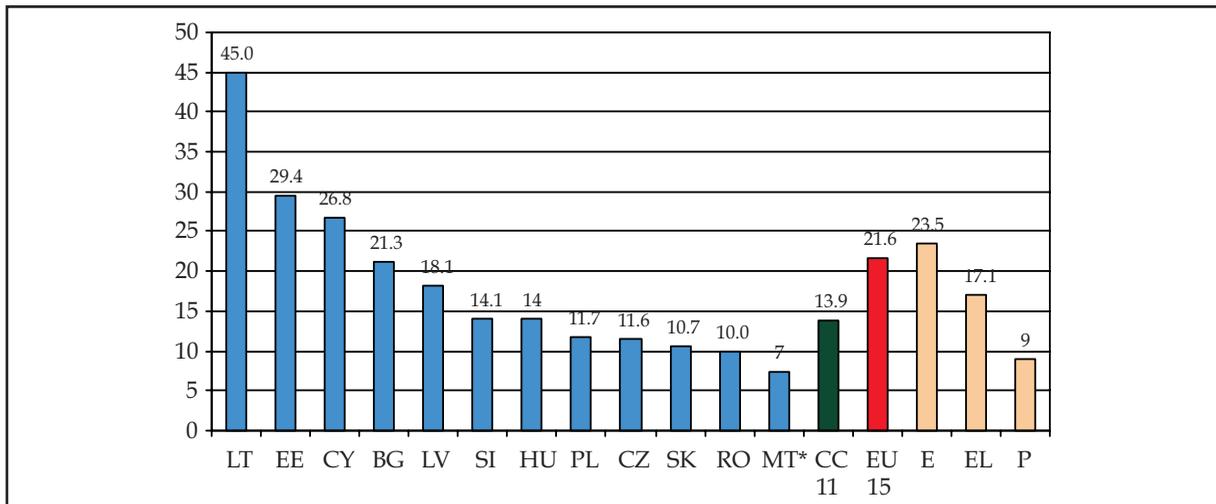
Figure 1.
Educational attainment of the population aged 25-64 having completed at least upper-secondary level (2001)



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

- 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%, although Lithuania, 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, 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 aged 25-64 having completed tertiary level



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

- 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. Chapter 6 demonstrates how long and difficult is the ongoing reform of curricula in the candidate countries and that **many old, outdated curricula are still used in vocational education and training schools**. Second, these levels are broad categories which aggregate different qualifications,⁶ sometimes including lower ones such as level 3, the 'lower vocational schools' generally offering one or two years training up to the completion of compulsory schooling, which were formerly not considered as part of the secondary system in these countries,⁷ or for level 5 some post-secondary pathways are usually considered at level 4 in other countries. The situation is thus certainly less advanced than that suggested by the quantitative indicators.⁸
- These comments are supported by different qualitative approaches undertaken by OECD. First, the **International Adult Literacy Survey**, conducted between 1994 and 1998, which covered in particular Poland, the Czech Republic, Hungary and Slovenia and considered the performance of adults (15–65 years) in three literacy fields (prose, document and 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 (except Hungary concerning quantitative literacy).

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

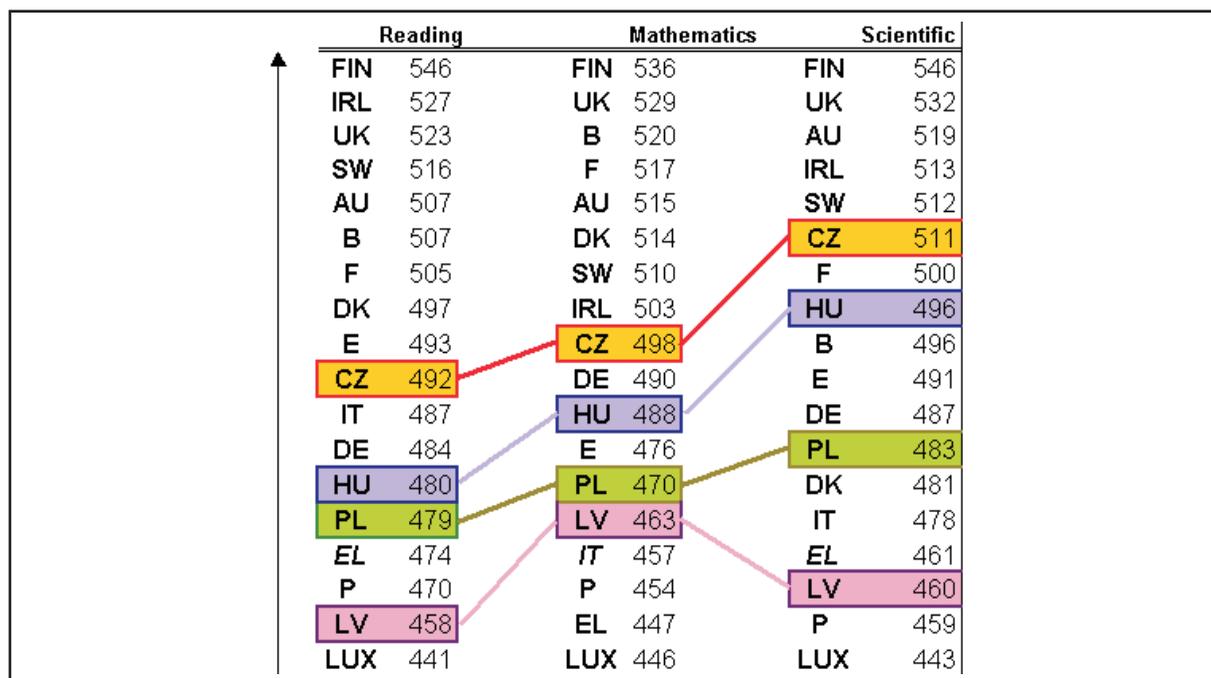
	Prose	Document	Quantitative
SW	301.30	SW 305.60	SW 305.90
FI	288.60	DK 293.80	DK 298.40
NL	282.70	FI 289.20	CZ 298.10
DE	275.90	NL 286.90	DE 293.30
DK	275.00	DE 285.10	NL 287.70
B	271.80	CZ 282.90	FI 286.10
CZ	269.40	B 278.20	B 282.00
UK	266.70	UK 267.50	HU 269.90
IRL	265.70	IRL 259.30	UK 267.20
HU	242.40	HU 249.00	IRL 264.60
SI	229.70	SI 231.90	SI 242.80
PL	229.50	PL 223.90	PL 234.90
P	222.60	P 220.40	P 231.40

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

- 6 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.
- 7 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/ Employment and social affairs, 2001.
- 8 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.

- More recently, the **PISA study**, which covered the Czech Republic, Hungary, Poland and Latvia as well as other OECD countries, in general confirmed the above statements. As shown in Figure 4, the performance of 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.

Figure 4. Average reading literacy (mathematical literacy and scientific literacy) in EU and some candidate countries.



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

Conclusions on educational attainment

- ➔ In total, despite the fact that some figures could lead to rather optimistic conclusions and although qualitative information is missing in a number of countries, **there is in general a clear gap in qualifications of the adult population, and this gap must be seen in quantitative terms, particularly at tertiary level, but also in qualitative terms.**
- ➔ However some countries, such as the Czech Republic, show some interesting results. Furthermore, the relative improvement noted between results from the IALS survey and the PISA study for Hungary, and to a lesser extent for Poland, may be due to the effects of the first steps towards modernising the content of lower-secondary and general education.

3-b. Participation in education

- Looking at enrolment in the different pathways in upper secondary and tertiary education is a second approach in order to analyse how the candidate countries deal with the quantitative disparities already identified, how they develop access and what priorities they have set up for initial education when facing lifelong learning challenges and preparing for further implementation of the European Employment Strategy. We examine the duration of studies, participation in education at different ages, the breakdown between the different pathways at upper secondary level and also in apprenticeship, participation in tertiary education and finally the issues of early school leavers and drop-outs from different pathways.
- **The duration of compulsory studies is often shorter in the candidate countries than in the EU.** According to statistics provided by Eurostat, in 1997/98, the school starting age was 7 and the finishing age was 15 in half of the countries (16 in the other half) compared with a starting age of 6 or less in 12 of the EU member states and ending at 16 or over in 9 of them. In fact, the finishing age of compulsory education was recently raised to 17 in Estonia and 18 in Poland and Hungary (where it was implemented for incomers at primary school) (Figure 5).

*Figure 5.
Duration of compulsory education, starting and finishing ages (1999–2000)*

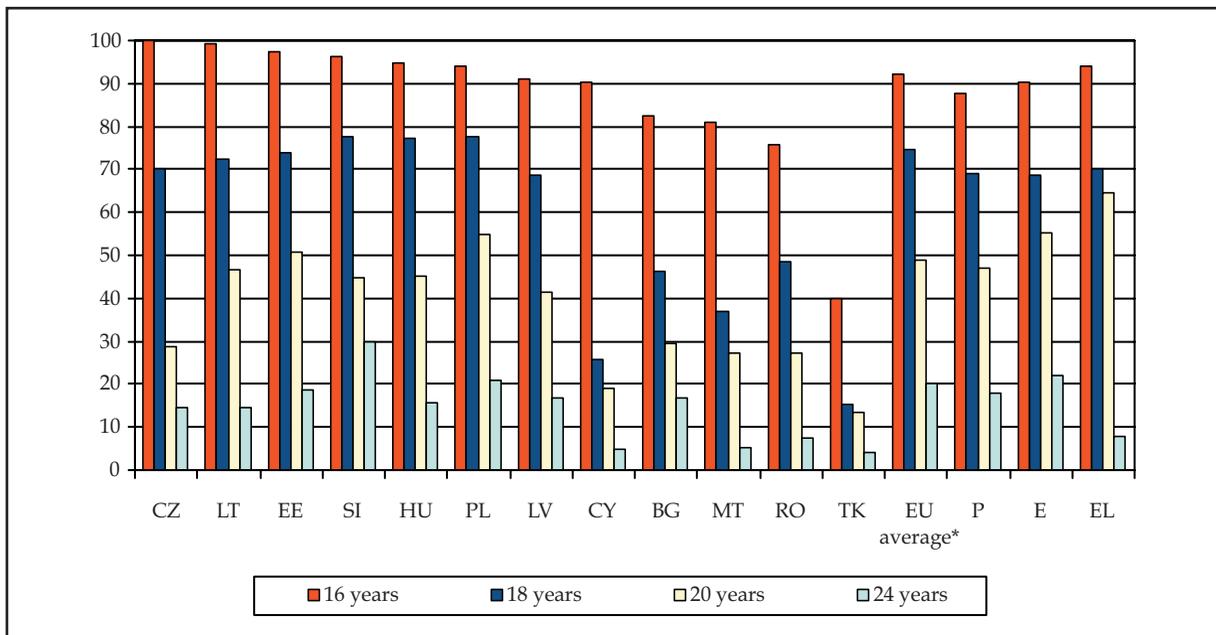


Source: Eurostat, Eurostat Yearbook 2002 – People in Europe

3-b-1. Upper secondary education

■ 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** (Figure 6). 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). This 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 rapidly developed recently.

Figure 6.
Participation rates in education of students aged 16, 18, 20, 24 (1999–2000)

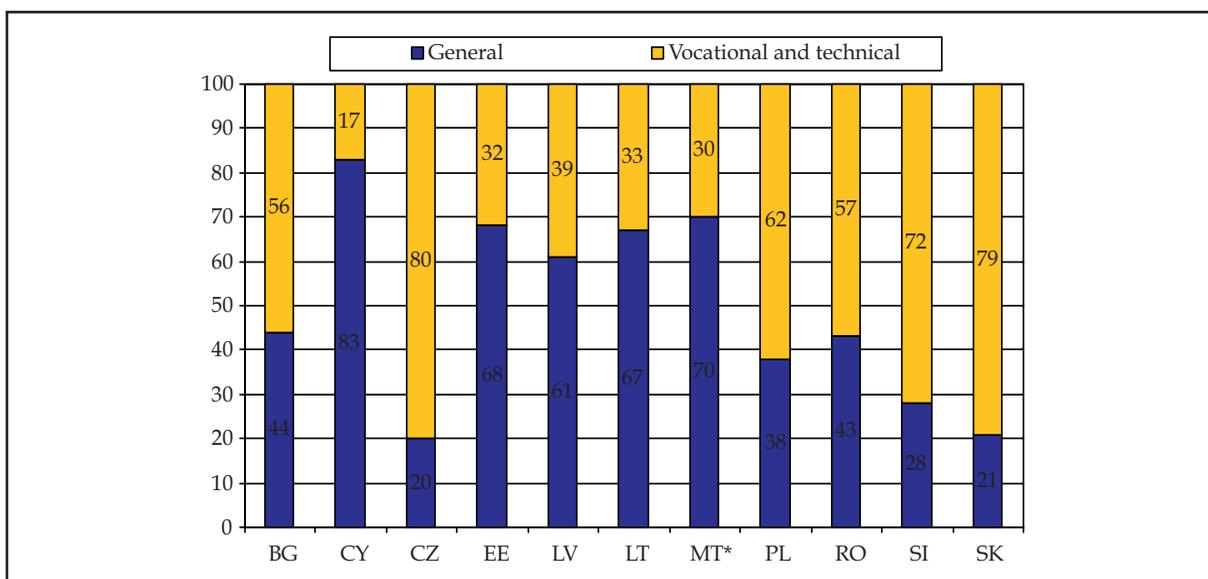


Source: Eurostat, *Eurostat Yearbook 2002 – People in Europe*.

■ 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**. This phenomenon is often hidden behind the demographic drop but, taking the example of Poland, we see between 1990/91 and 2000/01 an increase in the number of students of over 50% in all vocational education and training streams and over 100% in general secondary schools. Another indicator is the length of the school career, which has risen rapidly in several countries, such as Estonia from 12.7 in 1995 to 14.8 in 2000.

- All the candidate countries differentiate between streams in upper secondary education. Parallel to grammar or secondary schools, we have to consider the various vocational education and training streams. In general, these are as follows: (a) a semi-technical stream, known as ‘secondary vocational’, ‘secondary specialised’ schools or ‘technical lyceums’, which leads to the Maturita as well as a qualification at ISCED level 3a; (b) a true vocational stream often called ‘apprenticeship’ schools (even if provided in vocational schools themselves⁹), which leads 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, in parallel to the school-based system.
- 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. This is particularly high in Central Europe, where the contribution from VET institutions amounts to between 70% and 80% in the Czech Republic, Slovakia and Slovenia¹⁰ (as in Austria), while it does not exceed 40% in the Baltic States and Cyprus (as in Spain, Greece and Portugal) (Figure 7).

*Figure 7.
Distribution of students in upper secondary education (2000)*



Source: ETF Key Indicators database. *ETF estimate.

- In general, this contribution of vocational education and training streams to upper secondary education is slightly decreasing, but the **shift from the ‘vocational or apprenticeship’ streams, which do not provide access to the Maturita and therefore**

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

10 We could probably add Poland to this list by taking into account the apprenticeship stream.

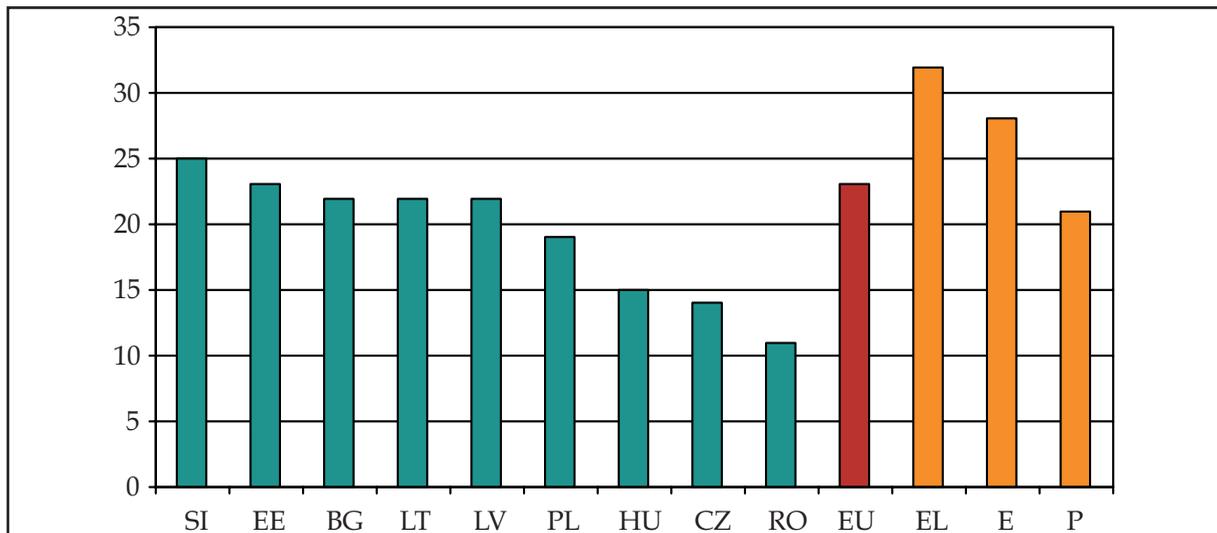
neither to tertiary education, to the 'technical' streams aimed at delivering qualifications at ISCED level 3 as well as the Maturita and access to universities, is more significant. This shift was already very important in the candidate countries as a result of the priority given to the development 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%, who do not have direct¹¹ access to tertiary education.

- In general, **traditional apprenticeship systems have disappeared**, with the exception of Poland where about 300,000 students still follow such pathways. Moreover, Malta has a significant apprenticeship system which functions in parallel with the education system. Some countries, such as Slovenia and Hungary, are setting up new, modern apprenticeship systems based on good cooperation with the chambers of commerce and crafts, but they are still limited in extent.

3-b-2. Higher education

- Differences 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,¹² Malta and Romania were at the bottom (see Figure 8, also Figure 6). But these data are rather dated and, with the ongoing dynamic, the gap has probably disappeared.

Figure 8. Participation rates of the 18-24 age group in tertiary education (ISCED 5-6) percentage 1997-98



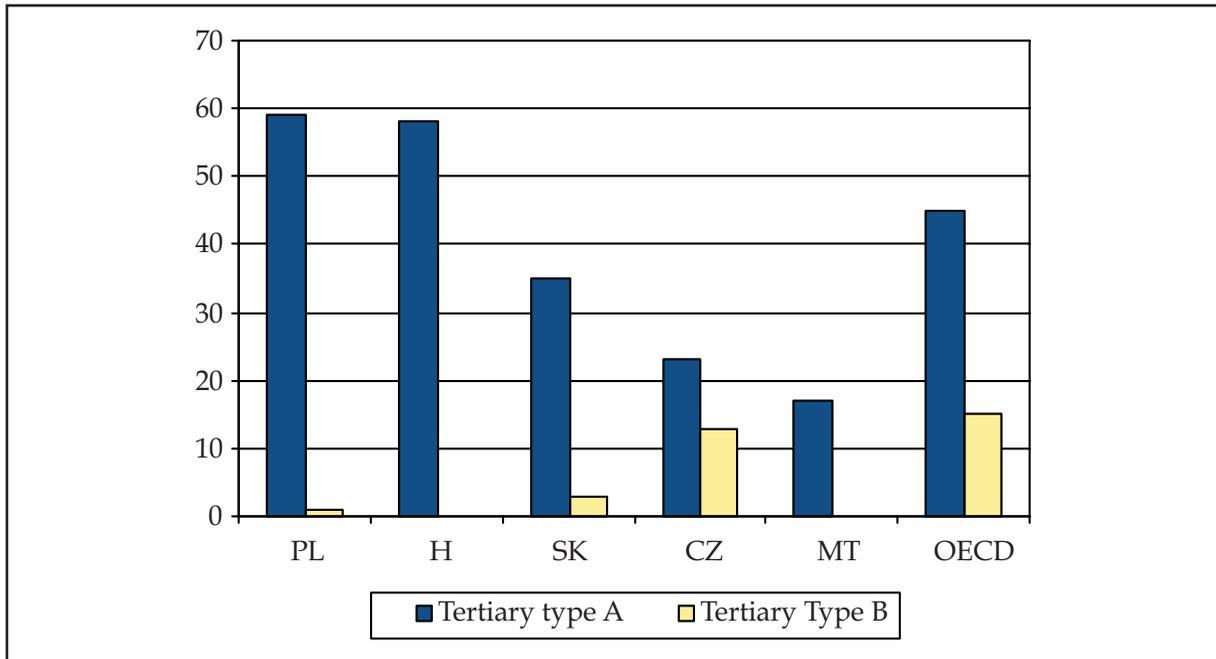
Source: Eurostat, *Statistics in Focus*, 2000.

11 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.

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

- 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 in all OECD countries, with more than 80%, and access to tertiary education now matches OECD figures in these two countries (see Figure 9 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.

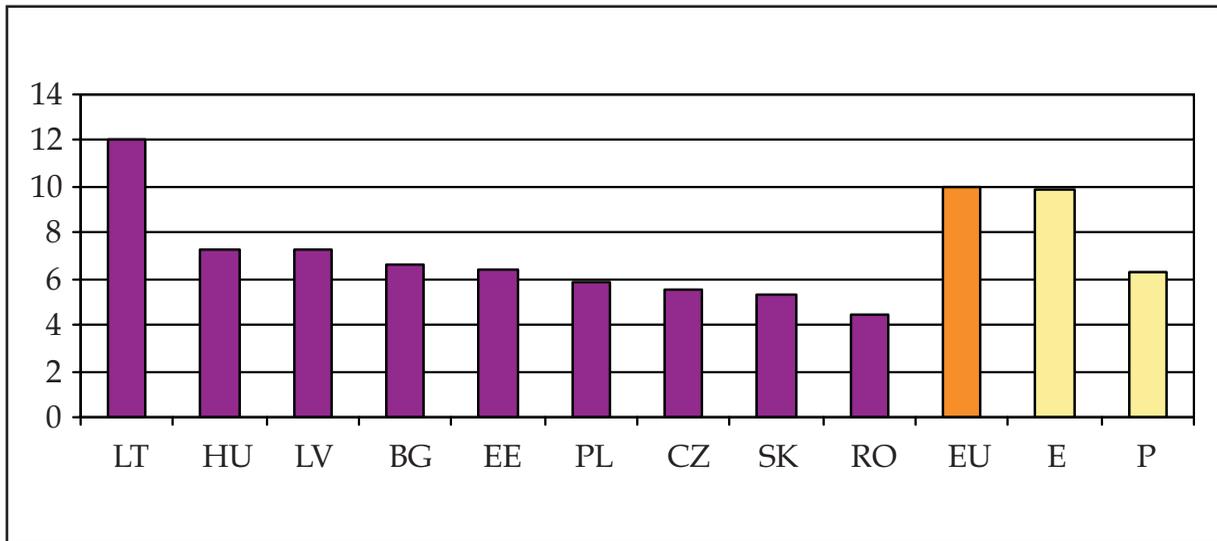
*Figure 9.
Entry rates to tertiary education (1999)*



Source: OECD, *Education at a Glance*, 2001.

- Furthermore, universities were very active in developing continuing training. According to the latest Continuing Vocational Training Survey (CVTS2) conducted by Eurostat (see paragraph 3-c), 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 addition, it is interesting to consider the field 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 (Figure 10).

Figure 10.
Tertiary graduates in science and technology per 1,000 inhabitants aged 20–29 (2000)

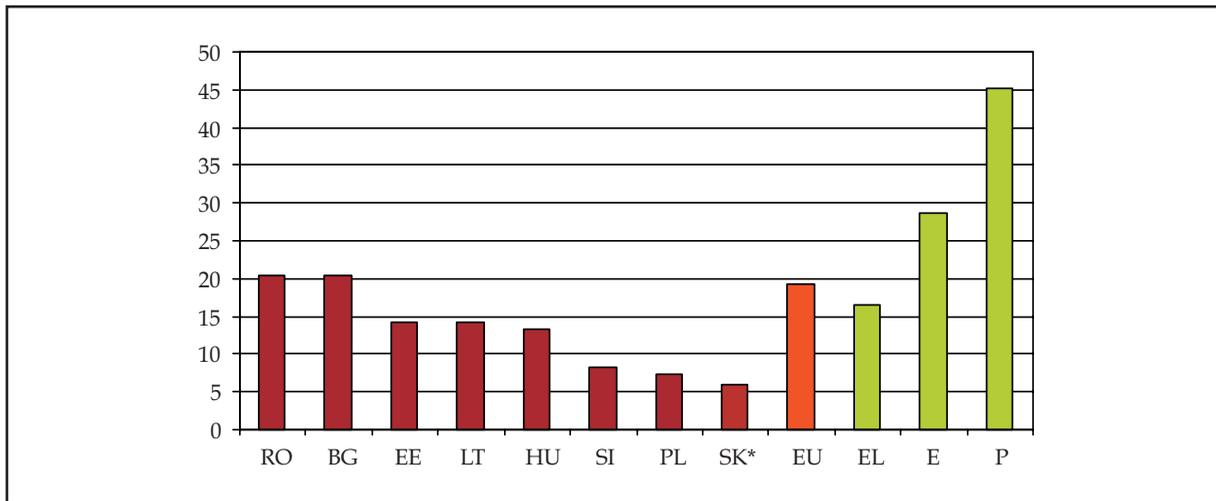


Source: Eurostat, UOE¹³; European Commission, *European Report on Quality Indicators of Lifelong Learning*, 2002.

3-b-3. Early school leavers and drop-outs

- In addition, mainly as a result of social problems and the difficulties faced by the candidate countries in adapting the school system to the needs of the labour market and the individual, **drop-out and early school leaver rates increased substantially**. Note however that **the early school leaver rate is lower than in the EU countries**, as this rate amounted to 19.3% for the EU average according to the 2001 *Labour Force Survey*, compared with 12.9% for the candidate country average at the same time (Figure 11a), with only Romania and Bulgaria achieving a higher rate than the EU average. In addition, dropping out remains an issue, particularly in a number of vocational education and training schools where students still fail to reach the Maturita level and to benefit from the modernisation process on the same scale as in other pathways.

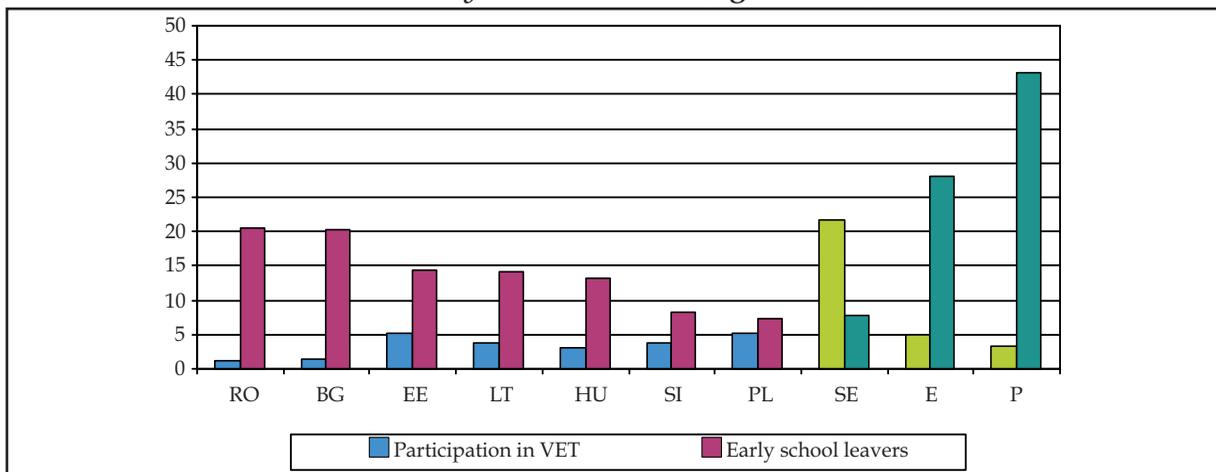
Figure 11a.
Early school leavers (aged 18-24)



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

- Thus, the drop-out rate is 15% in Slovenia for vocational education and training schools compared with only 6.5% in the ‘gymnasiums’; and 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.
- 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 performant continuing vocational training system. Figure 11b shows gaps where such CVT systems are lacking in the candidate countries (see also paragraph 3-c).

Figure 11b. Participation in education and training (population aged 25-64) and early school leavers (aged 18-24)



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

Conclusions on participation in education

- ➔ Overall, the analysis¹⁴ shows a certain disparity between the candidate countries and the EU average. The candidate countries have recently made a similar substantial effort as that made in the 1980s in the EU to develop participation in education amongst 18 year olds and to greatly increase enrolment in tertiary education. In quantitative terms, some results are already impressive, such as in Poland, Hungary, Lithuania, Slovenia or Estonia, while other countries seem to lag behind. Note that, as indicated by OECD studies,¹⁵ these increases do not always coincide with budgetary increases in terms of student expenditure. Hence there is a risk of compromising the quality of the education provided in striving for greater efficiency in spending (see Chapter 4).
- ➔ These changes also go hand in hand with substantial changes in the breakdown of the different streams leading to the Maturita examinations, and the traditional 'vocational' schools have lost many students as a result, either to grammar schools or to technical or 'secondary vocational' schools. There is a feeling that the modernisation process involved the latter more systematically and reforms have been slower in traditional 'vocational' schools.
- ➔ As a consequence, some countries face the issue of early school leavers, mainly in vocational schools, which should imply the implementation of preventive policies in schools and well-developed active labour market policies.
- ➔ Compared to EU countries, there is also a disparity concerning the development of a modern apprenticeship system to complement the school system.

3-c. Participation in continuing training

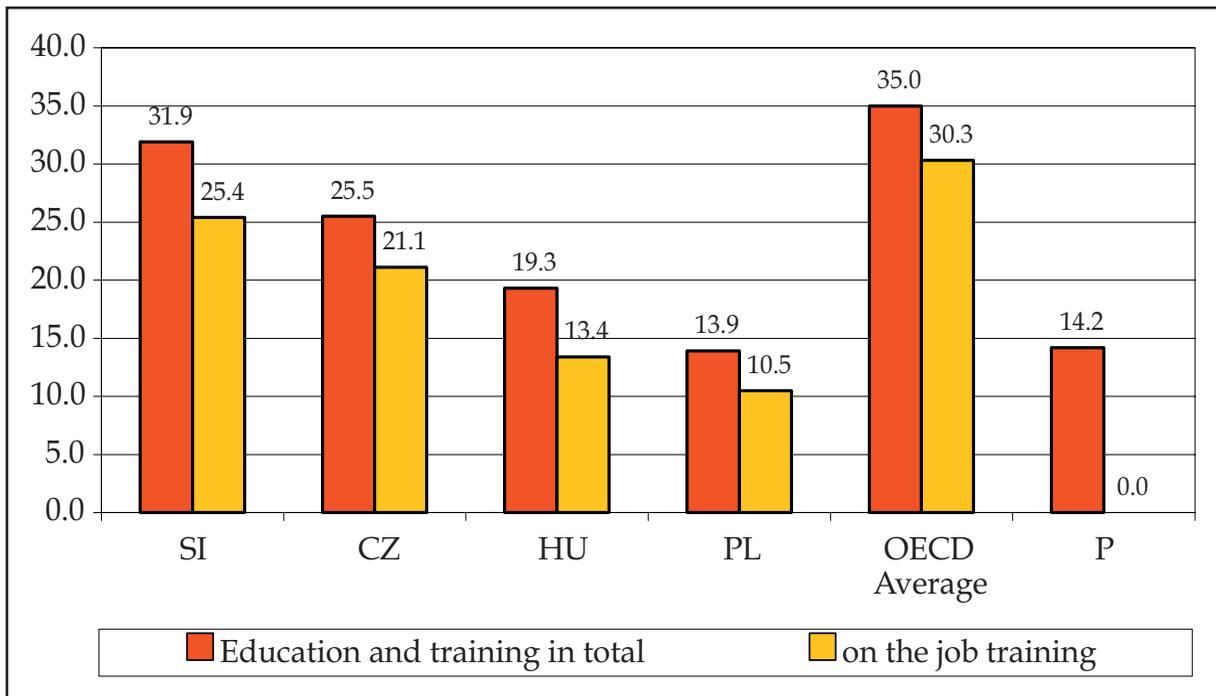
- As part of the preparation for and the implementation of lifelong learning strategies, the development of a diversified and effective continuing vocational training provision is crucial. This should be based on a good balance between formal and non-formal approaches, well articulated with the initial education and training system, but also managed and developed in close cooperation with social partners. It should contribute to the objectives of social inclusion as well as of competitiveness. We therefore consider the main components of continuing vocational training systems, beginning with general statistics on participation.
- Details on participation in continuing training in general are provided by the IALS survey as well as the *Labour Force Survey*. Covering four of the candidate countries, the Czech Republic, Poland, Hungary and Slovenia, this survey shows these countries to be below the

14 Further qualitative analysis is provided in Chapters 5 and 6.

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

average of the 19 countries concerned. Poland is at the bottom with a 13.9% participation rate in adult education and training for the population aged 16–65; at the same level as Portugal. Slovenia has the highest score of the four candidate countries, at 31.9%, below the average of 35%, far below countries such as the UK at 43.9% or Denmark at 55.7%. The situation is the same when analysing participation in job-related education and training, where these four candidate countries score below average. However, the differences between these two indicators (participation in total education and training versus participation in ‘on-the-job’ training) is 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 (Figure 12).

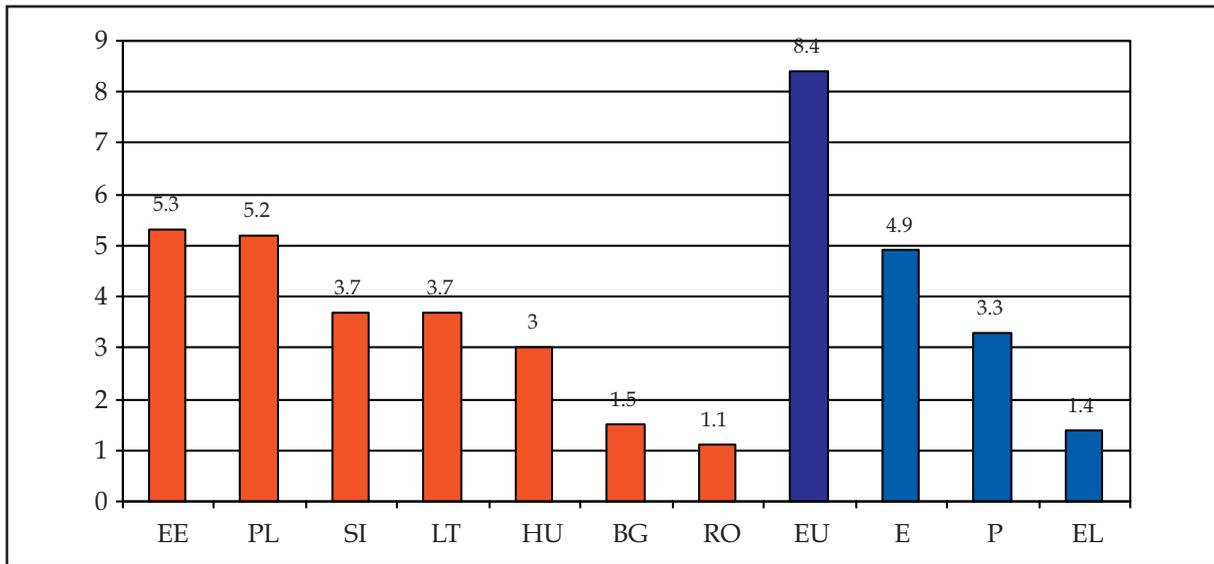
Figure 12.
Participation rate in adult education and training for the population aged 16–65 (1994–98)



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

- The 2001 *Labour Force Survey* reinforces this analysis and confirms that **there is a very serious disparity between candidate countries and EU countries in terms of participation in continuing vocational training in general**, as the candidate countries average is 3.6% participation in education or training for the 25–64-year old population, against 8.4% for the EU average. Estonia and Poland have the highest scores of the candidate countries concerned, with 5.3% and 5.2% respectively, while Romania is at the bottom with 1.1% (Figure 13).

Figure 13.
Participation in education and training (population aged 25–64)



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

- An important feature in the field of continuing vocational training is the development of a private sector of training providers, particularly in countries such as the Czech Republic, Poland or Hungary, which contributes to the development of nonformal training activities. According to national sources, there are now thousands of private training providers in Poland, Hungary and the Czech Republic, and more than 400 in Estonia. But, with the exception of Estonia, and to a lesser extent of the Czech Republic and Poland, these training providers do not play so important a role as they do in EU countries in general.¹⁶

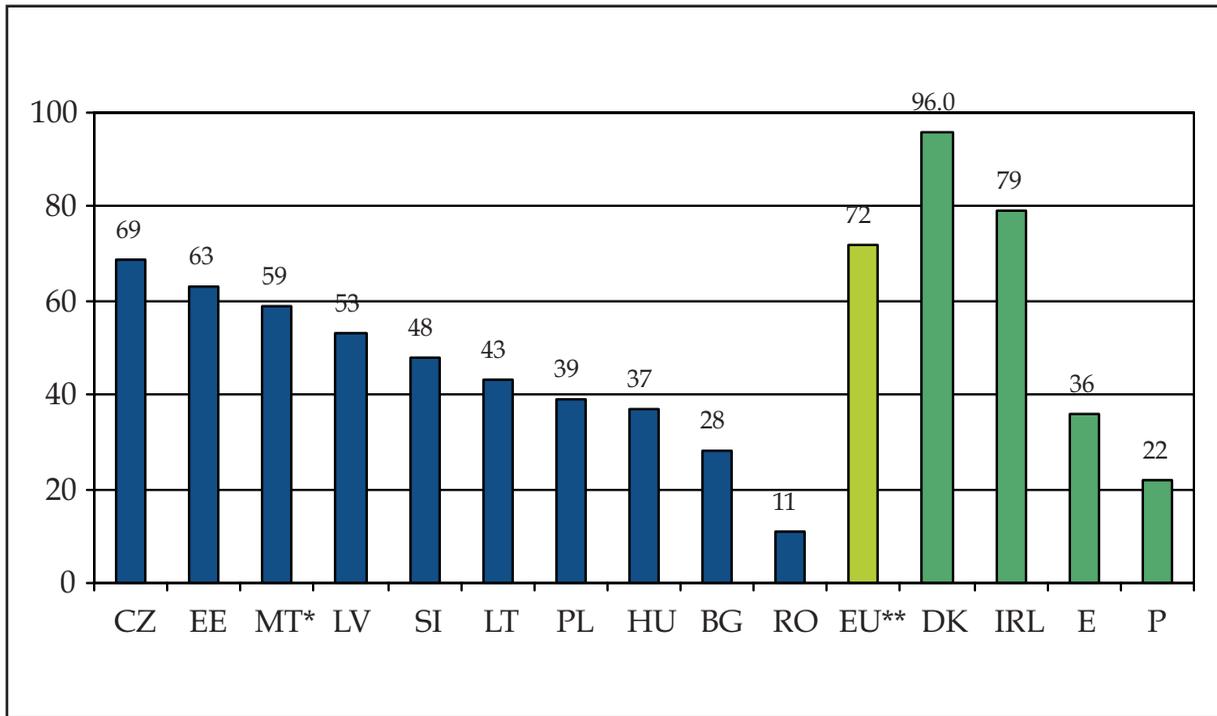
3-c-1. Continuing vocational training organised by companies

- Concerning the continuing vocational training activities initiated by companies, the Eurostat CVTS2 survey conducted in 1999 also reveals a disparity between the candidate countries and the EU countries, as an average of 40% of all companies in the candidate countries have organised some training, which is below the EU average of 72%. At the top is the Czech Republic with 69%, while Estonia with 63% and Malta with 59%¹⁷ are close to the EU average and compare well with the results obtained in the EU during the first CVTS by Eurostat in 1993, where the average was 57%. But Poland with 39% and Hungary with 37% are at a similar level to Spain with 36% and, last, Romania with 11% follows Portugal with 22% (Figure 14a).

¹⁶ See results of the Eurostat CVTS2 survey. They place Estonia in first place, Poland sixth and the Czech Republic seventh of the 21 EU countries and candidate countries candidate countries considered, but the other candidate countries are placed lower.

¹⁷ National sources.

Figure 14a.
Training enterprises as a percentage of all enterprises (1999)

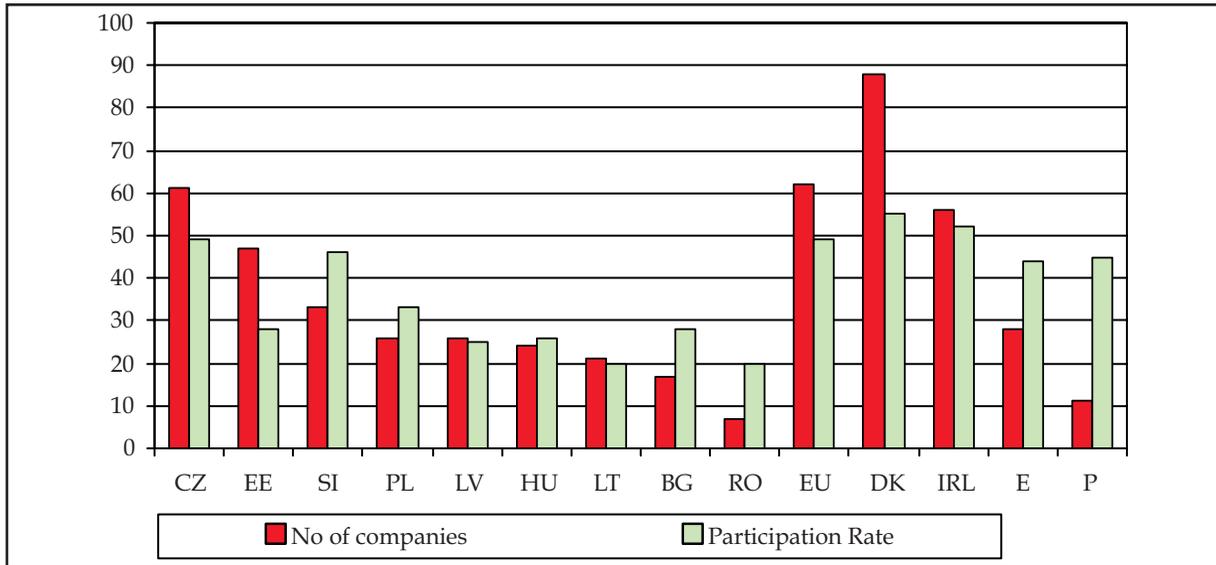


Source: Eurostat, Continuing Vocational Training Survey (CVTS2), 2002. *National sources. **ETF estimate.

- The detailed results produced by Eurostat suggest that the proportion of courses out of all training activities was lower in candidate countries, where the number of companies having organised continuing vocational training courses amounted to 29% on average, compared to 62% in the EU¹⁸. Of the other CVT 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 14b, we see a more significant disparity between candidate countries and EU countries, with the exception of the Czech Republic and Slovenia, where the participation rate is close to 50% (EU average), all the others being markedly lower.

¹⁸ ETF estimate.

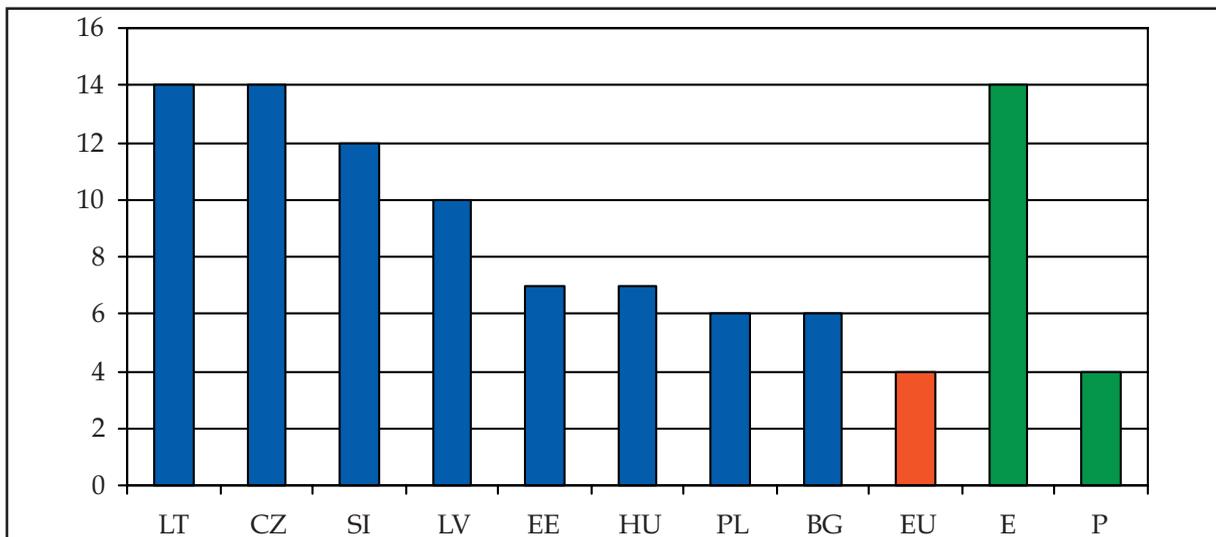
Figure 14b. Companies having organised continuing vocational training courses and participation rates



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

- Important differences are also shown in the 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.¹⁹
- 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 (Figure 14c).

Figure 14c. Proportion of language courses in total course hours - 1999



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

¹⁹ See results of the Eurostat CVTS2 survey; in *Statistics in Focus* 10, 2002.

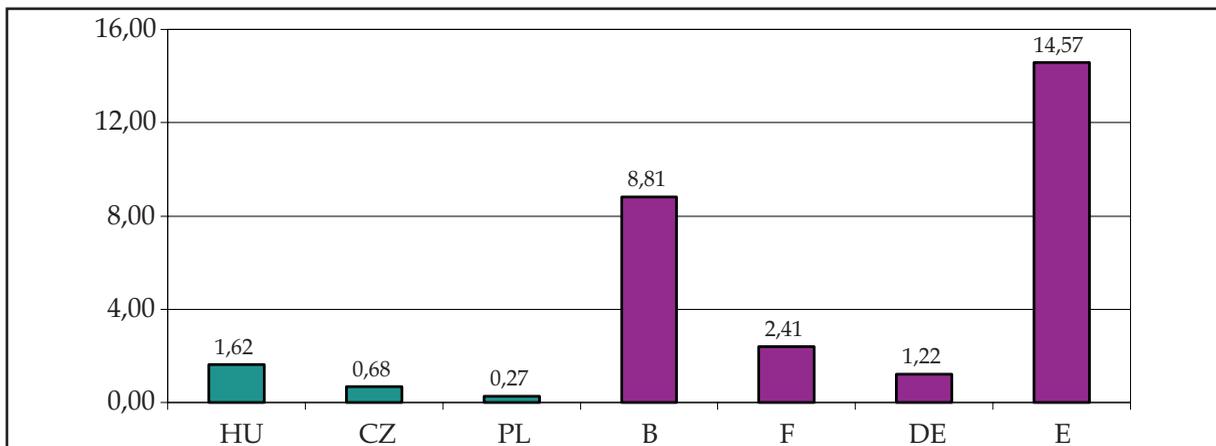
3-c-2. Adult education

- 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, (free of charge for adults in most cases), of most of the secondary, post-secondary and tertiary pathways. 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%).
- In addition, **some national foundations 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 organisation of the consultation process and during the debates.

3-c-3. Labour-market training

- A major issue is the **low development of labour market training in the candidate countries**. According to the OECD *Employment Outlook 2002*, if we consider the 'new participants in training' (or activation rate) among all participants to 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 compared to 1.22% in Germany, 2.41% in France, about 9% in Belgium and more than 14% in Spain (see Figure 15, from OECD *Employment Outlook 2002*). The same statistics also reveal the **lack of active labour-market measures in favour of employees threatened by redundancy**, able to contribute to the restructuring of the large industrial companies that are still numerous in candidate countries.

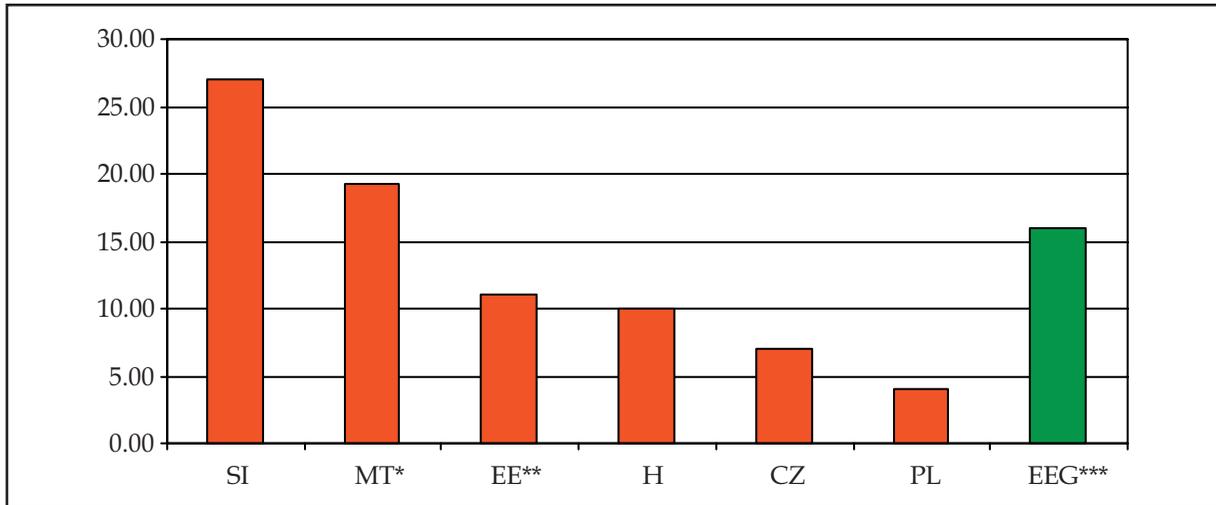
Figure 15. New participants in training measures as a percentage of the active population (2001)



Source: OECD, *Employment Outlook 2002*.

- The **poor development of training measures in favour of the unemployed** is confirmed by the proportion of unemployed 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% (Figure 16).

Figure 16.
Trainees as percentage of unemployed in 2000



Source: National sources: *1999, **2001, ***2001 European Employment Guidelines

Conclusions on participation in continuing training

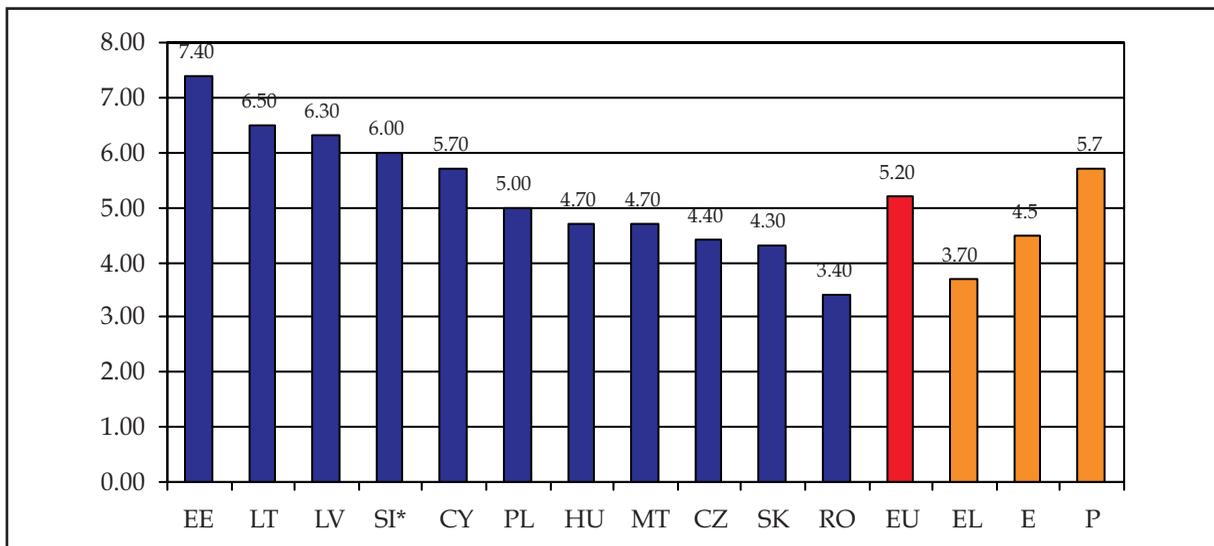
- ➔ *In summary, this analysis of continuing vocational training provision reveals a very serious gap in the candidate countries, more pronounced than for initial education. Access to continuing vocational training is still underdeveloped. The more serious issue seems to be the poor development of active labour market training for both unemployed and employed in most countries. Combined with the appreciation given in paragraph 1-a for the qualifications of the workforce, this could reinforce the exclusion of the lowest qualified and compromise the implementation of any lifelong learning strategy.*
- ➔ *However, adult education is still developing in many countries under the formal system, which fits in with individual needs but does not address the bulk of low-qualified workers. Non formal education and training developments are still limited.*
- ➔ *Doubts also arise as to the correct balance between the different components of CVT provision, as the number of beneficiaries of labour market training is much lower than the number of adults benefiting, mainly free of charge, from adult education in the formal system.*
- ➔ *With the exception of countries such as the Czech Republic, Estonia and Malta, CVT is also underdeveloped in companies, where a minority of employers organise or promote specific training activities.*

4. Funding and resource issues

This analysis is largely based on the state resources devoted to education, participation from companies, and labour market resources, largely from the employers' social contribution on salaries. At this stage no data are available concerning contributions made by individuals. The analysis also takes into account physical resources (equipment) and human resources (teachers).

- In terms of percentage of GDP, **state funding of education is on average rather lower than the EU average of 5.2%**, particularly in central Europe, but **higher in a few countries particularly in the Baltic States**: in 1999, according to Eurostat, it differed between 3.4% in Romania to 7.4% in Estonia (see Figure 17).

*Figure 17.
Public expenditure on education as a percentage of GDP (1999)*



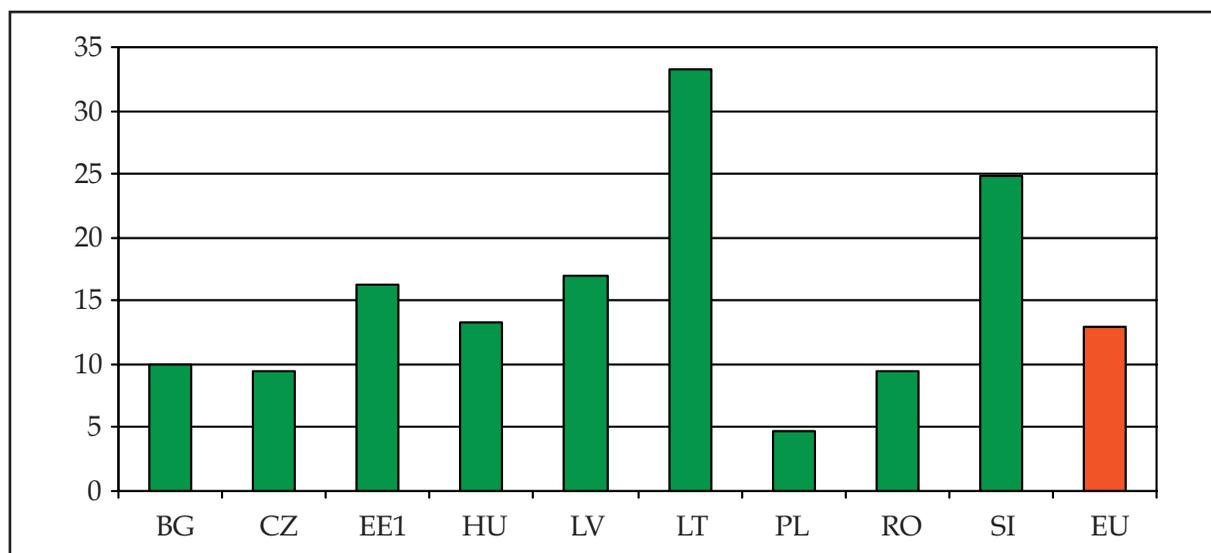
Source: Eurostat; European Commission, *European Report on Quality Indicators of Lifelong Learning*, 2002.
*National sources, 1998.

- There are also considerable differences among countries in the trends in public funding for education. **The trend was negative in the Czech Republic**, from 5.3% in 1993 to 4.5% in 99; in **Slovakia** from 5.1% in 1995 to less than 4% in 2000; and in **Poland** from 5.8% in 1997 to 5% in 1999. This negative trend can partly be understood in relation to the demographic drop in the former countries, but this is not true of Poland where participation in education increased markedly in absolute terms (see above).

- On the other hand, **the trend was positive in Estonia**, from 6.9% in 1998 to 7.4% in 1999; in **Slovenia** from 5.5% in 1994 to 6% in 1998;²⁰ **in Lithuania** from 5.6% in 1995 to 6.5% in 1999; **in Cyprus** from 3.7% in 1990 to 5.7% in 1998.
- As shown in Figure 18, the share of public expenditure allocated to education varies considerably among these countries, ranging from less than 10% in Poland²¹, Romania, the Czech Republic and Bulgaria to 25% in Slovenia and about 33% in Lithuania. This may be seen as an indicator of the priority given to education by the public authorities.

Figure 18.

Public expenditure on education as a percentage of total public expenditure (2000)



Source: ETF Key Indicators database. 1. Estimated data. 2. State expenditure only.

- There is a tendency in some countries to set up policy targets to increase state funding, which have reached 6% in some countries (Czech Republic, Hungary, Slovakia, Poland). Analysis of recent trends in these countries tends however to indicate how difficult it will be to reach these objectives.
- Little information is available on private funding for education. It reaches more than 3% of GDP in Cyprus and Malta and is estimated by OECD²² to be about 0.6% of GDP in the Czech Republic and Hungary, mainly due in Hungary to the contribution of companies to the training and development fund. There are also indications that private funding is very limited in other countries. The difficulties faced by the Slovenes in implementing a new dual system seem to be a good indicator of the reluctance of private enterprise to contribute

²⁰ Although decreasing more recently.

²¹ Additional public resources now come from self-governing bodies.

²² OECD, *Education at a Glance*, 2001.

to education in general. During the consultation process on the European Commission's Memorandum on Lifelong Learning, the issue of private funding was raised as an important issue in all the countries involved. Some schemes, such as individual learning accounts, were discussed. But it was also made clear that the low involvement of companies in general, and social partners in particular, in education and training issues prevents the implementation of ambitious strategies in this direction.

- There is also little comparable information on the weight of vocational education and training as part of the education system. National sources indicate, as a percentage of GDP, about 1% in Hungary in 2000 (which shows a positive trend as the estimate was 0.8% in 1995), 0.6% in Slovenia, 0.4% in Malta and 0.3% in Cyprus.
- **In addition, doubts have arisen as to the efficient use of existing resources.** In many countries, the combination of the rapid opening of new schools in the early 1990s and the demographic drop of students in upper secondary education created a situation where **small schools are found together with a low ratio of students per teacher.** In some countries statistics show a sharp increase in the number of schools in absolute terms while the absolute number of students is steadily decreasing. As a result, in many countries the average enrolment at a vocational education and training school is between 200 and 300 students, which seems very low, at least when looking for a critical mass to justify the purchase of costly technical equipment.
- The student/teacher ratio is thus often also low. According to national sources, it amounts to less than eight in Slovakia in vocational education and training schools but also in higher education, about 10 in Hungary in general education, 11 in the Czech Republic in secondary technical schools;²³ the same ratio in Malta and Cyprus; 12 in VET schools in Estonia, while the OECD average is 14.6 in secondary education and 15.3 in tertiary education.²⁴
- Furthermore, the number of teachers as part of the active population is high in some countries compared to OECD countries²⁵. Other countries provide a range of social services for students and have a number of specialised staff in schools. Thus if we take into account the factors of the small size of schools, the low student/teacher ratio and the high number of administrative staff in schools, we can understand 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, as regional self-governing bodies can be reluctant to close schools. On the other hand, decentralisation could be said to facilitate the process by placing responsibility at the appropriate level.
- **Technical equipment for practical training is often outdated** and vocational education and training schools often do not receive appropriate funding to renew this equipment. On the contrary, in many countries, schools are encouraged to deliver services to the market, with a

23 But 17.5 in secondary vocational schools.

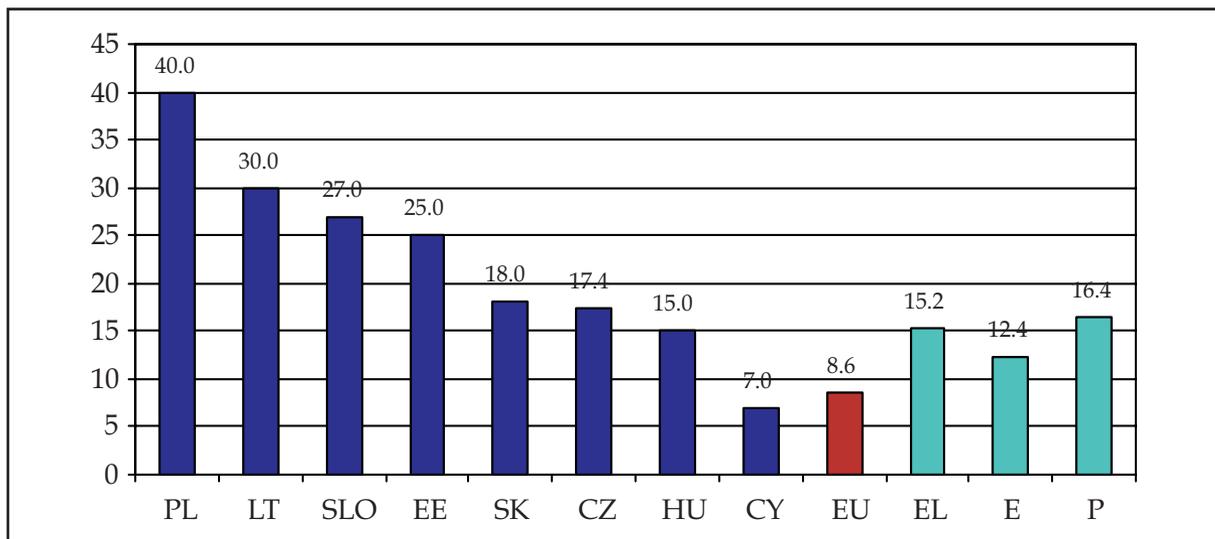
24 OECD, *Education at a Glance*, 2001.

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

view to receiving adequate resources to pay for their technical equipment, but running the risk of compromising the quality of vocational learning. Interesting initiatives are taken in some countries to create practical training centres (Poland) or to **(re)develop modern apprenticeship or 'dual' systems with the support of companies** (Hungary, Slovenia), but there have been some difficulties when companies have been asked to pay²⁶ for these schemes and the process is developing slowly.

- Nevertheless, with the support of the EU support programme, Phare, and of international donors, efforts were made to supply computers, ICT and Internet access. The status of this type of equipment is rapidly improving at school level (see Figure 19), and the number of schools connected to the Internet is also growing fast, with 95% of Slovenian schools connected in 2000, 75% in Estonia and about 40% in Lithuania.

Figure 19.
Number of students per computer in secondary education (2001)

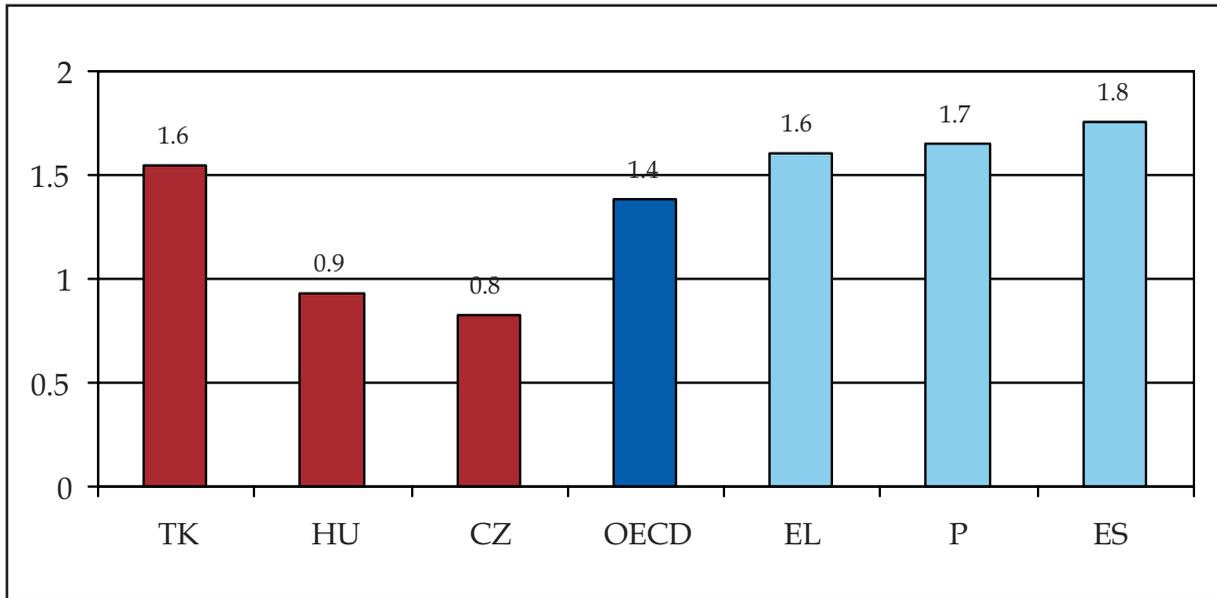


Source: Data for EU member states, Eurydice, Indicators on ICT in education, 2001.
Data for candidate countries, national sources, 2001. Use * as previously

- **A major issue is the situation of teachers, which has deteriorated** substantially in most countries. In general, teachers' salaries have increased less than the average salary in the candidate countries, and there is now a gap to be overcome. Another indication is given by the ratio of salaries to per capita GDP as analysed by OECD (Figure 20). In addition, there is a need to update and **improve teacher training** in order to deal with the requirements linked to the new curricula already developed, the new pedagogies and methodologies dealing with learner-centred approaches, and the **development of ICT and eLearning**. 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 (Figure 21).

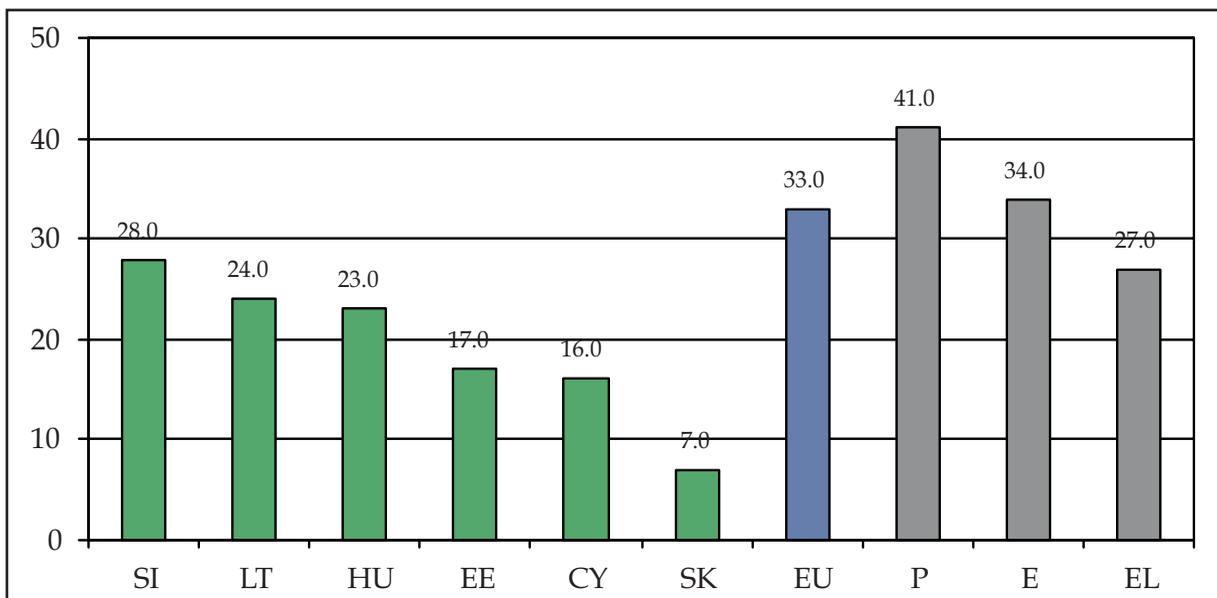
26 See monograph on Slovenia.

Figure 20.
Teachers' salaries in upper secondary vocational education (1999) - ratio of salaries after 15 years' experience to per capita GDP



Source: OECD, *Education at a Glance*, 2001.

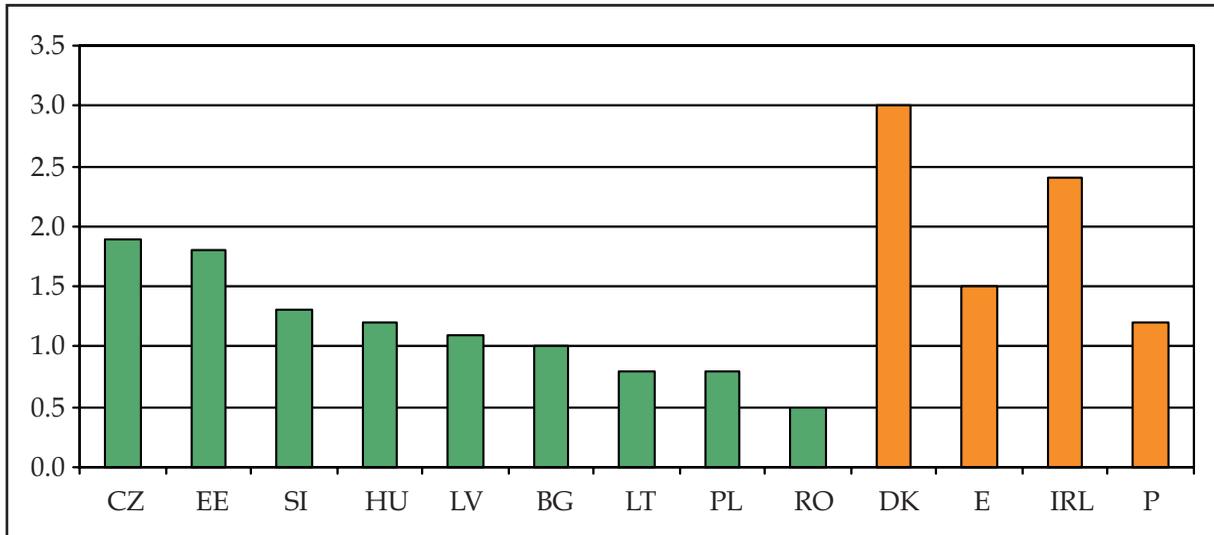
Figure 21.
Percentage of teachers having received education or training during the previous four weeks in candidate countries (2001)



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

- As mentioned above, **company spending is now growing**. But, with the exception of 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 countries that took part in the Eurostat CVTS2 study fall below the EU level (Figure 22).

Figure 22.
Costs of continuing vocational training courses as a percentage of total labour costs



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

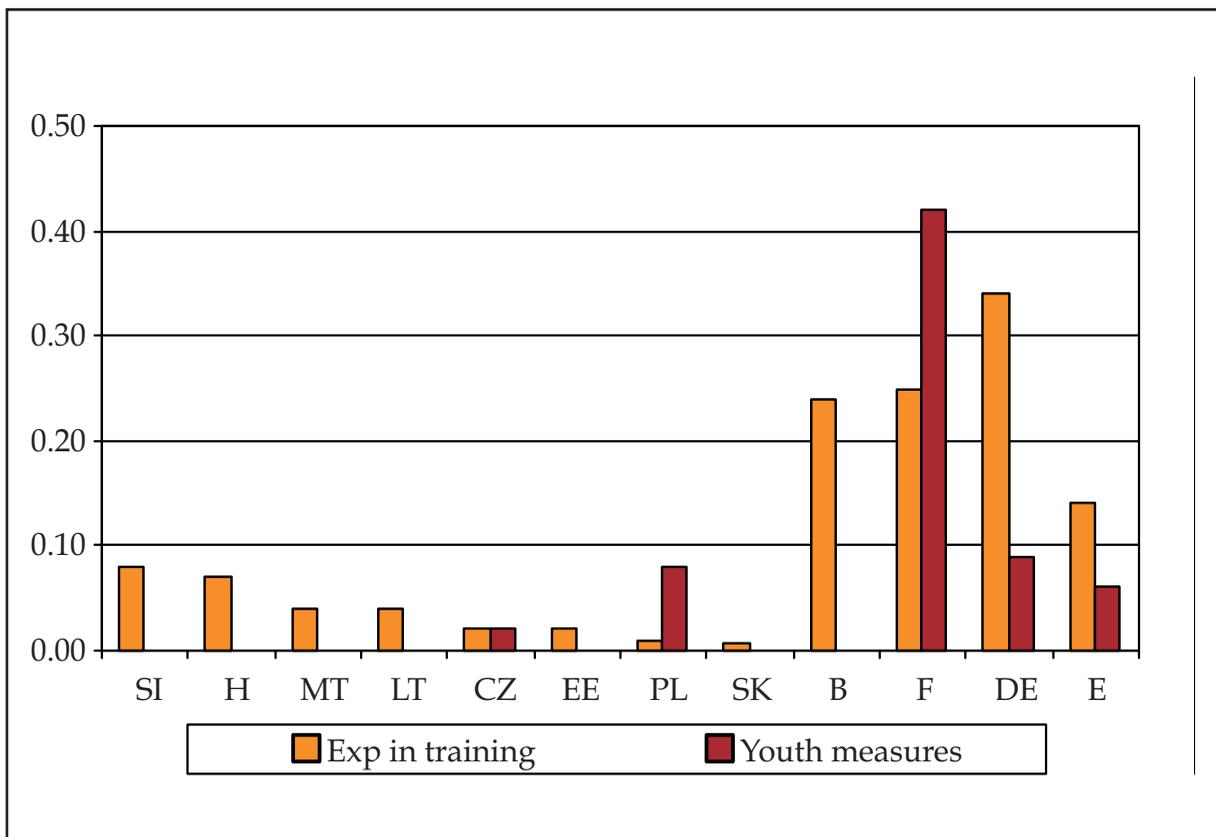
- As already shown, **labour market resources are limited** and mainly devoted to passive measures. Active labour market measures lack resources. Employment offices are understaffed and under-funded compared to EU countries. As a result, **training activities are underdeveloped and the percentage of GDP devoted to training as part of active labour market measures is much lower than in nearly all EU countries**: 0.02% in the Czech Republic, 0.07% in Hungary and 0.01% in Poland in 2000 according to 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 0.12% in Italy, 0.25% in Belgium and about 0.30% or more in Finland, France, Spain and Sweden (see Figure 23, from OECD *Employment Outlook 2002*).
- However, labour market training is seen as an efficient tool in the preparation for return to work, as measures in several countries show a rate of return on employment after training of more than 70% in Lithuania, about 60% in Estonia, 50% in Poland, but only 23% in Slovakia.
- 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 (see also Figure 22).

- As a result, contrary to most EU member states, the public employment services of candidate countries concentrate their efforts on the registered unemployed and are unable to develop preventive approaches aimed at companies (see Chapter 6).
- 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 been severely reduced in several countries.**

Figure 23.

Public expenditure on training as part of training measures as a percentage of GDP (2001)

(measures for young people include: measures for unemployed and disadvantaged young people, support for apprenticeships and related forms of training for young people)



Source: OECD, *Employment Outlook 2002*. Data for SK, EE, MT, SI, LT from national sources.

Conclusions on funding and resources

- ➔ In summary, there is a gap in terms of the financing of education and training as a whole between candidate countries and EU member states, which confirms and reinforces the difficulties expressed above. The situation is particularly **critical in the financing of labour market training activities** and this explains the lack of development of measures directed at the unemployed and the absence of proactive measures aimed at employees in companies under restructuring.
- ➔ Bearing in mind the considerable funding that education ministries devote to adult education, there is the feeling that **a better balance should be sought between the global public resources devoted to adult training, whether employed or unemployed.**
- ➔ The situation is different in the field of initial education, where considerable resources exist in most countries, and which is sometimes higher than in EU countries. In parallel with the necessary increase in resources to tackle essential reforms and the ambitious policy objectives set up in national plans or strategies, a means of using **existing resources more efficiently needs to be found.**
- ➔ Two crucial issues must be addressed:
 - **The lack of up to date technical equipment for practical training**, which prevents the implementation of updated curricula and contributes to the poor image of vocational schools within education system.
 - **The poor situation of teachers**, which discourages the best qualified from entering the system to prepare for the replacement of older staff, and the lack of resources to adequately retrain teachers.

5. Governance and partnership issues

The analysis in this section focuses on vocational education and training systems in general. The aim is to understand how they are administered, and under which legal, policy and institutional frameworks they work. It also focuses on coordination between stakeholders, in particular social partners.

- **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.** Much of this has been gradual, focusing first on the autonomy of schools, involvement of the private sector and general secondary and tertiary education development. Vocational education and training issues were not given top priority in many countries, except in Hungary and Slovenia at the beginning of the 1990s and Estonia more recently, where important laws were passed.
- **The legislative framework is now developing rapidly in a majority of countries,** attempting to integrate the initial vocational education and training system through adequate and varied pathways into a modernised upper- and post-secondary education system, to develop national qualification and certification frameworks, to organise accreditation of training providers, to decentralise the management of the system and to involve social partners generally in the main steps of VET development. It must be emphasised that these developments were largely initiated by education ministries, including the responsibility for continuing vocational training in general, understood mainly as adult education, while the labour ministries remained in charge of labour market measures. **Still lacking in most countries therefore is a comprehensive framework for the development of CVT,** able to promote the specific involvement of social partners and to develop incentives aimed at providing adequate resources at company, sector and territorial level, in order to contribute to ambitious employment policies for employees, the unemployed and all those excluded from the labour market.
- A policy framework is well developed in most countries. There are plenty of strategic documents, white papers, action plans for the new millennium and so on emerging from different ministries or governments, but sometimes it is difficult to see how the ambitions expressed in these documents will be translated into specific measures, including funding. Note also that these documents often lack specific targets.
- 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. In some fields the feeling remains that ministries compete to draft policy papers, or 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 introduced in the large and medium-sized countries and responsibility for vocational education and training schools and training centres has been given to authorities often situated at infra-region level, which **could hamper the possibility of developing efficient human resource development strategies** and create difficulties in linking with employment and labour market policies. The situation of Poland in particular, with responsibility given to the 373 powiats (county governments) seems critical. The same considerations apply to Hungary with its counties, or Slovakia with its eight regions. In addition, there is still a need for institution building at regional and local level, in particular when preparing for the ESF. Governments also need to seriously consider the difficulties or weaknesses appearing in some regions and/or local entities, **the wide disparities between regions in most countries**, and to set up appropriate mechanisms to ensure equity. A key issue at regional or district level is cooperation between vocational education and training schools and other training centres with employment offices (see below).
- Although they are formally involved in many activities relating to vocational education and training, **the actual involvement of social partners is still very low.** In many countries, tripartite committees were established at national level, with a consultative role in the main developments in general education as well as vocational and adult education. Furthermore, tripartite bodies have also been set up at region and/or district level in order to contribute to the development of regional and local human resources development strategies. Also in most countries these bodies are involved in the expert commissions set up to develop curricula or occupational standards. In addition, there is a tendency in many countries to involve employers' representatives in the new certification schemes for the external assessment of students. However, social partners are still ineffective, ill-prepared and insufficiently interested to play an active role in VET developments. In addition, the effective participation of social partners at strategic level and, even more, in the decision-making process, is not seriously promoted or encouraged by governments. Their involvement therefore remains rather formal and is even weaker at regional and local level.
- It should also be borne in mind that many countries such as the three Baltic States and Slovakia, became independent states very recently and have therefore to create new national administrations from scratch.

Conclusions on governance and partnership

- ➔ In 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. Relevant policies have been set up, paving the way for the implementation of EU policies in education and employment, but an **appropriate framework for continuing vocational training is still underdeveloped**. Therefore, lifelong learning is not considered to the extent that it should be and the focus is too often on the development of adult education, largely run by the formal system.
- ➔ Nevertheless, some issues relating to governance should be seriously considered in this respect, such as
 - the effective **involvement of social partners** in VET issues
 - the development of **partnership approaches**, particularly at regional and local levels
 - the **efficiency of decentralised administration**
 - the crucial need for **better cooperation between ministries of education and labour**

6. Modernisation, relevance and responsiveness

- This chapter addresses the different fields of reform undertaken in order to adapt vocational education and training systems to the needs of the labour market and of individuals. It deals with the content of training including reforms of curricula, qualification standards and teaching methods; with the training provision and the structure of education and training pathways; and finally with access and social exclusion.
- The general tendency in all the candidate countries has been to increase the level of qualifications, to modernise and widen the educational profiles provided by the school system, to introduce core skills, to increase participation in general education pathways and to facilitate access to post-secondary and tertiary education. Efforts have however, been **concentrated on the formal education system** and less attention has been paid to the informal sector and to continuing vocational training in general.
- Owing to the ‘liberalisation or deregulation process’ undertaken in the education and training sector in many countries, the strong autonomy given to schools, the willingness to involve private initiatives and the support given by many international donors, among which the European Commission and the World Bank were the most important, **bottom-up approaches have mushroomed** (the situation was less open in the Baltic States, with more centralised control) with many interesting results. These include the adaptation of curricula to the short-term and local needs of the labour market, the setting up of new diversified pathways or the development of continuing vocational training provision. There have also been certain difficulties in terms of limited access to different pathways, a lack of efficiency in fund management and **a general lack of transparency in the whole system**, which hampers efforts to promote mobility and quality.
- In general, curricula have been put forward as one of the first priorities for change. But the best way to move from a number of vocational education and training schemes (usually around a thousand in each country) linked to the narrow occupations they prepared for, to new curricula well adapted to the requirements of the market economy and democratic society, has been a very difficult challenge, by its nature much more difficult to achieve than the reform of curricula for general education. A general tendency was to rely on the market, giving considerable autonomy to schools in the adaptation or the design of new curricula. In parallel, international donors and EU countries began to support these bottom-up approaches by helping them to develop their curricula. One interesting example is in Lithuania where pilot schools, selected as part of a VET Phare programme launched in 1995,

were twinned with EU schools from different countries which together developed more than 20 different methodologies of curriculum design.

- More recently, most countries concluded that it was necessary to **create a national framework for curricula**, while leaving some room for manoeuvre at school level. As a result, most countries have already adopted standard or core curricula, designed at national level by expert commissions, with the support of a national agency for vocational education and training. These core curricula cover 60% to 80% of 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-based curricula, linked to new qualifications, is still a real challenge for the candidate countries. **In 2002, 30% to 40% of the task is estimated to be complete in the majority of countries**, particularly in Hungary and Slovenia, which means that in all of them many old, outdated curricula are still in use.
- Most countries have also felt the need to **set up national qualification frameworks** from which curriculum framework and certification systems could derive logically. 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 competency-based approaches. Several more countries have recently decided to set up such a national framework. Work is ongoing, with relevant expert commissions set up mainly under the Ministry of Labour. This is also seen in a few countries as a way of allowing for **validation of non-formal and informal learning**, to which no particular attention has been paid until now.
- In addition, **analysis and forecasts of labour market needs are not carried out in a systematic way**, social partners are not sufficiently associated with them, research work in vocational education and training is not well developed and the overall adaptation of former VET systems and of their curricula and pathways has not followed concentrated long-term strategic thinking on the needs of the labour market and society. Of course, it is a major challenge to develop sound analysis of labour market needs when the situation in employment is changing very rapidly. The breakdown in employment between the agricultural, industrial and services sectors in the EU reveals trends such as employment in services rising from 67.3% to 69.4% between 1997 and 2001²⁷, while industrial employment fell from 27.8% to 26.4% and agricultural employment from 4.9% to 4.2%; but in the same period some of the candidate countries saw much more rapid changes, 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). The situation was already more stable in other countries, however.
- Linked to the above was the need to **develop quality assurance and accreditation mechanisms** for training centres as well as for curricula in general in both initial and continuing training systems. These responsibilities have usually been taken over by education ministries, with the aim of accrediting the centres themselves and the curricula developed by them.

27 See the European Commission's report on *Employment in Europe*, September 2002.

- Counselling and guidance systems are in general well developed, usually with two parallel systems working respectively under the ministries of education and labour. 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 not well prepared for the challenges of lifelong learning.
- As noted when examining the issue of early school leavers, facing social exclusion is still an important issue for education systems in the candidate countries. This is particularly crucial concerning the **Roma population**, for whom access to education has become very difficult in many countries. Many initiatives have been developed at state level, some with the active support of non-governmental organizations, but the problem remains acute.

Conclusions on modernisation, relevance and responsiveness

- ➔ *In summary, even if all countries have already embarked on the process of modernising and adapting their vocational education and training systems, some important issues still need further effort. Priorities are:*
 - *To develop the **labour market needs analysis function** at national level as well as at regional and local levels.*
 - *To **promote transparency** in the VET system in general.*
 - *To set up national qualification systems aimed at both the formal and the non-formal systems, particularly with a view to developing recognition of prior learning.*
 - *To speed up the preparation and implementation of new curricula well adapted to national qualification systems.*
 - *To introduce **quality assurance** and flexible accreditation mechanisms to encourage the development of the non-formal sector.*
 - *To insist on cooperation between schools and private companies, particularly with a view to improving the quality of practical training.*
 - *To develop **proactive policies aimed at developing access** and contributing to social inclusion by focusing on special groups or disadvantaged students.*
 - *To promote the **learning culture** and develop appropriate awareness campaigns in relation to lifelong learning messages.*
 - *To set up stronger cooperation between ministries of education and labour in all fields, particularly in that of counselling and guidance, to promote lifelong learning approaches.*
 - *To continue to strengthen the involvement of social partners in all these developments.*

7. Overview of public and private employment services

- Public employment services are well established in all candidate countries and 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**, sometimes responding directly to the government and managing a network of regional, district and local offices, according to the administrative structure of the country. There are a few exceptions: in the Czech Republic and Cyprus, for example, 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, 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.
- **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, relations with employers, and implementation of active labour market measures, public employment services are often in charge of the payment of unemployment benefits (with the exception of Cyprus), they implement and monitor the apprenticeship schemes in Cyprus and Malta, they manage individual scholarships for students in Slovenia, 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.
- **However, their resources are generally very limited.** As pointed out in Chapter 2 concerning the amounts devoted to labour market training, administrative costs for public employment services and administration are limited in a similar way. These expenses amount to 0.17% of GDP in Belgium, 0.25% in France, 0.34% in Germany, 0.11% in Portugal and 0.09% in Spain, and in 2001 they reached 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, we find around 200 in the Czech Republic and Cyprus, around 300 in Hungary and Estonia, 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% having university degrees, they need further training to help them to perform their new tasks, in particular the more proactive role which is now requested by the implementation of the European Employment Strategy. There are also indications that salaries are often inadequate, causing a high staff turnover.
- **Technical equipment also needs improvement.** In general, employment offices are equipped with computers, with an average of rather less than one computer per employee. However, the machines are often outdated as they were installed before 1995, and the hardware is no longer adequate. Meanwhile, national integrated computerised systems are developing. Access to the Internet is growing, but few countries have set up Internet-based self-service for individuals.
- Social partners form part of the tripartite committees or councils set up at national and local levels to monitor the work of the public employment services and employment offices. As shown above, 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. Their commitment seems to be higher when they are involved in fund management, as is the case in Hungary.
- Other limitations arise from the regulations under which the services operate. The system is often seen as over-centralised, administrated in a bureaucratic way, without sufficient autonomy given to the employment offices. There is an issue of administrative capacity in general.
- In total, the market share of unemployed clients dealt with by the public employment services ranges 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.
- Private employment services are now developing in all countries. They are considered to play an important role in a majority of countries such as Poland, Hungary or the Czech Republic, while their responsibility is considered to be very limited in the Baltic States where they develop without any specific regulation. However, they are mainly limited to job mediation for the highest qualified people and headhunting, and they operate 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, where private employment services are called on to participate in public tendering and therefore can undertake activities subcontracted by public services.

- 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**. There is no precise strategy or action plan yet in any country. 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, with the general aim of making the services more proactive and giving them the capacity to rapidly implement the European Employment Strategy.

8. Overall conclusions

- In sum, the importance must be acknowledged of the reforms undertaken in the fields of education and training since the beginning of the transition. Candidate countries²⁸ had to cope with the complete renovation of their systems in a radically new environment, a new societal paradigm based on the market economy and democratic society. Furthermore, with the new prospects given to Europe at the 2000 Lisbon Summit to become the most advanced knowledge-based economy in the world, the challenge of adapting their education and training systems has become even greater for the candidate countries, as the success of this strategy will depend directly on their efforts. In this context, because of their direct links with the labour market, vocational education and training systems need a special focus.
- Reviewing the situation some ten years after the transition, it is clear **that impressive results have already been achieved**: (a) participation in education, particularly at upper secondary and tertiary level, has increased markedly, curricula for general education have been revised and therefore the **educational attainment in the overall population is increasing**; (b) considerable autonomy has been given to schools, private training providers have been encouraged and decentralisation is in progress, all of which lead to new possibilities for social and economic actors to interact with the delivery system for education and training and to prepare for human resources development strategies; (c) a fairly comprehensive legislative system is now in place for education and ambitious policy documents have been prepared; (d) overall, it can be argued that the **systems have been largely responsive to the short-term needs** of the labour market and of individuals.
- However, **many difficulties remain and gaps in relation to EU 'standards' are still wide**:
 - (a) **resources are still lacking in some countries, particularly for labour market measures**, but existing resources also need to be used more efficiently;
 - (b) the **situation is critical for school teachers**, particularly concerning replacements for older teachers about to retire;
 - (c) also critical is **the lack of technical equipment for practical training at school** and more generally the lack of cooperation between schools and companies;
 - (d) taking into consideration **the slow process of reforming vocational curricula** in the school system, much still has to be done to adapt to the new challenges;
 - (e) the same applies to **continuing vocational training where a comprehensive framework is still lacking, as there are no incentives either for companies or individuals**;

28 This mainly concerns central and eastern European countries and, to a much lesser extent, Malta and Cyprus.

- (f) **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, unemployed youth, the Roma population and low-qualified people in general;
 - (g) the public and private employment services should play a major role in these active and proactive policies, but they are underfunded and understaffed for such ambitions and the private services are still underdeveloped;
 - (h) a major weakness is the **low involvement of social partners** in all education and training matters;
 - (i) 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;
 - (j) in general, the partnership culture must be promoted at all levels.
- As accession is a very short-term prospect for most countries, many of them will have the possibility of benefiting from the European Social Fund in the near future. Therefore, preparation for the European Employment Strategy as translated in the National Action Plans for Employment is now of particular importance for candidate countries. We hope that the analysis above will contribute to its preparation and successful implementation.