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ABSTRACT

Vocational education and training (VET) in 10 Central and Eastern European countries--Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovak Republic, and Slovenia--was examined. The analysis focused on the following issues: socioeconomic context of VET reforms; VET at the start of reforms; the European Union Phare program and its support of VET reform in 1990-1998; changes in VET legislation and policies; changes in VET administration and financing; involvement of social partners; anticipation of skill needs and vocational standards; curricular reforms; teacher and trainer education; higher VET and professional education; continuing education; and challenges for VET in the transition context. It was concluded that, in countries in transition to a market economy and democratic society, VET must perform the following remedial, adaptive, and proactive roles: underpin and motivate the economic and social transformation process; prevent and combat the social exclusion of people disadvantaged in the labor market; and cope with constant technological changes and labor market uncertainty. VET policies in Central and Eastern Europe must be aimed at reaching macroeconomic stability, containing costs and mobilizing additional financial resources for education and training, promoting educational choices, and improving incentives and introducing competition among providers of education and training. (MN)

Transnational analysis of vocational education and training in the countries of Central and Eastern Europe

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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 non-EU Mediterranean countries and territories. The Foundation also provides technical assistance to the European Commission for the Tempus Programme.

REPORT

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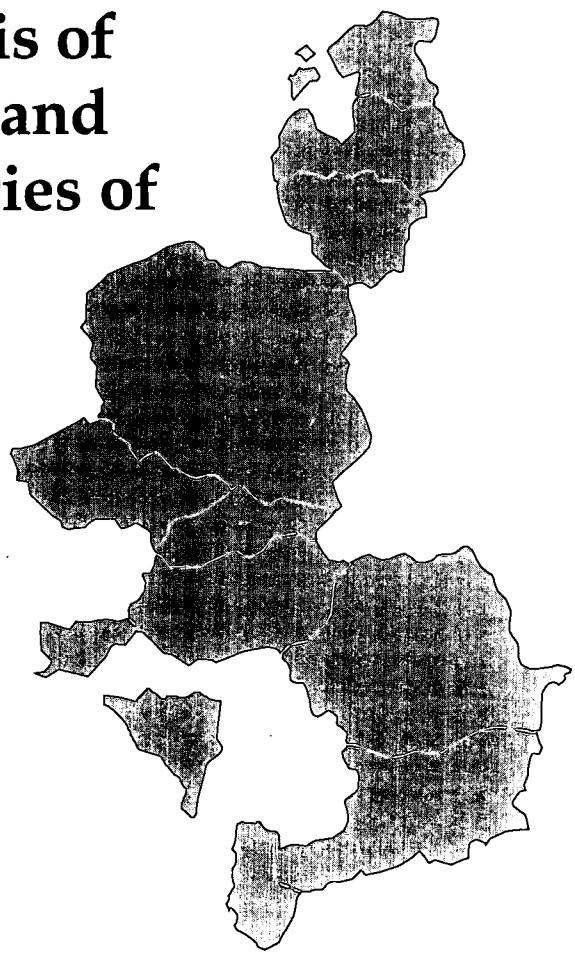

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Foreword

This is the first transnational analysis of vocational education and training reforms in Central and Eastern Europe after 1990 that has been undertaken by the European Training Foundation. This report is the product of a team of country managers and vocational education and training specialists within and, to a lesser extent, outside the Foundation to whom special gratitude is extended.

Given the complexity of the issue, this report does not claim to provide an in-depth scientific and consistent analysis of all aspects of vocational education and training reform in Central and Eastern Europe today, but it attempts to highlight the main trends and further challenges of vocational education and training reform.

The term Central and Eastern Europe (in this case) covers all countries eligible for the EU Phare Programme: Albania, Bulgaria, Bosnia and Herzegovina, the Czech Republic, Estonia, the former Yugoslav Republic of Macedonia, Hungary, Latvia, Lithuania, Poland, Romania, the Slovak Republic and Slovenia.

However, particular emphasis has been laid on an assessment of the vocational education and training situation in the EU candidate countries of Central and Eastern Europe (namely Bulgaria, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, the Slovak Republic and Slovenia). This has been done for the reason that vocational education and training reforms are better documented in these countries. However, we trust that in the next edition of this report information on Albania, Bosnia and Herzegovina and the former Yugoslav Republic of Macedonia will also be fully covered.

The principle source of information for this compilation of this report was the network of National Observatories established and supported by the European Training Foundation. These National Observatories are operational in all the above-mentioned countries with the exception of Bosnia and Herzegovina where preparations are on-going. Since their establishment, the Observatories have developed a considerable degree of analytical expertise in the field of vocational education and training and its link with the labour market. Furthermore, the experiences learnt from the Phare Vocational Education and Training Reform programmes that have taken place or are still on-going throughout the region have also been drawn upon.

We hope that this report provides useful information to all interested parties including researchers, policy-makers and experts involved in the provision of assistance to vocational education and training reforms in Central and Eastern Europe. The European Training Foundation would welcome any comments on this report.

Moreover, more detailed information on the state of vocational education and training reform in each country is available through the National Observatories' annual reports and studies on specific aspects of vocational education and training reform. Country reports of which the 1998/99 versions have just been completed, as well as other European Training Foundation and National Observatory publications can be obtained from the Foundation's Information & Publications Department or our homepage at http://www.etf.eu.int or National Observatories themselves (see contact addresses in the annex).

Specific reference should be made to the European Training Foundation's annual report on Key Indicators and the recently published "Cross-Country Analysis of Curricular Reforms in Phare Countries". Both publications complement this report.

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Chapter 1. Socio-economic context of vocational education and training reforms

Before 1989 education and training in Central and Eastern Europe was designed to suit the context of centrally planned economies. Under the Comecon[1] arrangements, there was a division of labour whereby one country would provide the other countries with supplies of particular commodities. This led to an over-concentration, in particular countries, of some industries and the negligence of others. Furthermore, areas such as the crafts, commerce, banking, accountancy and insurance had remained underdeveloped.

Under the former system, vocational education and training was tailored to the needs of large companies employing large numbers of staff, with low levels of innovation and productivity, following a tayloristic scheme of work organisation and offering the most menial jobs. Training was very often directed towards a life-time job. Crafts trades and service professions were seriously neglected. Standards of equipment in vocational education institutions reflected the poor technological standard of industry itself. Ministries of education or sector ministries in charge of vocational education and training traditionally been heavily involved in defining the scope, content and length of vocational education programmes, thus encouraging a high rigidity and fragmentation within the system. Links between schools and large state enterprises were traditionally well-established. They were dismantled, as the latter closed down their training facilities due to a lack of resources.

From 1989, political and economic changes have been fundamental and more far-reaching than any in the past. Those changes encompass all aspects of life, from the democratic structure of society, to the privatisation of enterprises, to the subjects studied by young people and adults at educational establishments.

The economies of these countries have experienced serious adjustment crises. Land reform and privatisation have, on paper, been completed in a number of countries. However, the definitive settlement of property rights, the establishment of functioning land markets and the restructuring of industries are still an on-going process which is far from complete.

The large firm sector still contributes a higher than European Union average contribution of employment. Furthermore, there are indications that there may yet be some way to go in the contraction of that sector. Nevertheless, there has been an enormous growth in the micro-sector (under 10 employees) in all of the countries concerned and which in fact now represent a similar level to that of the European Union as a whole. In general 90% or more of all enterprises are now micro-sized and this sector is still growing although slightly less so in Hungary and the Slovak Republic. The exception is Slovenia with a relatively strong medium-sized business sector compared to other Central and Eastern European countries and the EU Member States.

1 *Comecon = Council for Mutual Economic Assistance, the former economic organisation established to encourage trade and friendly relations among nine communist countries including the Soviet Union*

A high proportion of local enterprises are facing serious financial crises. In particular the absorption of surplus labour from both the farm sector and formerly labour-intensive industrial sectors, such as coal mining, the steel and chemical industries, etc. which are now in decline, poses a major challenge for most of these countries. The restructuring or closing down of companies will inevitably lead to increasing unemployment - a phenomenon largely unknown in former times.

Economic developments in recent years have been mixed. While growth has resumed in some of these countries, others continue to face difficulties. In 1997 GDP in Estonia grew by 10.9%, and in Latvia and Lithuania by 6%. Most countries continued their positive growth in 1998. There was an increase of 3.8% and 3.4% of real GDP in the candidate countries between the first and second quarters of 1997 and 1998.

In Romania and Bulgaria, GDP in 1997 declined. In 1998, two of the larger economies, the Czech Republic and Romania, saw falls in the first half of the year compared to the same period in 1997 : in the Czech Republic by -0.9% in the first quarter of 1998 and by -2.4% in the second, and in Romania by -9.4.% in the first quarter and by -1.9% in the second. Moreover, output in 1998 in most Central and Eastern European countries (except for Poland and Slovenia) remains below the pre-transition level. Poland, with the largest Central and Eastern European economy by far, witnessed substantial growth: 6.5% in the first quarter of 1998 and 5.3% in the second compared to the same quarters of 1997.[2]

The drastic reduction in demand for labour following the collapse in output has been reflected both in lower employment and lower real wages. While real wages fell drastically in the initial phases of the transition, they are recovering in some countries such as the Czech Republic (to around 94% of their 1989 level) and Hungary (at 88%).

With the exception of the Czech Republic the rate of unemployment is very high throughout the region. This drop in employment has been accompanied by a reduction in the labour force, and many people who were previously in the labour market are now out of it. This surge in 'non-employment' could well be an indicator of even greater social problems. In formerly socialist economies, women, out-of- school youth and the elderly were all given jobs, but since the beginning of transition many such people have left the labour market. While a free decision to do so on their part does not necessarily pose a major social problem, many of these people have actually been displaced. As their probability of finding work is negligible, they have preferred to abandon their job search and this has had a serious effect on household incomes.

Moreover, there are other problems. For many years, the socialist economies invested heavily in industrial production. However, when transition started, output and employment decreased at disproportionate levels in industry and the share of services in total output increased. This posed a serious skills problem as they no longer responded to the requirements of the labour market and unemployment among people with only vocational training generally grew faster than that of any other education category[3].

The above described tendencies, alongside the enormous pressure on companies to raise their level of competitiveness, resulted in an increased demand for training and retraining of the labour force. Short and long-term training programmes need to be carried out to allow people to cope with the change in demand for skills and to prevent social exclusion.

2 *Cf. data published by Eurostat, March 1999.*

3 *World Employment Report 1998-99, International Labour Office*

Chapter 2. Vocational education and training at the start of reforms

Given the similarity of the political and economic systems, Central and Eastern European countries shared a common starting base for reforms in 1989/90. Education and training systems were characterised by similar structures and underlying organisational patterns.

Responsibilities

While the ministries of education were responsible for the majority of vocational education institutions and overall education policies, several sector ministries were and still are in charge of schools belonging to their sector. At the start of reforms, this split of responsibilities was an obstacle to both the design of an overall reform policy framework and a major restructuring of the school network.

All decisions over budgets, staff allocations, curricula, textbooks, etc. were traditionally taken by the ministries, while regional and/or local education authorities, as well as school directors were mainly `implementers` of these decisions. Initiative, self-responsibility and entrepreneurial skills were not particularly encouraged. Social partners, i.e. employers' and employees' representatives, and other key stakeholders were not involved in policy discussions and decision-making.

The vocational education model

In Central and Eastern Europe there were essentially two distinct types of curricula in the vocational education system: the curriculum offered in vocational schools (leading to a skilled worker qualification) and that provided in secondary technical schools (technician's qualification). Vocational schools provided education and training for the equivalent of grades from 9 or 10 to 12. Post-secondary technical schools - the higher level of vocational institutes - offered programmes lasting between 2.5 and 4 years.

As vocational education was always perceived as a continuation of general education, there was often a pre-dominance of general secondary school subjects in vocational education programmes which left too little scope for the vocational theory subjects. Frequently, students therefore had only limited vocational skills when they sought employment.

Legislation and distribution of students

In Central and Eastern European countries the education sector was regulated as a whole. In general, education legislation did not take the specific aspects of vocational education and training into account.

The distribution of secondary level students between general and vocational education paths varied in the individual countries and represented between one and two thirds of the overall age cohort. In view of the permanent shortage of skilled workers resulting from inefficient work organisation and the 'hoarding' of human resources, one of the main tasks of upper secondary education was to direct the large majority of young people into the various paths of vocational education. However, a common feature the countries in question shared was the relatively low prestige of vocational education within society.

Funding of the system

Traditionally, costs for vocational education and training were shared between the state and the big (state) enterprises. Before 1990 state investment in education in relation to GDP was relatively high. This education `advance` still paid off in the first years of reform. However, the proportion of the budget earmarked for vocational education and training was traditionally quite low. Furthermore, an additional financial burden was added to the state budget due to the withdrawal of companies from their former involvement in training.

Funds were by and large sufficient to cover the running costs of the system, such as teacher salaries, operational and maintenance costs of schools, etc. However, only a very small budget was available for actual investment in the sector.

The need to establish a social benefit net linked to rising unemployment and the increased demand, on a massive scale, for training and retraining linked to the economic adaptation and restructuring processes, added another financial burden on the state and necessitated a major reshuffling of funds earmarked for training.

Given the numerous reform tasks in Central and Eastern Europe after 1989/90, a major increase of funds for the vocational education and training sector could not be expected. Assistance from foreign donors was needed without which most of the countries would have been barely able to kick-start reforms.

Role of companies and human resource planning

State-run enterprises had an important function in school-based vocational education and training systems. While the schools catered for the general subjects and provided a basic introduction to working life via school workshops, the companies were the location for practical training. Training took place within a dual system where the vocational school was often part of a state-owned company. The utilisation of labour resources was centrally planned and organised on the basis of the human resource needs of individual enterprises. The school was the agent of the company and provided training according to the needs of the latter.

The breakdown of the planned system and the subsequent break down of contacts between schools and companies had serious implications for the provision of specific vocational training. The traditional sources disappeared and the state did not have the resources to compensate for this loss. The result was schools with out-dated and poor equipment, uncertain of their new role.

Vocational education qualifications and examinations

Under the former system vocational schools were able to deliver defined specialisations. A curriculum pre-defined in terms of content and lesson hours was the main feature of the system. There was a tight and non-flexible 'input' control alongside a widely different school-based 'output' quality system with arbitrary examinations held within the closed conditions of the schools.

When the system collapsed in 1989/90, there was great uncertainty as to which qualifications should be produced. The situation was complicated by the absence of an overall government economic plan that would have set out the priority economic sectors for development. Industry representatives or the new entrepreneurs lacked the essential methodology to identify their training needs which could have provided valuable information for ministries or schools on the labour market's skill requirements.

Schools themselves had to predict which qualification profiles the companies may require. As a result, they frequently concentrated on theory and on delivering academic teaching for technical vocational education.

The teaching profession

There were three significantly different types of teachers in the vocational schools. The teachers of general secondary school subjects were university educated and highly specialised. They had, parallel to their particular subject, studied pedagogy at university. These general teachers lacked the necessary practical knowledge and skills and were, of course, not trained in new technologies. The 'academisation' of vocational education due particularly to this group of teachers.

The vocational subject theory teachers had a technical education, e.g. engineering, and some had taken in-service training courses in pedagogy at a university.

A large group of 'masters', i.e. supervisors of practical training in workshops or companies, had skilled worker qualifications but no pedagogical education at all.

The qualifications of the three groups of teachers and trainers/masters represented a significant barrier to the development of the vocational education system. The main challenge in Central and Eastern Europe was to integrate these teaching groups and create a more holistic system of pre-service and in-service teacher and trainer training.

Chapter 3.
The current change process

3.1 General remarks

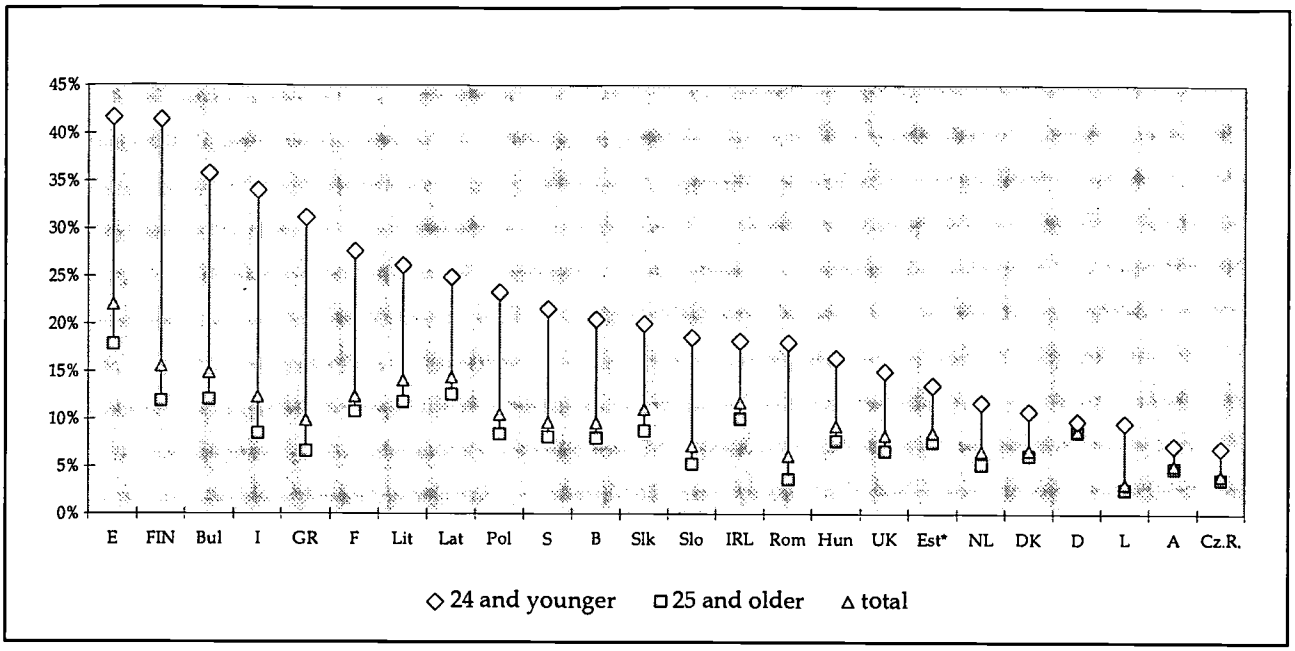
Alongside the need to adapt to major changes in demand for skills, vocational education and training systems in Central and Eastern Europe are facing enormous constraints as infrastructures, programmes and teacher qualifications are still largely based on old economic patterns.

Today there are huge differences in the state of play of vocational education and training reforms and these gaps are expected to widen. The picture is anything but homogeneous, depending on the time when reforms started, overall economic and political dynamics, legislative frameworks, history, culture and ideologies, the importance attached to education and training compared to other sectors and the extent of external support.

The countries are not only facing the challenge of upgrading the skills of workers and managers or retraining unemployed. Another serious problem is the fact that the initial vocational education and training system does not adequately respond to skill needs of the labour market. The number of people below 25 years of age who are registered as unemployed exceeds the average unemployment rate of the given country. It ranges between 7% (Czech Republic) and 36% (Bulgaria) of the overall age cohort[4].

[4] *Key Indicators Report, European Training Foundation, 1999 edition forthcoming.*

Graph 1 Unemployment rates by age in selected Central and Eastern European countries and in EU Member States, 1997 data for CEEC and 1996 data for EU, (%)

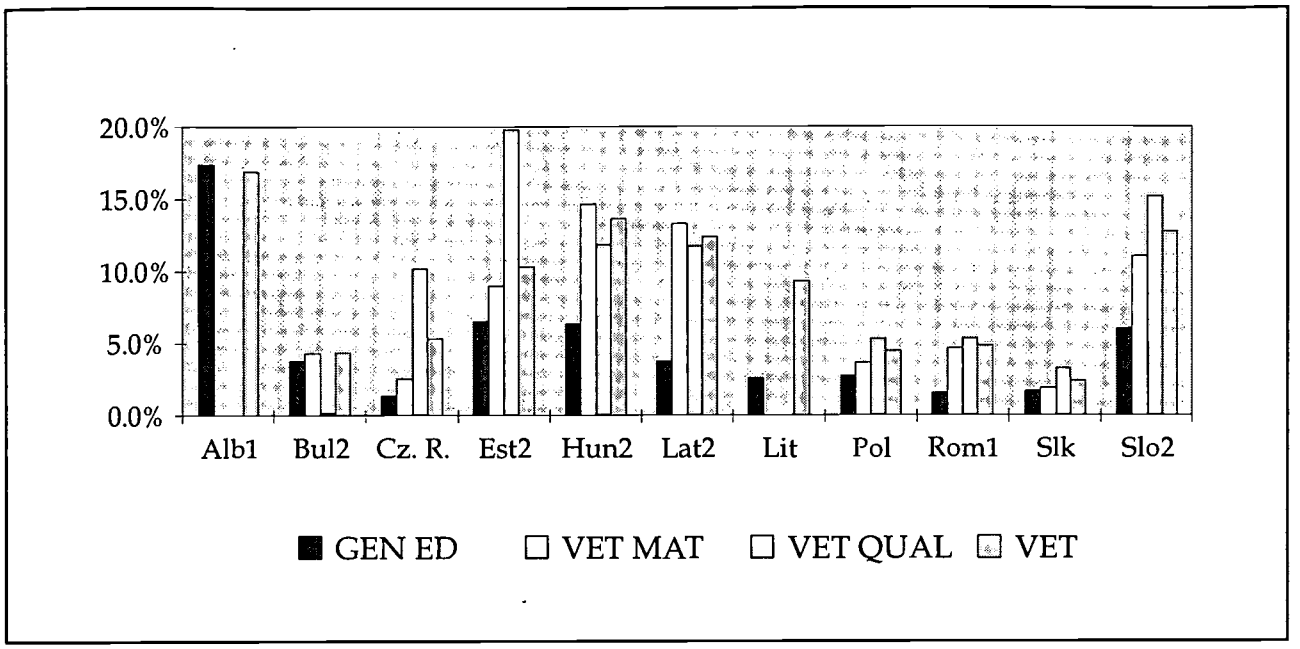


Source: European Training Foundation database, Eurostat database for EU data
[1] - 1995 data

Another problem is the growing number of young people who leave school without any formal qualification at all. Between 2.4% (Slovak Republic) and 13.6% (Hungary) (16.9% in Albania in 1995) of all students drop out from school at upper secondary level[5].

5 *Key Indicators Report, European Training Foundation, 1999 edition forthcoming.*

Graph 2 Drop-out rates in general education and in vocational training at ISCED level 3 by sex, 1997 data unless otherwise specified (%)



Definitions:
GEN ED = General education path at secondary level
VET MAT = Vocational education and training path at secondary level with maturity examination
VET QUAL = Vocational education and training path at secondary level leading to a recognised qualification

Source: European Training Foundation database
[1] 1995 data
[2] 1996 data

More specifically, the situation with respect to drop-outs from both compulsory and post-compulsory education is as follows:

Table 1
Country examples: Early school-leavers/ Drop-outs from upper secondary education

Bulgaria	Participation of young people in vocational education programmes (57.3% in 1996) as a proportion of those enrolled in upper secondary education corresponds to the EU average (59%). However, the participation rate of all 14-19 year olds in education was only 62% in 1996 in Bulgaria compared to an EU average of 91% in 1994. 38% of young people leave school (comprising both compulsory and post-compulsory education) without a formal qualification resulting in a low qualification level of the work force, high risks of unemployment and increased potential demand on the continuing training system. There is a lack of policy measures to address the needs of early school leavers.
Czech Republic	Compared to other Central and Eastern European countries, total drop-out rates for all education are low but higher with respect to vocational education and training. 1.4% of students do not complete their studies in general secondary education, compared to 2.6% of those in secondary technical schools and 10.1% of those in secondary vocational education (figures from 1997).

Estonia	Estonia faces comparably high drop-out rates at secondary level: 6.5% from general education, 9% from vocational education and training with a maturity examination and 19.8% from vocational education and training leading to ISCED level 3 qualifications (figures from 1996). In 1995 the rates were 6.9%, 10.7% and 18.1%, respectively. The high drop-out rate from secondary vocational education and training may be attributed to its relative unattractiveness and bleak prospects on the labour market. To date, no special programmes to address the needs of these groups have been designed.
Hungary	Compulsory education has been increased to 10 years of schooling (until the age of 16). The drop-out rate is high with 20% at secondary level altogether. 6.4% of drop-outs are from general secondary education, 14.7% from vocational education and training with a maturity examination and 11.8% from secondary vocational education and training (13.6% = average of both vocational education and training paths) - figures from 1996. The situation is even worse for the Romany minority group with 50%.
Latvia	Although overall enrolment in vocational education and training decreased by 4% in 1997/98, the number of young people continuing studies in vocational education and training with a maturity examination has increased significantly. 4% of basic education and 24% of general secondary education graduates do not continue their studies. Drop-out rates for 1996 were approx. 12.4% for secondary vocational/ technical education and training, compared to 3.8% for general education. There are no specific measures to address the needs of school drop-outs.
Lithuania	Participation of young people in vocational education (16% in 1996) is lower than the EU average (24%). Education participation of 14-19 year olds was 73% in 1996 compared to an EU average of 84%. There is a lack of measures to tackle the issue of an increasing rate of drop-outs (9.2% in 1997 compared to 8.4% in 1996) from vocational schools. In comparison, drop-out rates in general education are declining with approx. 2.7% in 1996 and 2.5% in 1997.
Poland	Compared with other Central and Eastern European countries, drop-out rates were not particularly high, with 3.6% from vocational/ technical education and training with a maturity examination and 5.2% from secondary vocational education and training (figures from 1997). In comparison, 2.7% dropped out from general secondary education.
Romania	There has been an alarming increase in the number of early leavers from compulsory school, while specific measures to address the needs of this group are absent. About 17% of all youngsters do not complete compulsory education. Another 2-3% have to be added to this figure, as there are children who never enrol at school at all (mainly coming from the Roma minority). Rates of drop-outs from compulsory schools are higher in rural areas where families often live at subsistence level and children have to contribute to families' income. The situation has deteriorated in view of the severe economic crisis. Recent educational policies have placed higher emphasis on higher-quality general education provision. As a consequence, access to it has become more difficult for weaker students. The rate of drop-outs from the general education path at secondary level was 1.44% in 1995, while the one from the secondary technical/vocational education path was 4.84%.
Slovak Republic	Drop-out rates in vocational education and training at the upper secondary level (ISCED 3) are relatively low (an estimated 2.4% in 1997). However, the 1998 Labour Force Survey reveals that 34% of those registered as unemployed have no secondary-level or apprenticeship qualification. Approx. 50% of Slovakia's Roma population are at school age. More than 60% of this group leave compulsory school prematurely.
Slovenia	11.0% of students dropped out from vocational education and training with maturity examination and 15.1% from secondary vocational education and training leading to a recognised qualification. These figures are also high in comparison with other Central and Eastern European countries. Although there has been a decline in 1996 vis-à-vis 1995 (total number of drop-outs from vocational education and training 12.8% in 1996, as compared to 14.3% in 1995), rates are always much higher than those from general secondary education. In addition, rates for the latter are constantly declining. (6.0% in 1996; 7.1% in 1995). The highest drop-out rates are in more developed regions raising the spectre of more acute social marginalisation. There is no prevention system or tracking of school drop-outs in place. Research is not carried out in this respect. Neither vocational counselling services by the National Employment Office nor special programmes address the needs of this group.

As mentioned before, many shortcomings have been inherited from the past. As early as the 80's, vocational education and training experts referred to the need for comprehensive reforms of the system. Low qualified teachers and trainers, as well as outdated curricula and equipment due to low investment in the sector reflected the poor social esteem of vocational education and training compared to academic education.

In the early 90's further pressures for reform were added due to the fact that:

- vocational education and training was still delivered on the basis of the old, narrowly focused occupational profiles that did not reflect current requirements related to new technologies and forms of work organisation;
- in-company training facilities that had catered for the practical part of training were closed down due to financial constraints of the companies undergoing restructuring;
- there was a huge demand for training/retraining in connection with the major economic and social restructuring processes.

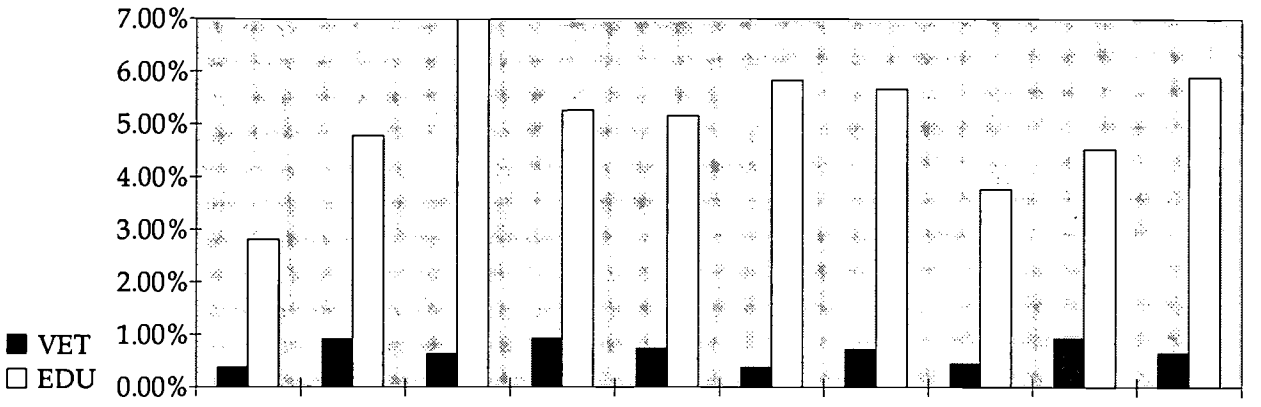
Despite these enormous reform pressures, it might be argued that ministries in some Central and Eastern European countries have, for traditional reasons, not paid adequate attention to issues of vocational education and training. Moreover, the fact that in most countries there is still a strict separation of responsibilities for the sector has hampered the creation of a coherent conceptual and legal framework, as well as major structural reforms. While ministries of education hold overall responsibility for initial (school-based) education, including vocational education and training, several sector ministries are still responsible for schools operating in their sector. In addition, ministries of labour that have often emerged from ministries formerly in charge of social affairs (health and pension schemes, etc.) have assumed responsibilities for training/retraining of the unemployed. The exception here is Hungary.

Between the areas of initial vocational education and training, and training/ retraining of the unemployed there appears to be a vacuum. Central and Eastern European countries are far from viewing vocational education and training as a means to not only accompany, but also to trigger off economic and social reforms and combat social exclusion. Furthermore, the prerequisites are not in place for learning within a lifelong perspective. Ideas about possible future vocational education and training models are either too vague or lack the necessary financial basis for implementation, given the numerous other reform priorities during the transition period.

Public expenditure on all education as a percentage of GDP varied between 2.8% (Bulgaria, 1996) and 6.95% (Estonia, 1995). Funds earmarked for vocational education and training amounted to between 0.35% (Bulgaria, 1996) and 0.92% (Hungary, 1996)[6].

[6] *Key Indicators Report, European Training Foundation, 1999 edition forthcoming.*

Graph 3 Public expenditure on all education and on vocational education and training as a percentage of GDP, 1997 data unless otherwise specified (%)



	Bul2	Cz. R.	Est1	Hun2	Lat	Lit	Pol	Rom	Slk	Slo2
VET	0.35%	0.89%	0.64%	0.92%	0.71%	0.40%	0.70%	0.42%	0.90%	0.64%
EDU	2.80%	4.74%	6.95%	5.22%	5.10%	5.80%	5.60%	3.73%	4.50%	5.84%

Source: European Training Foundation database
[1] 1995 data
[2] 1996 data

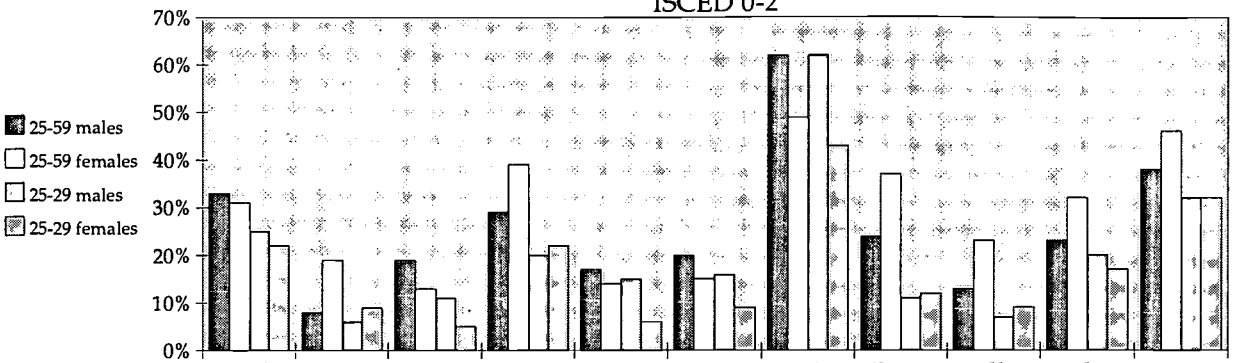
Additionally, over the past nine years funding of the vocational education and training sector has suffered from a general decrease of GDP, the partial withdrawal of the private sector from their 'domain' of providing practical training, as well as the increasing operational and maintenance costs of schools. Any assistance from abroad to support the sector is therefore welcome in as far as it fits within the context of the beneficiary country.

Doubts may arise as to whether the scope and speed of initiated vocational education and training reforms in Central and Eastern Europe are sufficient to compensate for the huge skills deficits and to cope with the current and future labour market requirements. According to a recent OECD study, substantial economic growth can be achieved only if the proportion of those jobs requiring higher-level qualifications is rising.[7]

[7] *Literacy Skills for the Knowledge Society 1997, Paris: OECD, Human Resources Development and Statistics Canada.*

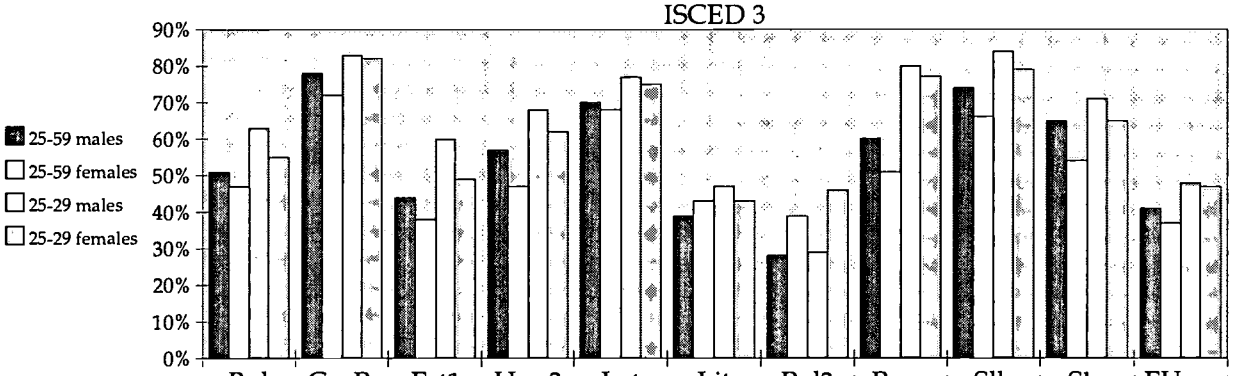
Graph 4 Educational attainment rates of the population, by age and sex, 1997 data unless otherwise specified (%)

ISCED 0-2



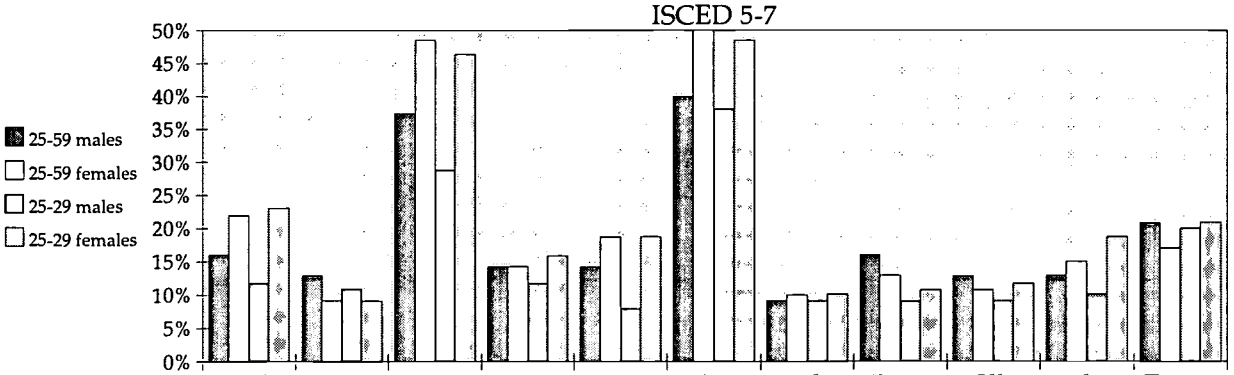
	Bul	Cz. R.	Est1	Hun2	Lat	Lit	Pol2	Rom	Slk	Slo	EU av
25-59 males	33%	8%	19%	29%	17%	20%	62%	24%	13%	23%	38%
25-59 females	31%	19%	13%	39%	14%	15%	49%	37%	23%	32%	46%
25-29 males	25%	6%	11%	20%	15%	16%	62%	11%	7%	20%	32%
25-29 females	22%	9%	5%	22%	6%	9%	43%	12%	9%	17%	32%

ISCED 3



	Bul	Cz. R.	Est1	Hun2	Lat	Lit	Pol2	Rom	Slk	Slo	EU av
25-59 males	51%	78%	44%	57%	70%	39%	28%	60%	74%	65%	41%
25-59 females	47%	72%	38%	47%	68%	43%	39%	51%	66%	54%	37%
25-29 males	63%	83%	60%	68%	77%	47%	29%	80%	84%	71%	48%
25-29 females	55%	82%	49%	62%	75%	43%	46%	77%	79%	65%	47%

ISCED 5-7



	Bul	Cz. R.	Est1	Hun2	Lat	Lit	Pol2	Rom	Slk	Slo	EU av
25-59 males	16%	13%	37%	14%	14%	40%	9%	16%	13%	13%	21%
25-59 females	22%	9%	48%	14%	19%	50%	10%	13%	11%	15%	17%
25-29 males	12%	11%	29%	12%	8%	38%	9%	9%	9%	10%	20%
25-29 females	23%	9%	46%	16%	19%	48%	10%	11%	12%	19%	21%

Source: European Training Foundation database / [1] 1995 data / [2] 1996 data

However, the problem does not only lie with the acquisition of higher levels of formal qualifications but also with the need to improve the quality of training in general.

3.2 EU Phare support to vocational education and training reform 1990-98

Between 1990 and 1998 Albania, Bulgaria, Bosnia and Herzegovina, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, the former Yugoslav Republic of Macedonia, Poland, Romania, the Slovak Republic and Slovenia have received approx. € 80 million from the European Union's Phare budget to reform their vocational education and training systems. Romania received the biggest share amounting to € 28 million. Efforts concentrated on the development of curricula, mainly in the area of initial vocational education and training, on the basis of newly defined occupations, on the training of school managers and teachers and on the upgrading of learning equipment in schools. However, the number of schools and teachers who benefited from these programmes is relatively limited, in particular in bigger countries (e.g. 35 vocational schools out of more than 1,000 in Poland)[8].

Funds, in particular from the Phare budget, have been used initially to address the most urgent needs of the system after the collapse of the centrally planned economies and later on to initiate more substantial reforms.

As mentioned before, initial activities concentrated on:

- the revision of existing and the development of new curricula with the aim of providing training for a range of rather broad-based occupations, partly within new sectors of economic activity, such as banking, finance, etc.;
- staff development on a wider scale, including training for policy-makers, education administrators at all levels, representatives from employers' and employees' organisations, school managers, curriculum authors and teachers;
- the upgrading of school equipment;
- the establishment of partnerships with training institutions in European Union Member States;
- the drafting of policy papers on the main directions of vocational education and training reforms and the adoption, in most countries of the region, of new laws regulating specific aspects of the work of vocational education institutions.

Policy papers that have been or are being developed in most countries provide for the following:

- new principles of decentralised management, involving tripartite decision-making processes;
- new, more flexible funding mechanisms to give more freedom for decision making and room for institutional innovations;
- the development of an integrated initial and continuing training system, making maximum use of resources and exerting a minimum level of control over the quality of vocational education and training provision;
- a diversification of the vocational education and training structure, involving applied higher professional institutions at pre-university level and aiming at an increased horizontal and vertical mobility of students in the system;

8 *Poland and Hungary have additionally taken loans from the World Bank: Poland to upgrade, amongst others, labour market training provision on the basis of a modularised system and Hungary to reform the whole education system, strengthening its links with the labour market. In addition, a World Bank project to reform the labour market training infrastructure has recently started in Romania.*

- a re-orientation of the focus of vocational education and training on employers' current and future needs and the involvement of social partners in decision-making processes through the setting-up of structured communication mechanisms.

Vocational education and training reforms were started through a pilot school approach, empowering staff at a local level to develop new curricula and methodologies of work. This approach reflects both the change of mentality and the democratic nature of reforms in Central and Eastern Europe. It is sound in that reforms are 'owned' by the very people who will have to deliver them.

One weakness of this approach was the partial lack of guidance from the central level, especially in the start-up phase of reforms when overall education and training reform policies were still absent, support institutions did not exist or were unclear about their role, when neither a revised curriculum development model nor new industry-based qualification standards had been agreed at national level, etc. Schools acted mostly on their own to develop new vocational education models. Bilateral donors supported, through technical know-how, different curriculum models which in some cases took little or no account of the prevailing needs or scope for replicability in other schools.

Another weakness of the pilot school approach may be the fact that pilot schools are likely to become elitist and isolated from mainstream education and training provision in the country. This will be the case particularly if national authorities do not accept and back up reform initiatives - legally, but also financially - and disseminate reform outputs over the whole country.

In conclusion, reform efforts were especially successful in those countries where both the national, regional and local levels worked to common targets in a complementary top-down and bottom-up approach.

The main impacts so far of these 'pilot school' initiatives include the following:

- the partial change of pedagogic attitudes of teachers (and students) towards curricula more oriented to new labour market needs and new active learning styles, which ultimately increase the employment prospects of graduates;
- a change in the schools' management style;
- new syllabuses, equipment and materials which have been developed to a coherent design;
- improved communication between the ministries of education and labour and sector ministries still responsibile for vocational education and training, regional and local administrations, central employers' and employees' organisations, training institutions and individual employers in the region;
- a positive attitude towards the opportunities which decentralise the management of education and training to both training institutions and local/regional authorities;
- new approaches to assessment and quality assurance.

One of the main drawbacks of the first phase of vocational education and training reforms in some of the Central and Eastern European countries is the fact that reform programmes were generally launched with little labour market information. Countries are only now gradually changing the nature of curricular reforms from being education-driven to being more demand-driven, involving industry representatives in a systematic way. In addition, most countries have yet to integrate their different reform initiatives into an overall education and training policy framework and find respective 'institutional homes' for the roles and functions assigned to different players in the system.

New Phare funds to reform the vocational education and training system as such are hardly likely to become available. The main emphasis of the Phare Programme has been shifted (at least as regards the candidate countries) towards their preparation for accession to the European Union, including the transposition of some 80,000 pages of EU legislation into national legislation. It aims at the further adaptation, amongst others, of the agricultural, fishery, energy, transport and telecommunications sectors of the countries concerned to the requirements of the European Union.

However, training will remain an important element within sector-related programmes. In addition, the vocational training area may receive support through the (co-) funding by Phare of European Social Fund type of actions after the year 2000. These measures will be helpful to strengthen the capacities of individual institutions or meet the training needs of specific target groups.

3.3 *Changes in vocational education and training legislation and policies*

As regards the setting up of a legal framework in vocational education and training in Central and Eastern Europe after 1989/90, the following two phases can be identified:

First phase:

In the first half of the 1990s, most countries prepared new legislation in the field of education including vocational education and training almost as a 'knee jerk' response to the beginning of the reform period in education. Many of the new laws were passed in a very short period of time. They concentrated above all on the administrative framework underpinning the education and training system and on removing any ideological bias in education provision. In many cases, the new legal provisions and single laws were adopted in a "vacuum", without an overall policy reform plan (governmental policy document or White papers on Vocational Education and Training) in place.

Due to local traditions, many of these laws focused more on administrative aspects and details of implementation rather than on principles and mechanisms. Many countries have addressed by law in a detailed way the following issues:

- organisation of the vocational education and training system;
- management of the system;
- content of vocational education and training;
- implementation of vocational education and training;
- financing, validation, certification and assessment of the system.

In general, there was a tendency towards great detail in some areas (educational levels, ideas of institutions) and less in other areas (accreditation, recognition).

The result of the first phase was a rather fragmented legal framework, reflecting the lack of a coherent approach towards vocational education and training as a system. New laws regulating isolated aspects of the system co-existed with old ones. In addition, legal provisions for vocational education and training were mostly still part of the those for the whole education sector, not taking account of the specific requirements of the vocational education and training system. Furthermore, given both the short time in which these new laws were designed and the limited involvement of

key stakeholders other than the ministries themselves, not enough consideration was given to the actual impact and side effects of such new legislation. As a consequence, the new provisions in many countries were perceived as inadequate and had to undergo several amendments or replacements.

Second phase:

A second legislative phase, starting from the second half of the 1990s, attempted to address the need for a more comprehensive legal basis targeted at the development and efficient functioning of vocational education and training as a sector in its own right. This is an ongoing process that requires, for some countries, the elaboration of completely new laws and for others the adaptation and amendment of the legislation already adopted during the first phase. In this context, either the laws adapt to "de facto" practices or pave the way for future changes to the system. It becomes clear from the latter that new laws can play a pivotal role in triggering off reform processes. However, apart from new legislation, desired reforms also require subsequent guidance and support to the key change agents.

As mentioned earlier, the development of a comprehensive policy framework, setting out the broader vocational education and training reform strategy, is a prerequisite for elaborating a coherent legal basis for vocational education and training. A vocational education and training law should be adopted afterwards or in parallel with the policy document, thus being instrumental in putting policies into practice. In Central and Eastern Europe these two processes have not always followed a logical sequence. Hungary and Slovenia should be mentioned as two exceptions here.

One other important feature to note are the parties involved in the process of elaborating vocational education and training policies and legislation. Most countries have realised the added value of involving key stakeholders in the various drafting phases, thus reaching a wider consensus from the outset of the process. In addition, the exposure of draft laws to public debate and the support of national and international expertise has proved useful.

In all candidate countries background studies are currently being prepared for a review of their employment policies through the European Commission's Directorate General V. The findings of these reviews should lead to a set of recommendations for the improvement of policies and the design of an Employment Action Plan according to the Employment Guidelines of the Luxembourg summit.

Table 2
Country examples: Legal and conceptual framework

Bulgaria	A new Vocational Education and Training Act has passed several consultative committees and is expected to be adopted by the Parliament in April 1999. However, this new law follows the tradition of focusing on administrative details rather than key principles and mechanisms. In the framework of the EU Phare 1994 VET Reform programme (VETERST) the Ministry of Education and Science has been working on a policy for a vocational education and training reform. Specific reform issues are addressed, including (i) the labour market and vocational education and training, (ii) accreditation, (iii) national standards and certification and (iv) the rationalisation of the school network. The process has been flawed by a lack of coherence between the policy plans and the underpinning legislation. Most conceptual work is done with foreign assistance and not necessarily based on the consideration as to whether or not the ministry would have the resources to implement the new policies. Policies and legislation developed by the Ministry of Labour and Social Policy primarily address training for the unemployed and for workers likely to become redundant due to industrial restructuring processes. There is no overall coherent continuing training policy which would also include the training of the employed.
Czech Republic	Vocational education and training in the Czech Republic wxas previously governed by laws regulating the whole education sector. New laws adopted after 1989 include the 1990 Act on State Administration and Self-government of schools. By this law a school management structure was introduced which guarantees independence from other state administration sectors. The School Act (Law No. 171/1990) has been amended several times since 1990 strengthening school autonomy, providing for the establishment of private and denominational schools, defining the characteristics of secondary level education, including secondary vocational and technical schools and higher professional education at *conservatories;* Law No. 138/1995 introduced 9-year compulsory education and provided for the implementation of Higher Professional Schools). A new School Act is under preparation. According to Law No. 347/1997 which foresees the establishment of 14 regions, a higher level of self-administration will be in force from 1 January 2000. Rapid changes introduced at institutional level have not been based on a coherent long-term strategy for overall vocational education training reforms. In the framework of the 1994 Phare VET reform programme a set of recommendations for an overall reform strategy were elaborated in October 1997 and an implementation plan was developed in 1998. However, ideas including the drafting of adequate legislation and the establishment of the proposed National Council for Vocational Education and Training with social partner involvement were not entirely taken up by the Ministry of Education, Youth and Sports. The 1991 Employment Acts and regulations provide the legal basis for the Ministry of Labour and Social Affairs and other state institutions in the area of employment and the retraining of redundant workers and the unemployed. A regulation adopted in 1997 allows for the creation of public utility jobs with different forms of support rendered by the labour office. A 1992 Instruction of the Employment Services Department specifies the procedure for ensuring practical experience of school graduates and young people. It regulates in detail the activities of the Public Employment Service. Financial contributions for job creation and for work placements for young graduates may be provided for one year in order to limit youth unemployment. Four other decrees/resolutions are related to specific target groups such as young people and handicapped citizens.

Estonia	In 1998 a policy document was approved that aims at developing a vocational education and training system that ensures that qualifications are adapted to changing needs and lays the basis for life-long learning. However, many of the aspirations expressed in this paper can be put into practice only in a longer-term perspective. A major breakthrough in vocational education and training reform was achieved by adopting the Laws on Higher Professional Education and Vocational Education Institutions in July 1998. By the year 2000, the new law will bring all vocational schools under the responsibility of the Ministry of Education. It provides for (i) an integrated financing of vocational education and training institutions, (ii) the setting up of tripartite sector bodies dealing with skill needs analyses and vocational standards, (iii) more responsibility to be given to school managers and their tripartite boards and (iv) makes the development and application of programmes more flexible. A new Law on Occupations is currently under preparation. Several Ministry of Education and Ministry of Social Affairs laws regulating the sector provide for (i) all state-funded vocational institutions being allowed to offer adult training, (ii) the setting up of private institutions, (iii) the guarantee, from a legal point of view, of access to adult training, (iv) employers being encouraged to grant training leave to employees (with no state support whatsoever) and (v) registered unemployed being entitled to receive training.
Hungary	Vocational education and training reforms in Hungary have been based on a sound (and several times adjusted) policy framework designed as early as the 80's. However, the division of responsibilities for the sector between the Ministries of Education, Economy & Social Affairs and the Interior (in charge of financing) have at times hampered the coherent implementation of these policies. The 1993 Vocational Training Act forms the basic legal framework for vocational education and training. During the process of drafting this Law the German model in particular was examined. Since the adoption of this law several amendments have been made. The continuing training sector is regulated by several laws and regulations, including the Vocational Training Act (1993), the Employment Act (1991) and the Labour Code.
Latvia	A new law on Vocational Education and Training is expected to be adopted in June 1999. However, this law does not address changes to the management of vocational education and training, the further integration of initial and continuing training, quality assessment, teacher training institutions, school innovation or research and evaluation, as foreseen in the national vocational education and training policy paper. The new Government elected in November 1998 set as part of its objectives the establishment of a unified national employment and vocational education policy with a unified strategy in the fields of vocational guidance and continuing vocational education, the setting up of a national qualification structure, administrative and financing reforms and the improvement of quality of vocational education and training provision. Overall, law and policy design processes were (a) delayed and (b) not well co-ordinated. The intention of the Ministry of Education and Science is, however, to put recent developments on a legal basis at a later stage. Re-training is regulated by the 1992 Law on Vocational Training and Re-qualification for the Unemployed. The main goal of the Ministry of Education and Science's adult education concept, which originated from the former idea of "folk education", is to provide everyone with the possibility to upgrade knowledge and skills corresponding to his or her interests, needs, age and previous education level, to compensate for the lack of education during the transition period and to solve social adaptation and integration problems. The Ministry of Welfare is preparing a new employment policy. However, in reality there are still major gaps with respect to both the conceptual, institutional and support framework of vocational education and training within a life-long learning perspective.

Lithuania	There is little reference to initial and continuing vocational education and training or life-long learning in the Government Action Programme for 1997-2000. An overall training policy framework is still lacking. The Law on Education (1991) establishes the principles of education but with few specific references to vocational education and training. The Law on vocational education and training (Oct. 1997) defines key institutions and competencies, student qualifications (CEDEFOP levels 1-3), teachers' qualifications, initial and labour market training content and financing issues. However, qualification standards, teacher training, quality issues, vocational education and training research, counselling and guidance and private provision are not regulated. The Ministry of Education and Science has developed a White Paper on vocational education and training which was presented to national authorities in March 1998. It addresses reform issues and measures up to the year 2005. A plan for funding, from the state budget, of actions between 1999-2000 has also been defined. Continuing vocational education and training is regulated by the Law on Vocational Education and Training, the Law on Non-Formal Adult Education (June 1998) and the Law on Support of the Unemployed (February 1996). Training beyond compulsory level focuses mainly on training of the unemployed, while in-company training schemes or (re-) training to prevent unemployment have been rather marginal. In 1997 only 6.7% of those registered as unemployed took part in training.
Poland	The numerous reform ideas originating from a number of very active vocational education and training institutions have often not met with sufficient support from the national/policy level. Since 1997 the Ministry of National Education has conducted a vigorous review of its policy, resulting in the adoption of a new Law on Education in July 1998. The Law introduces major structural changes by stipulating, amongst others, that (a) a competence-based set of core skills be at the centre of new national curricula, including vocational education, (b) external examination boards be set up at central and regional levels and examinations be based on nationally agreed, industry-based qualification standards, (c) new types of schools be introduced (see below) and (d) self-governed regions can decide on the establishment of new schools and manage them. The 1997 Law on Schools of Higher Professional Education requires institutions to include social partner representatives in their governing boards. People working in industry but with a doctorate level qualification can take up teaching assignments. According to the new law, the Ministry of National Education will take over responsibility for all schools formerly run by sector ministries. Compulsory education will be extended to 16 year olds and career paths at the secondary level will basically be divided into two streams. The 3-year "Profiled Lycea" stream providing education and training for 14 broader profiles. It is planned that a much smaller proportion of students will undergo a 2-year training for (narrower) specialisations at vocational schools after basic schooling. Continuing vocational education and training is based on the 1991 Law on the Education System which outlines the tasks, structure and forms of education of employed adults. The sector is regulated by separate decrees of both the Ministry of National Education and Ministry of Labour and Social Policy which do not suggest a coherent policy framework. However, the Ministry of Labour and Social Policy has been quick to design an active labour market policy and use, amongst others, a major World Bank intervention to reform the labour exchange, vocational guidance and labour market training system. (Re-)training of the unemployed is regulated by the Law on Employment and Counteracting Unemployment adopted in 1996.

Romania	Coordination between the Ministries of Education and Labour on training policies and activities has been virtually non-existant. This would have enabled a more efficient use of World Bank and EU Phare funds. In this context, an adult training infrastructure separate from the initial training structure was planned in Romania where a maximisation of scarce resources is essential. Vocational education and training is regulated as part of the general Law on Education. In 1997 amendments were introduced allowing schools to provide adult training courses, providing for the establishment of a National Council for Initial and Continuing Education involving public authorities and social partner organisation representation to act as an advisory body. A new amendment to the Law on Education is currently being debated by the Parliament. It foresees the extension of compulsory schooling to 9 years with a subsequent reduction of one year in the vocational education and training cycle. This change may further aggravate the quality of vocational education and training and reduce overall attainment levels of young people opting for the vocational education and training career path. With the Law 1/1991 on Social Welfare and Vocational Re-integration, the Ministry of Labour and Social Protection has become responsible for the training of the unemployed which is paid out of the Unemployment Fund.
Slovak Republic	Reforms have been very slow to develop. Political support and an integrated strategy for vocational education and training reform have been lacking. However, there are indications that 'openness' and commitment to reform will improve under the new government. Apart from some minor amendments, the legal framework remained largely unchanged and inadequate to meet the new challenges. One of the priorities of the new government is to pass new education legislation.A new Education Act was prepared during 1996/97 but was not passed by the Parliament. There continues to be no legal basis for post-secondary non-university vocational education. The 1996 Act on Employment represents an up-to-date legal framework that sets out the main guidelines for employment and labour market policies in the Slovak Republic. However, financial resources to implement respective measures are severely limited. The further education/continuing vocational training area is regulated by an Act passed by the Ministry of Education in December 1997.
Slovenia	A modern education and training policy framework provides for the alignment, in a mid-term perspective, of vocational education and training in Slovenia with mainstream developments in Europe. The framework also provides for training provision within a dual system but scales have so far remained marginal. The 1996 overhaul of legislation provides a good framework for an integrated training system adaptable to a changing economy. A range of legislation is in place regulating initial vocational education, assuring coherence in policy and institutional terms with continuing training planning and programmes. Key legislation includes the Organisation of Financing of Education Act (1996) that sets a good institutional framework for public approved training, including the apportioning of finance between the state and local authorities. The Vocational and Professional Education Act (1996) allows for a dual system to co-exist with a standard school-based vocational education but the financial feasibility of a two-track system for a small country has so far been questionable. Comprehensive legislation is in place assuring planning and access to continuing education and training (Adult Education Act 1996, Financing of Education Act, 1996). The Employment and Unemployment Insurance Act (1990) with amendments (1998) provides for training/retraining for specific groups, e.g. long-term unemployed, reflecting EU employment policy areas. In 1997, 55% of the registered unemployed participated in training measures. Regional variations in unemployment need to be strategically addressed as structural unemployment takes hold. For instance, the Gorenjska and Karst regions have a growing population of unemployed older workers (above 40 years of age). Finally, general collective agreements for the commercial and non-commercial sectors bind the employer and employee to provide or follow training, respectively.

3.4 Changes in the administration of the system

Following the democratisation of the society, most governmental authorities advocated at the start of reforms, a decentralisation of power to regional, local and institutional levels. This was seen as a means to overcome the old command lines within the system, as well as a prerequisite for encouraging bottom-up reform and making vocational education and training more responsive to local and regional labour market needs.

More responsibility has been given to stakeholders in vocational education and training, such as school administrations at regional/local levels, municipalities, representatives from employees' and employers' organisations (see Chapter 3.6.) and local companies themselves.

Although the decentralisation of power differs considerably from country to country, the following tendencies can be described:

1. Central governments largely maintained decision-making powers and responsibility for the overall policy and legislative framework, vocational education and training structures and the allocation of budgets, the national classification of occupations, provisions regulating teacher training, assessment and certification, the accreditation of training providers and programmes, etc. Typically ministries are still too concerned with administrative tasks which prevent them from concentrating on policy issues, given their limited human resources and the inefficiency of process management.
2. Other tasks, such as the design of new curricula have largely been delegated to the schools although the latter frequently lack the essential methodologies and resources. However, processes of carrying out training needs analyses and the development of both education and training standards (occupational profiling) and curricula have been pilot-tested in all countries and involved regional and local bodies and employers.
3. There has also been a tendency towards democratic school management processes that include the fair selection of school managers on the basis of their competences (rather than their party membership) and the establishment of tripartite school boards with representatives from the teaching force, regional/local school authorities, employers and trade unions.

Administrative reforms are embedded in the reforms of overall regional administrative structures (the number of Polish voivodships, for instance, has, as of January 1999, been reduced from 49 to 16) and of the civil service system which are on-going in most of these countries. Reforms of the management and administration of the vocational education and training system will have to concentrate on the further de facto devolution of powers and responsibilities to lower administrative levels and the social partners, which includes the implementation of funding mechanisms that allow for a higher flexibility and encourage innovation.

On the other hand, a further decentralisation of responsibilities will have to be accompanied by a newly defined quality assurance system. 'Control' should, to a lesser extent, be exerted by defining 'inputs' into the system at central level, such as curricula, number of lessons/hours and teachers required, or budgets to cover teacher salaries, maintenance costs of schools, etc. 'Control' should shift towards an evaluation of the 'process', i.e. teaching effectiveness, and 'outcomes' (the assessment, by independent bodies, of students' competencies).

3.5 Changes in the financing of the system

Funding of vocational education and training has seen a diversification of sources, although the lion's share is still provided by the state budget. The costs of practical training and facilities, which used to be met by enterprises, are now mainly covered by the state. In most countries, state funds for initial vocational education and training are provided by the ministries of education and sector ministries involved and those for training/ retraining of unemployed adults by the ministries of labour.

Expenditure has, on the whole, not kept pace with soaring inflation. Budget cuts pose serious threats not only to plans for modernisation, but in some countries, such as Bulgaria and Romania, also to the ability of meeting running costs for existing vocational education and training provision.

Labour ministries` budgets are hardly sufficient to administer unemployment and pay adequate benefits to an increasing number of persons. With the exception of countries, such as Poland, the Czech Republic, Hungary or Slovenia, active labour market training schemes are largely underdeveloped also due to a lack of necessary funding.

In all countries efforts have been taken to decentralise the system with the aim of redistributing general revenues to regional and/or local administrations, whereby funds continue to come from the central budget. One of the aims of decentralisation is to increase the fund-raising powers of regional/local authorities and schools.

Some countries, such as Estonia, have changed from a funding control based on strict normative input criteria, to lump sum funding arrangements. This implies that a certain amount per student and year would be made available from the state budget. Financial management would then be at the discretion of the school management. School budgets are expected to allow for enough flexibility so as to encourage both development projects at schools and good performance of teachers.

Another trend is the increasing share of private ventures in the training market, although scales are still limited and their engagement remains 'niche'-oriented.

As previously mentioned, generally resources in Central and Eastern Europe are limited and the vocational education and training sector, where unit costs are higher in comparison with general education, is under-funded. However, it may be argued that existing funds are not always used in an efficient way. For example, the streamlining of the school infrastructure or the increase of the number of student/teacher ratio represent potential areas for further rationalisation. As a remedy to these problems, solutions are currently being sought by (a) opening up school facilities in which investments have been made, to other schools in the region and/or to adult training, (b) widening the scope of vocational education and training provision to cover not only one sector or one type of occupation and (c) re-establishing links with employers.

However, major efforts to close inefficient vocational schools have not been taken, as such decisions are obviously very unpopular and may, for instance, result in the further desertion of rural areas. Furthermore, in the absence of an overall human resource planning system, it is very difficult to assess which training capacities might be needed in the future and which not.

The private sector and businesses as a whole are increasingly expected to contribute in various forms to initial and continuing vocational training. However, models where employers would be obliged to contribute to training costs with a certain percentage of their wage bill, which is currently the case in Hungary, or where tax incentives would be granted to employers if they engage in training are still not commonplace.

Table 3
Country examples: Financing of vocational education and training

Bulgaria	Vocational schools are financed from the state budget. In 1996, the total state budget for education was 2.8% and for vocational education and training 0.35%, as a percentage of GDP. The relative expenditure on education is very low. Most Central and Eastern European countries have a total expenditure on education of between 5 to 6% of their GDPs. The schools may generate their own income to supplement the central budget allocation. Activities of the National Employment Service are funded through the Vocational Qualification and Unemployment Fund to which employers pay direct contributions as a percentage of their total wage bills. However, only 0.3% of this fund is earmarked for training. The skills upgrading of employed people is largely the responsibility of the employers and individuals themselves.%
Czech Republic	State technical and vocational schools are financed by the Ministry of Education and the sector ministries involved. This is done on a per capita basis. In 1997 the total public expenditure on education was 4.7% of GDP, while 0.89% was earmarked for vocational education and training. Re-qualification courses for the unemployed are financed by the Labour Offices. Other continuing education training courses (full-time or part-time) provided at state secondary vocational schools and universities are funded by the Ministry of Education. Courses organised by private schools have to be paid by the participants themselves, although they may be co-financed by the state budget.
Estonia	As for public expenditure on all education as a percentage of GDP, Estonia (6.95% in 1996) ranks highest in Central and Eastern Europe. However, the actual share earmarked for vocational education and training (0.64%) is relatively low and limits Estonia's capacity for reform. According to the new law, financing mechanisms will change from a tight control on the basis of normative input criteria, such as teacher salaries or school maintenance costs, towards a financing system whereby lump sums will be paid per student. The use of these funds would be largely at the discretion of school management - a system designed to encourage innovation. Retraining of the unemployed is funded by the state. Registered unemployed (approx. 42% of unemployed people not registered) are entitled to receive either training free of charge for up to six months or a respective allowance. So far training has been mainly contracted out to non-public institutions. Except for a few bigger companies, rates of investment in human resource development have remained low. State incentives for training are not granted to employers. Continuing training is exclusively financed by those interested in it.
Hungary	Financing is regulated under the 1995 Labour Market Fund Act. Total public expenditure on education represented 5.22% of GDP, while the share earmarked for vocational education and training amounted to 0.92% of GDP in 1996. Secondary vocational schools are funded by the state budget (35%), local governments (35%), the Vocational Training Fund (levy paid by employers – 20%), own resources and others (10%) (indicative figures).
Latvia	5.87% of GDP was allocated to education with 0.77% earmarked for vocational education and training (1996) which is slightly higher than average in Central and Eastern Europe (0.59%). Vocational schools are financed from the state budget. School maintenance and teachers' salary costs account for 97% of the budget, while the remaining 3% is for innovation. A reform of the financing formula and mechanisms is currently being debated. The breakdown of adult education funding in 1997 was: state expenditure (34.4%), tuition fees paid by the learners (33.5%), funding from firms and organisations (25.6%), municipal budget (2.7%) and other sources (3.8%). Funding provided for labour market training amounts to approx. 4.3 million Lats (approx. € 7 million). Employers investment into staff training has more than doubled in comparison with the periods 1995 and 1997.

Lithuania	Initial vocational education and training is mainly funded from state and municipal budgets. Public expenditure on education accounted for 5.8% in 1997 (5.5% in 1996) of GDP, which is low but in line with other Central and Eastern European countries. Vocational education and training expenditure represents only 0.4% of GDP or 1.9% of the total state budget. Schools are allowed to generate income to supplement central budget allocations. A debate on the establishment of a Vocational Training Fund to which employers are supposed to contribute is on going. Training programmes for redundant workers and the unemployed are financed from the Employment Fund which consists of employers' and employees' compulsory unemployment insurance contributions, subsidies from the state budget and other sources. Although the Fund seems to be functioning well, funds are insufficient and the effectiveness of their use is still to be formally assessed. Skills upgrading and retraining is the responsibility of employers and individuals themselves, apart from certain categories of public employees (e.g. teachers, doctors, judges) which are financed from the state budget. The state provides grants and other support measures for programmes, entitlement to paid training leave in the private sector, research and training for disadvantaged groups. However, the impact of these state incentives has so far remained rather low. In 1997, about 8% of courses were financed by private employers. It is intended that the state and municipalities provide some funding for non-formal training from 1999 onwards.
Poland	Compulsory education, including initial vocational education and training, is primarily paid from the state budget. Public expenditure on vocational education and training as a percentage of GDP was 0.7% in 1997 while public expenditure on education was 5.6%. In the future funding is expected to be distributed from the state to regional/local authorities in the form of lump sums. It is hoped that this will enhance overall local responsibility and take better account of local needs. Continuing vocational education and training is mainly financed from three sources: (a) public funds, (b) employers and (c) students themselves. Minor contributions come from foundations, non-governmental organisations and foreign assistance. Non-state run institutions are mainly funded through revenues from tuition fees. Tax incentives are granted to both employers and individuals for training purposes. The Labour Fund is the main financing instrument of the Ministry of Labour and Social Policy which is used as follows: 85.2% for unemployment benefits, 10.7% for active measures to fight unemployment, 3.0% for training of unemployed youth and 1.1% for others.
Romania	According to a World Bank study, expenditure on all education in 1998 as a percentage of GDP was estimated to amount to 2.78%, while the share earmarked for vocational education and training was 0.26%. Compared to 1997, this represented a reduction of the state expenditure on education by 2.9%. Active employment measures by the Ministry of Labour and Social Protection, which include vocational guidance, job clubs and training, are funded through the Unemployment Fund to which employers and employees pay direct contributions (employers: 5% of the total wage bill and employees: 1% of gross salary). Financing of continuing training for employed staff is the responsibility of the employer and the individual.
Slovak Republic	Costs for education and training are largely covered by the state. Total expenditure on education amounts to 4.7% of GDP, while the share earmarked for vocational education and training is 0.9% of GDP. Employers and employees alike contribute, through their unemployment insurance, to the Unemployment Fund. Registered unemployed are entitled to receive training. However, a major part of the total National Labour Office budget for 1997 was spent on passive measures (approx. 56%), while only approx. 11% were used for the (re-) training of the unemployed.
Slovenia	In 1996 public funds spent on vocational education and training accounted for 0.64% of the GDP. Some 9% of the 1995 education budget went to vocational education. Enterprises and municipalities are not required to contribute to training, apart from the fact that the Local Self-Government Act (1996) decrees that infrastructure costs for vocational schools are to be met by regions and municipalities. The success of the dual system will be determined by employers' contributions (apprenticeship income/social insurance, planning, placements, etc.). Employers are presently arguing for special state funds to assist enterprises to participate in the dual system. There is no information available on how much employers spend annually on apprenticeships or staff training.

3.6 *Involvement of social partners*

In the European Union social dialogue (even in the field of vocational training), is a consolidated but diversified reality and recognised as being at the heart of the European Union's social legislation. The departure point of social partnership in Central and Eastern Europe was radically different, as the concept was completely unknown before reforms started.

The concept of social partnership in Central and East Europe has emerged in a particular context: the move towards a more diversified social structure resulted in the proliferation of interest groups. This has been a constraint in the consolidation of new unified social partner institutions.

Employer organisations did not exist under the old "regime" and therefore had to be developed from the scratch. The previously existing trade unions suffered from a major loss of their legitimacy and a drastic decrease in membership, which forced them to radically re-orient themselves towards new functions. In most countries new independent trade unions emerged but were often in competition with the existing ones which has further hampered the increase of their impact. Finally, the economic environment, which was marked by a rapid structural transformation and accompanied by a serious economic decline and increased unemployment, has been an additional obstacle.

During the initial transition phase, the urgent need to reform the vocational education and training system contrasted with the fact that social partners were relatively unprepared in terms of expertise and resources to assume responsibilities in this particular field.

Despite this context, several positive trends can be observed: the development of a system of social dialogue, underpinned by the values and principles prevailing in the EU, has been defined as a major policy goal in most countries aspiring to join the European Union. As a consequence, much progress has been made in areas considered essential for the establishment of a modern system of industrial relations in a democratic society:

- There is freedom of association and a pluralistic and independent representation of interests;
- There has been a marked increase in the number of new trade unions;
- Collective bargaining frameworks have been developed, etc.
- Specific tripartite bodies dealing exclusively with training issues have been created. However, their role is predominantly a consultative one, as in most countries social partners are not yet really involved in decision-making.

While the situation seems to be evolving in a positive direction, social partner participation in vocational education and training in Central and Eastern Europe is a diversified but still rather limited phenomenon. It reflects the different socio-economic, political and cultural backgrounds and traditions of the country concerned. In most countries, vocational training has not ranked high on social partners' agendas where issues such as jobs, wage determination, social security, economic survival of the enterprises, etc. had to be given immediate attention.

There are important shortcomings that need to be addressed:

- The representative and autonomous status of social partners needs to be reinforced in many cases;
- The sometimes weak development of the private sector has hampered the emergence of strong employers' organisations representing this sector;

- There is a lack of or very low representation and impact of trade unions in the emerging private sector (particularly within SMEs and companies with high levels of foreign investment); their influence tends to be limited to branches or companies which are still under state control;
- Social partners involvement in vocational education and training at regional/local, institutional, sectoral or company levels has to develop in a more structured way. For instance in analysing skill needs and developing profiles/programmes, in school management processes and the delivery of training;
- International technical assistance programmes in the training field should pay adequate attention to the involvement of social partners; and
- Skills and expertise of both social partner organisations and public administrations have to be further developed.

There is a growing understanding that the establishment of a legal and institutional framework is an important but not the only condition to guarantee an effective social dialogue. Increasing the commitment and motivation of social partners and authorities alike is considered an equally important prerequisite.

The experience gained to date demonstrates that increased communication and co-operation between social partner organisations in the EU Member States and Central and Eastern European countries, as well as a continuous awareness-raising and training process can contribute to meet the above challenges.

Table 4
Country examples: Involvement of social partners

Bulgaria	The system is still managed in a highly centralised way. At national level there has been limited involvement of social partners whose main interests concentrate on negotiations relating to salaries and working conditions of employees. There is presently no institutional framework in place to allow for the structured involvement of social partners.
Czech Republic	Social dialogue on economic and social issues takes place at a national level in the Council of Economic and Social Agreement. However, there is no national institutional framework for social partner involvement in training issues. Their influence on policy or decision-making issues in the area of training is extremely limited.
Estonia	Although the management of the system is still largely centralised, more tasks are being delegated to lower hierarchical levels and social partners. The latter involves, at the national level, the consultation of social partner organisations on the vocational education and training concept paper and draft laws, as well as their involvement in the establishment of a national qualification system through their participation in tripartite branch committees. These operate under the auspices of the Chamber of Commerce and Industry. At local level social partners are encouraged by law to participated on tripartite school boards.
Hungary	Hungary has been quicker than other Central and Eastern European countries in providing for a social dialogue on vocational education and training issues at both national level- through the National Vocational Training Council - and local levels - through the county councils. The tripartite National Vocational Training Council advises the government on all strategic issues related to vocational education and training.

Latvia	The management of vocational education and training is still highly centralised. However, efforts are being taken to delegate responsibilities to lower hierarchical levels. A social dialogue culture in decision-making processes has been largely absent, although social partner organisations are increasingly consulted on policy issues. During the past two years efforts have been made to re-establish an authorities-employers relationship, with the Latvian Employers Confederation, the Chamber of Commerce and Industry and the Chamber of Craftsmanship being the main actors on the employer side. A tripartite Co-operation Council on Vocational Education and Training has been established. However, overall, the role that social partners play in vocational education and training has not yet been clearly defined, although there has been agreement on the setting up of tripartite branch committees for carrying out labour market needs analyses and defining occupational standards.
Lithuania	Strategic and policy decisions are still mainly taken by the ministries, although the Law on Vocational Education and Training provides for a division of responsibilities between central authorities, county/local governments and the social partners. A mixed vocational education and training management system is being encouraged, with greater involvement of the private sector. Although a legal framework has been created for social partnership at all levels, social dialogue still needs to be put into effect. The EU Phare 1994 & 1997 VET Reform programmes have been innovative by trying to involve, with varying success, social partners in the design of a national vocational education and training policy, the setting up of tripartite bodies for the definition of occupational standards in specific economic sectors and the overall development of programmes.
Poland	Further decentralisation of decision making and management processes is envisaged along the lines of the regional administration reform on-going in Poland. A legal framework for social dialogue exists. Social partners have been consulted on various policy issues through their participation in different tripartite bodies at national and regional levels but their opinion has not always been taken into consideration in decisions taken by the ministries. Overall however, social partners have taken a rather passive role and not shown a great deal of interest in training issues. Co-operation between vocational schools and employers is best developed in the crafts sector where an apprenticeship system exists.
Romania	There has been a limited involvement of social partners in training issues to date. However, a new institutional framework for social partner participation in continuing training has recently been adopted. Some co-operation has been (re-) established between individual schools and local employers. A National Agency for Employment and Training became operational in January 1999. However, its establishment was not preceded by the formulation of an overall policy for the re-qualification of the labour force. The Agency's main objectives include the institutionalisation of a social dialogue on employment and training issues, as well as the effective management of related measures.
Slovak Republic	The overall involvement of social partners in vocational education and training has so far been rather limited despite the fact that, in 1997, a tripartite body advising the Council of Government on vocational education and training issues was established. Social partners were, for instance, not involved in the design of new curricula. However, since the formation of the new government in 1998, there are positive indications for the development of a social dialogue at national level. The government has announced its intention to put social dialogue on a legislative basis.
Slovenia	The institutional involvement of employers to vocational education and training developments is well established in law but direct practical involvement in local planning and delivery is weak. The contribution of trade unions at all levels is negligible. Support is required to ensure the effective contribution of social partners at branch, regional/local and school levels. There is a pilot dual system in place but its future, as mentioned before, is at risk, the employers' ultimate commitment is not certain. Staff training levels in enterprises and organisational support have so far remained low. As a result of the EU's Phare 1994 VET Reform programme, tripartite Regional Vocational Education and Training Councils that could form the platform for an effective social dialogue on all human resource development issues have been set up in the regions.

3.7 *Anticipation of skill needs and vocational standards*[9]

Although the labour market is only one factor amongst many others that influence the functions, scope and content of vocational education and training, it is its most important reference point. Educational planning, including the structural adaptation of the system, curriculum development, teacher training, equipment upgrading or the vocational counselling and guidance of people, needs to be based on sound labour market analyses. The latter are carried out with a view to:

- **monitoring** actual labour market developments and the extent to which the training system responds to them, and
- identifying current and **forecasting** future skills and training requirements.

In this context, it should be emphasised that forecasting models in modern market economies (as opposed to former human resource planning mechanisms in Central and Eastern Europe) provide a basis for 'mechanical' planning by giving estimates of labour demand in quantitative terms. They provide qualitative indications as to likely technological changes, the overall influence of computer technology or the information society on a given sector or area, changes in work organisation, the need for compliance with industrial standards, including quality and environmental standards, etc. Such surveys can give an early warning as to possible sectoral recessions or booms, globalisation trends, etc. While long-term forecasts are mostly done on an aggregate basis, short-term forecasts typically provide greater detail and are more reliable particularly in countries with economies in a state of flux.

In the Central and Eastern Europe the traditional methods, concepts and parameters of labour market needs analyses have been under scrutiny in order to see whether and how they are able to reflect changes taking place in the labour market.

Particular attention has to be paid to the following issues:

- Labour market needs analyses have to take into account not only the actual situation (and requirements) but also processes, tendencies and trends in a medium-term perspective;
- Information should best consist of a combination of both quantitative and qualitative data on labour market developments and needs;
- The focus should be on qualitative information specifying the rapid changes in job contents, work processes and labour relations, and defining the impact on the skills required;
- Labour market information should take account of the information needs of decision-makers at national level (ministries, national organisations of social partners) and regional/local level (administrations, training institutions and companies), and individuals enrolling in vocational training;
- There needs to be a major re-grouping or clustering of formerly narrowly defined occupations into broader-profiled occupations or occupational areas which would then be subject to labour market needs analyses;
- Many skills required today (the "core skills" or "core competencies") are interdisciplinary and cannot be ascribed to a particular sector or occupation.

9 *Much of the information in this section was taken from 'Linking Labour Market Analysis and Vocational Training' published by the European Training Foundation in 1998.*

In addition to these considerations, Central and Eastern European countries faced the challenge of re-establishing or re-designing a labour market information/ training needs analysis system that could serve as a basis for the various functions of educational planning. Several problems and challenges arose in this context:

1. *Information gaps*

The large-scale economic restructuring processes linked to the transition towards a market economy created a great deal of instability and uncertainty as to labour market developments. As a result, there are major information gaps regarding skills and training requirements within the labour market.

While all Central and Eastern European countries collect some kind of labour market information (such as the number and characteristics of unemployed or employed people, people at risk of unemployment, etc.), the richness and reliability of such data differ considerably from country to country. Specific types of data are either not collected at all or are not provided in a format that would allow education planners to respond. In general, there is a lack of targeted information, e.g.:

- different occupations and their changing work content, on occupations that are disappearing or are emerging, etc.;
- the employability and career opportunities of young people entering the labour market or of (re-)trained people with different kinds of vocational qualifications;
- future skill needs of employers (available information refers to past or current skill requirements).

2. *Lack of analytical capacity*

Even where this general labour market information is available, it may not be sufficiently analysed for vocational education and training purposes. It appears that only in very few countries, such as Hungary and Poland, studies on the different aspects of interaction between training and the labour market have been undertaken. However, even in the Hungary and Poland such research is not carried out in a systematic way. This lack of analytical work is, apart from the lack of primary information, attributed to a number of factors, including:

- a lack of experts to investigate this subject (experts focus either on labour market issues or on training but rarely on their interaction);
- a limited knowledge of appropriate data collection and analytical methods;
- the difficulty of both employers (and trade unions) and vocational education and training planners at national, regional and local levels to articulate their skills or information needs and, in this context, the difficulties in singling out the qualitative elements of occupations or occupational areas which needed to be analysed;
- the absence of one single institutional home to co-ordinate the whole process of data collection and analysis for vocational education and training purposes.

3. Deficiencies in the support framework

With the exception of very few countries, there is a lack of co-operation between the different actors who could play a major role in ensuring the link between vocational education and training and the labour market. This is often due to the following factors:

- a weak legislative and/or institutional framework for ensuring co-operation;
- a divergence of objectives between education/training authorities on the one hand and employers or employees organisations on the other and
- insufficient capacities and/or interests of the different stakeholders in understanding and tackling vocational education and training issues.

The following challenges for Central and Eastern European countries arise from the above analysis:

a) A new mechanism and related roles and responsibilities of the different actors, institutions and/or (tripartite) bodies to carry out labour market needs analyses and to translate skills requirements into occupational standards would need to be defined and actors be given an official mandate. This new mechanism should bring together information from different sources, be able to cope with the dynamism of labour market developments and, in this context, also provide forecasts on training needs arising from new areas of economic activity.

b) Ideally, one single institutional home and/or a credible research base would need to be set up for this assignment and equipped with adequate resources, both in terms of funding, staffing and equipment.

c) A comprehensive database needs to be developed that would make both quantitative and qualitative information for planning, monitoring and evaluation purposes easily available. In this context, countries could build on existing information sources, such as registers of the unemployed at national and regional levels, regular economic or household surveys, regular company surveys, occupational analyses etc. and extend them by adding questions/parameters that would fulfil the information needs of vocational education and training planners.

d) Extensive training would be required to familiarise staff, external experts and decision-makers with respective tools and mechanisms.

3.8 Curricular reforms

Before the reform process started, the curriculum concept in Central and Eastern Europe was based on a centrally planned economy, with relatively static employment patterns. The curriculum (including teaching programmes for various subjects) was perceived as a document containing a technical content that had to be 'transmitted' to the students.

The shift in curriculum philosophy that has been occurring in EU and OECD countries since the 1970s, remained unnoticed, or at least was not implemented in Central and Eastern Europe until the early 1990s. In fact this became one of the first objectives of their curricular reforms. This new philosophy includes, as a replacement for traditional passive and encyclopaedic learning, an increased emphasis on active learning methods and the concept of applied knowledge, as well as the integration of both academic and vocational subjects and of theory and practice. Later, in the 1980s, the concept of 'core competences', such as the ability to communicate, to work in teams and to learn independently, was promoted.

In their effort to reform curricula, most Central and Eastern European countries were faced with the following problems:

- lack of focus in the curriculum design process and no reference to modern occupational standards (existing ones were outdated and new ones were not yet prepared);
- a serious lack of research capacity (both in quantitative and qualitative terms) in the field of curriculum development;
- lack of knowledge on quantitative aspects of analysing labour market needs;
- lack of information on developments in curriculum theory and practice in other countries, which resulted from the lack of contact of individuals and institutions with their counterparts in other countries; and
- lack of motivation and capacity, at school level, to be involved in curricular reforms.

Two main developments can be observed in the field of curriculum development:

- The gradual move towards the de-specialisation of occupational profiles and a broadening of skill requirements. This shift away from over-specialisation corresponds to shift towards creating a balance in the syllabi between general education subjects, instruction on the theoretical foundations of specific occupations and practical skills training.
- A number of new occupations/specialisations have emerged in new domains of economic activity, such as business, commerce, banking and insurance, for which new curricula were developed.

Policy and strategy perspective

In most Central and Eastern European countries, a continuous tension has remained between a highly centralised decision-making structure and traditionally input-oriented control mechanisms on the one hand, and adaptation and innovation activities by individual schools or institutions, on the other. This tension has also been felt in the Phare VET Reform programmes, which were all based on experiments in a limited number of pilot schools. In the absence of vocational education and training support institutions and mechanisms to validate school-based experiments, the experience from the pilot schools could often not be disseminated to other schools or the system at large.

Decentralisation, at least in the area of curriculum development (except, perhaps, for Hungary and Slovenia), has occurred per force, as national ministries have been unable or unwilling to initiate national curriculum reform programmes. Individual schools have had to respond on their own simply in order to survive. In general, such schools, in the absence of signals from enterprises, have largely relied on the educational aspirations of students. This has led to a relatively quick coverage of new qualifications required by the labour market, followed by an overproduction of such qualifications, and has also often resulted in uncontrolled and divergent quality structures. Schools have not been able to rely on external professional support institutions a great deal.

Only recently, a number of Central and Eastern European countries have begun to establish the national institutions and mechanisms that would enable them to leave continuous innovation to schools. This work, however, appears to be extremely complex. It involves the reform of traditional vocational and occupational classification systems, the development of a system of national standards and qualifications, and of external assessment and examination procedures, for which neither the necessary social partner involvement nor sufficient professional research and development capacity are available. Additional pressure arises from the need to provide for a transparency of qualifications with those acquired in other countries, particularly the EU Member States.

The organisational perspective

Curricular reforms in Central and Eastern Europe countries have adopted a wide spectrum of possible approaches to the organisation of the curriculum. They followed either a course-based, subject-based or modular pattern or a mixture of those.

In Central and Eastern Europe there have been a number of approaches to the implementation of a modular system, from no modules (Latvia, Slovenia) to 1000 (Estonia) or just a few (the Czech Republic, Poland and the Slovak Republic). It is not clear why this approach has been advocated (or not) in general or by specific advisers in particular. Although there are EU countries, such as Ireland, which do apply a modular system to training - as a sector comprising both initial and continuing training - with considerable success, the organisational, resourcing and institutional implications of such an approach may not have been entirely grasped in Central and Eastern Europe. Complex relations, for example, between modularisation and a credit-based or competence-based approach are not completely clear in the EU countries.[10] However, in countries, where the economy is in a state of flux, a flexible approach to training with the chance to quickly overhaul parts of the curriculum if necessary may be the only solution.

However, future investment in vocational education and training reform and the consequent design of programmes should be accompanied by a better understanding of the organisational complexity of curricular reforms by policy-makers and other stakeholders.

The individual and pedagogic perspective

In most countries an overall national curriculum structure is not yet in place and procedures, rules and responsibilities have not been established at national level. Many countries have followed a bottom-up approach where pilot schools would produce occupation-oriented curricula.

In particular, the development of specific, tailor-made general subjects in vocational education and training and patterns of how to combine vocational (practical and theoretical) and general subjects/themes are not clear.

Vocational education and training is still largely organised around subjects. The content and goals of basic technological subjects are usually described through the basic laws on natural sciences and their relation to basic technology. This is not very useful as regards the work process. Technological descriptions of the functions and structures of basic technology are laid down in the curricula but the way in which they relate to modern technological systems as may occur in the work place is often omitted.

The participation of industry is essential in the curriculum design process. In most countries, the new world of labour is not yet reflected in the curricula. Established companies will continue to face problems in reorganising work processes and reallocating labour, as long as modern equipment is missing. Other companies are not committed to vocational education and training, as their few experts cannot spare the time for curriculum work. Consequently, the designers of the new curricula are often teachers with experience partly based on the past.

The better balance and interaction of vocational subject-related elements and vocation-specific general subject elements deserve more attention. Strategies should be developed to expand the capacity of vocational school teachers and trainers to carry out skill needs analyses themselves, in order to analyse the needs of local companies and to translate qualification needs into curricula and

10 *Cf. D. Parkes, D. Gronwald, P. Gorrtings & S. Nielsen "A Cross-Country Analysis of Curricular Reform in Vocational Education and Training in the Phare Countries" published by the European Training Foundation in 1999.*

practical teaching/learning arrangements. This way the information gap and the time-lags between the world of (scientific) labour market analyses and the world of education and training in the schools could be reduced.[11]

3.9 *Teachers' and trainers' training*

The continuing low social esteem of the teaching profession coupled with low remuneration did not attract young people into the system which, over time, led to an ageing of the teaching profession. Salaries are typically lower than the average of those with a similar level of qualifications employed in other professions. As was the case for all civil servants, the payment of teachers has in most countries not kept pace with inflation. Moreover, many competent teachers left for better paid jobs in the private sector and those who remained behind frequently lacked the necessary motivation for change. Furthermore, it was these very teachers who were expected to be the key change agents at school level.

As described in Chapter 2, vocational education and training had not been perceived, on the one hand, as a holistic pedagogical system with integrated theory and practice (despite of the rhetoric) and, on the other, as a sector in its own right with a certain specificity vis-à-vis general/higher education. Vocational training was and still is regarded as a discipline belonging to general pedagogy. Exceptions are Poland and the Czech Republic. As regards the area of research, not a great deal of attention is given to teacher training in the field of vocational education and training.

The differing levels of qualifications of the various of teachers or trainers, including theory teachers and practical training or workshop instructors, represented a major barrier to the development of coherent, up-to-date vocational education and training provision. Moreover, all three categories of teachers frequently possessed, at least from a Western perspective, a relative low subject and teaching competence, as well as insufficient skills for taking active part in everyday school management processes.

Vocational school teachers in all Central and Eastern European countries basically lacked process knowledge. Pre-service teacher training was oriented towards theoretical knowledge of the corresponding scientific field which had to be learned in the same way as natural science subjects.

Institutes for initial teacher and further teacher training exist in all Central and Eastern European countries. However, there are only few countries which have specific institutions that provide training for vocational school teachers and trainers. Where this was the case, such training did not always lead to a university degree, such as in Poland.

Further training is provided in all countries but is often reduced to either general education topics or the provision of courses on how to handle, for example, new learning equipment, including computers.

A constraint resulting from the low level of teacher training is the fact that teaching practice in the Central and Eastern Europe largely emphasised the knowledge of facts rather than ways of problem-solving. Classroom work was predominantly teacher rather than learner-centred.

There is an urgent need not only to reform pre-service training for vocational school teachers and trainers but also in-service training. Teachers require not only academic knowledge and work experience, but they must also be able to apply this experience to their daily teaching practice. Teachers should be familiar with the world of work, they must understand how it is organised and the skills required by companies. Only then can they bring students' learning in line with it.

11 *For country-specific information see "A Cross-Country Analysis of Curricular Reform in Vocational Education and Training in the Phare Countries", published by the European Training Foundation in 1999.*

Dividing the teaching and learning process into two parts with theory on the one hand and practice on the other is still common practice. However, in this way students' competencies cannot be developed. Teachers, instructors and students need to learn how to relate theoretical knowledge about technologies and the work process to their actual functioning in practice.

Quite typical for development models based on a pilot school approach is another unresolved problem related to the (nation-wide) dissemination of the curricula developed under the Phare or other aid programmes. Although pilot school teachers who are to introduce the new curricula have carried out comprehensive training programmes, national-wide teacher training programmes have not been launched. Emphasis should be put on introducing the new curriculum principles to pre-service as well as in-service vocational teachers. Also, the newly trained teachers would need to learn now how to effectively apply active learning methodologies in practice and develop a 'co-operative' style of learning between teacher and student. In this context, they would require a careful 'coaching' by experienced teachers.

These initiatives require strong management support at institutional level. Vocational education and training programmes such as the EU Phare MOVE (Management of Vocational Education) programme in Poland introduced quite powerful management training packages for school managers and regional education officers.

However, what is also required is the development of the school as an organisation as a whole. Changing the climate of an institution and the attitudes of staff requires resources and time. It requires a long-term commitment at national level with clear policy objectives. Experience gained in other countries shows that the development of both new types of learning organisation and new types of management skills normally requires a timeframe of at least a decade.

Perhaps the most important reform issue in teacher training is the training of the trainers themselves. This relates to the content of the training, as well the teaching competence of the trainers in the teacher training institutes. Training courses need to be better tailored to vocational reality. Further training must be based on training needs analyses. Substantial investment has to be made in this field before the reform process can develop its full potential.[12]

3.10 *Higher vocational/professional education*

During the 1990s efforts were taken in all Central and Eastern European countries to broaden the range of education and training programmes offered in order to bridge the gap between vocational education and training at skilled worker level on the one hand and professional education at university level on the other. Stemming from the need of both the labour market and society for higher level qualifications, as well as the need to raise the attractiveness of vocational education and training in general, education planners had to think about upgrading attainment levels of existing vocational education and training programmes and diversifying, i.e. extending career paths in the field of vocational education and training.

A degree of confusion in creating a post-secondary vocational/tertiary professional education sub-system was caused by the absence of a clear definition of this sub-system and its delineation vis-à-vis other educational sub-systems. Traditionally, post-secondary vocational and tertiary professional education at non-university and university levels are dynamic educational sub-systems that do not have clear demarcation lines. According to commonly used classification systems, the post-secondary vocational/tertiary professional education sector would correspond to

12 *For country-specific information see "A Cross-Country Analysis of Curricular Reform in Vocational Education and Training in the Phare Countries", published by the European Training Foundation in 1999.*

CEDEFOP/SEDOC level 3 (for technician's level), level 4 (for non-university, college type of vocational/professional education) and level 5 (for higher professional education at university level) or cover from ISCED (1997) levels 4 to 5b accordingly.

The options chosen, at the first glance, appear as a bewildering variety. However, in Western Europe the variety of models is by no means smaller. Despite this diversity some common features can be identified which have emerged in the field of post-secondary vocational/tertiary professional education in Central and Eastern Europe in the 1990s:

1. The majority of Central and Eastern European countries have established tertiary professional education by (a) establishing or extending to post-secondary level, vocational programmes offered by existing vocational schools and/or (b) offering college-type programmes in educational establishments at university level. However, a few Central and Eastern European universities are, from a legal point of view, not allowed to offer undergraduate education. This is coupled with a considerable degree of resistance from the universities themselves to what they consider a competing sector.

2. Efforts have been taken to agree different educational attainment levels at national level. The main means has been to ascribe a certain number of years of study to the different levels. There are two or three major types of post-secondary vocational/tertiary professional education programmes, ranging from one to two or even three years of supplementary studies after graduation from a (two-year) basic education and training course. It becomes clear from the above that initial discussions have, for traditional reasons, often focused on the length of programmes rather than their outcomes in terms of competence levels.

3. In some cases there appear to be no clear demarcation lines between secondary vocational education and post-secondary vocational education. Parallel structures may exist: post-secondary programmes requiring up to two years of additional studies upon completion of secondary education are intertwined with vocational education programmes at secondary level which last 4-5 years. In most of these cases, structures were retained from the past.

4. Institutions were rarely established from scratch. There are many institutions providing programmes exclusively in the field of post-secondary vocational/tertiary professional education. Institutions who wanted to offer programmes leading to this attainment level had to apply to their ministries for a special 'college' or 'higher education establishment' status.

5. The allocation of such a status to certain institutions appeared at times to be quite arbitrary, as in most cases common programme, teacher qualification or equipment standards to meet the requirements of this sub-sector had not been defined. Hence, it is no surprise that the first college-type institutions were created in areas, such as applied arts or basic business education, where a major equipment or teacher skills upgrading was not considered necessary. Programmes were upgraded mainly at the initiative of the institution that applied for the higher status.

6. As access to university education was formerly restricted, the emergence of this new sector represented good compensation. Participation rates in the area of post-secondary vocational/tertiary professional education have been constantly increasing since their establishment.

7. Furthermore, as most of the programmes continue directly from vocational education at secondary level and allow in most cases, for access to university education, the overall vertical mobility of students going through the system has improved considerably. In the past vocational education and training at skilled worker or technician's level had often meant a dead-end.

The overlap of programmes offered by different types of institutions was not necessarily unintended. The Czech government, for example, used the term of a "spectral model", expressing the desire to create a wider range of career options rather than a clear typology of programmes and institutions. They justified this by arguing that the employment system does require varied levels of qualifications.

In summary it can be said that there is now a major need to (a) design programmes particularly in the area of new technologies to emphasise the development of both higher-level cognitive, technological and social skills, (b) to train teachers and trainers and upgrade equipment and (c) to considerably improve the links between learning processes and the world of work. Thus, applied higher education institutions would be created that are able to 'produce' the skills required by a modern market economy.

3.11 *Continuing training*

While Central and Eastern European countries differ substantially with respect to educational traditions and reform choices, most of them do not appear to have a clear understanding of the role and contribution that continuing training can and should play during and after the transition. There is a considerable degree of confusion and uncertainty as to the meaning of the concept of continuing training. This may well reflect the actual situation in the countries themselves. Here it is simply defined as "all learning that improves the employability of adults who have left the compulsory education system".

The former continuing education and training systems have collapsed. The old concepts, designed for completely different political, economic and social contexts, are no longer suitable for today's needs. However, despite the crucial role and contribution that continuing education and training can and should play during the transition process, it has not received priority attention to date.

Continuing education and training is carried out in a fragmented rather than systematic way. With the withdrawal of state and enterprises, the employment services have been left to take charge of (parts of) continuing education and training. The institutional continuing education and training infrastructure is insufficient, leaving many potential target groups with no access to any type of continuing education and training. New concepts, structures, programmes and approaches have to be developed to meet the new labour market and social requirements. All major stakeholders should be involved in such a process. Governments in particular could initiate the debate by preparing Green (consultation) papers. An improved information basis, analysing the qualification requirements of the labour market and specific groups of people, as well as existing and required training providers and programmes, is important for effective action. Hence, there is an urgent need for the development of data collection and analysis and policy-oriented capacities.

The most critical issue facing continuing education and training appears to be funding. There is an urgent need to review existing sub-sector based funding mechanisms and expenditures and to seek for alternative funding sources. Employers should be encouraged to invest in human resource development and make use of matching funds or other incentives.

The role of the state and social partners goes beyond funding. There is now a need for tripartite debate and action to create the general conditions for access to continuing education and training, either through the establishment of legal rights or by its inclusion in collective agreements. Whether or not there is a need for separate laws for continuing education and training can still be questioned. Instead, an integrated vocational education and adult education law could be formulated that

would regulate issues such as the common qualification structure and ensure a maximum use of resources.

The state and social partners would also have a joint responsibility concerning quality assurance of continuing education and training in terms of both labour market and employment relevance and the responsiveness of continuing training provision to the needs of individuals. In Central and Eastern Europe quality control has usually been done through licensing training providers and/or programmes. In addition or as a substitute, a national system of qualification standards and their independent assessment would have to be developed.

Most enterprises in Central and Eastern Europe, particularly the larger ones, have invested in training to some extent. Respective means for small and medium-sized enterprises are much more limited, if not completely non-existent. The majority of SME managers may be technically qualified, as engineers or scientists, for example, but are running businesses largely without having benefited from any management training. Recent surveys revealed that there is a lack of integrated management training courses aiming at the development of comprehensive managerial knowledge and skills for business managers. Governments have to respond with special support measures for companies, in particular SMEs, which include training specifically tailored to their needs.

To achieve a better match between the needs of adult learners and the training on offer, a comprehensive vocational counselling and guidance system has to be established which is currently not in place in all Central and Eastern European countries. In addition, the specific needs of adult learners mean that more attention should be paid to the availability and quality of learning opportunities, flexible training delivery, specific training methodologies, and the integration of work and learning. Assessment and certification would need to be developed, taking into account the fact that learning can also take place outside the formal system.[13]

13 *For country-specific information on legal, conceptual and financial aspects of continuing training see examples given in Chapters 3.3. and 3.5.*

Chapter 4. Challenges for training in the transition context

Vocational education and training in countries in transition to a market economy and a democratic society has got a remedial, an adaptive and a pro-active function. These three functions are directly inter-linked and imply that vocational education and training is important

- to underpin and motivate the economic and social transformation process;
- to prevent and combat the social exclusion of people disadvantaged in the labour market and
- to cope with constant technological changes and labour market uncertainty.

Following on from the initiated reforms, the Central and East European countries are facing the following challenges which will have a major impact on their vocational education and training systems:

1. *Anticipation*

Anticipating future skills and market changes are key priorities for transition countries, if they wish their training systems to be responsive and their companies to become and/or remain competitive. Well-structured institutional arrangements have to be put in place to anticipate shifts in employment and vocational qualifications. Co-ordination mechanisms have to be set up to ensure the use of forecasts in initial and continuing vocational training, vocational guidance and the work of employment agencies. In addition, capacities of individual companies need to be strengthened to identify their own skill requirements and training needs.

In the context of fundamentally changing labour markets, the need to understand the labour market and predict its evolution and the need to understand skill trends and structures resulting from changes in products, technology and forms of work organisation are of even more vital importance.

Successful forecasting requires the existence of:

- bipartite and tripartite social partnership in actions to anticipate and react to change,
- a credible research base helping vocational education and training institutions respond to changes in the structure of jobs and skills, and, last but not least,
- institutions capable of incorporating anticipation in other industrial policies and in the management of companies themselves.

In the absence of clear economic development guidelines, the vocational education and training sector in Central and Eastern Europe may, to a greater extent, consult with ministries of economy, labour and related sector ministries and launch, on its own initiative, sector-related and/or regional analyses to assess economic development and employment perspectives, as well as training capacities and needs.

2. *Management training*

"The key to growth are experienced entrepreneurs."[14] A case study undertaken in the Czech Republic revealed that companies in which foreign shareholders had also invested in the training of managers performed much better than local companies whose managers had not been trained.

Companies in Central and Eastern Europe require a revolution in management thinking and the development of related management skills to enable them to raise the competitiveness of their companies, as they adapt to the new economic conditions. Reorganising companies demands that managers and entrepreneurs operating in a context of continual change have the ability to play roles distinct from those of autocratic controllers. This leads inevitably to the development of new entrepreneurial and managerial cultures.

To integrate and operate new organisational structures, managers need to be trained to:

- decentralise decision-making, place wider responsibilities on workers, especially in relation to quality assurance, and encourage innovation;
- flatten hierarchical structures, bringing in new moderating, coaching and guidance roles for management;
- integrate functions of 'brain and hand' at the workplace by forming multi-task teams of multi-skilled workers responsible for their own work.

Managers need to overcome their hesitance vis-à-vis investment in new training, organisational and human resource systems. Training should be viewed as a long-term investment and as a means to implement business development strategies. A major training and tutoring programme for new managers needs to be launched which places particular emphasis on the needs of SMEs.

3. *Improved initial vocational education and training*

In order to improve the responsiveness of vocational education and training to new labour market requirements, reforms have to be sustained and extended with a particular view to:

- adjusting the existing school infrastructure and programmes to the new economic priorities;
- reforming qualifications further so that they correspond more closely to the needs of the labour market;
- increasing investment in vocational education and training to promote innovation and ensure higher levels of both participation and attainment in vocational education and training;

14 *Ernesto Preatoni in: The Baltic Times, October 15-21, 1998.*

- re-establishing links between education and training institutions and the world of work;
- placing greater emphasis on the acquisition of transversal competencies ("core competencies"), including technological, social, organisational, linguistic, cultural and entrepreneurial skills, through active types of learning.

All the above aim at improving the employability of young people.

4. *Continuing training*

The serious transformations of society and employment have profoundly increased the importance of continuing training. Much larger scales of continuing training are required than are provided today with a view to underpinning and stimulating processes of economic recovery, re-conversion and diversification.

The economic objectives of continuing training in the transition context have to do with increasing efficiency and growth and include avoiding skill shortages that might hamper growth, considerably improving productivity and competitiveness or even attracting external investment. In the context of major structural adjustments, continuing training forms the bridge between past and future economic activity, ensuring that the knowledge and skills of the labour force are adapted to the changes that have occurred or are likely to occur in the labour market.

In this context, continuing training should not only guarantee the updating of qualifications and skills improvement on a larger scale, but also prepare workers for newly evolved jobs, in new areas of economic activity. In this context, continuing training has to take account of the fact that societies in Central and Eastern Europe are likely to move away from the concentration on heavy, environmentally dangerous and labour-intensive industries and from the provision of raw materials or semi-finished products. The emphasis will be shifted towards high-quality, high-tech products and services. The countries in question are also likely to increasingly become service economies, like other industrialised countries. This includes the production sector where a higher emphasis will be placed on services dedicated to the distribution and maintenance of products and the design or research and development of new products.

In addition, companies in will, like those in other industrial societies, be confronted with demands to meet ever-changing and continually rising technical and quality standards. Experience from Western countries shows that expected increases in productivity can only be achieved if sufficient investment has been made in preparing the labour force or in reorganising production within companies. SMEs in Central and East Europe would require special support in this respect as they find it particularly difficult to incorporate the latest technology or best practice in their working processes and methods.

5. *Training to combat social exclusion*

Reforms have so far mainly focused on mainstream developments and students. However, given the projected high levels of unemployment in Central and Eastern Europe, it is important that those who are long-term unemployed or disadvantaged in some other way, including people above a certain age group, women, ethnic minorities, etc. are given special assistance to improve their labour market performance and help them find their place in the new society. It is anticipated that without such

assistance these groups would become ever more removed from the labour market and increasingly socially excluded.

Groups at risk of social exclusion include in general:

- women,
- certain age groups (under 30 and above 45 years of age),
- ethnic minorities and
- the lower qualified.

Table 6
Country examples: Groups at risk of social exclusion

Bulgaria	Special programmes to combat social exclusion are limited but exist for groups of people with disabilities and ethnic minorities.
Czech Republic	As part of active labour market policy, the training needs of especially vulnerable groups such as the long-term unemployed, young unemployed or the Romany population are addressed. Amongst the latter group of people, approx. 70% are unemployed. Special measures include counselling services, training and social re-integration courses, assistance for job-seekers and support to Romany entrepreneurs.
Estonia	Russians represent 28.7% of the total population. Recent changes to the citizenship law make naturalisation easier for the children of non-citizen's. Russian schools co-exist with Estonian ones at elementary level, while the choice for non-Estonian speakers at both secondary and tertiary levels is limited. On-going Estonian language training and other support measures seek to better integrate ethnic minorities into the society. However, special training programmes, that would also include life skills training, are almost non-existent for groups, such as the long-term unemployed, women returners to the labour market, people over a certain age, etc. Although there are no legal restrictions as to the access to training, respective facilities are unevenly spread over the country. There is a strong concentration of urban centres with limited available boarding facilities. Education levels and employment opportunities are lowest in rural areas. There is one vocational school in Estonia for handicapped people.
Hungary	According to the 1997 Labour Force Survey, the employment rate of women fell from 57% in 1992 to 42%. According to the Labour Force Survey 2nd quarter 1998, 40% of the registered unemployed have not acquired any labour market qualifications (primary school leavers). Although some training programmes are run by the Ministry of Social Affairs for people at risk of social exclusion, demand exceeds supply by far and geographical areas are not evenly covered. Some training for disadvantaged groups is provided through clerical or other institutions but support by the state to such initiatives is limited.
Latvia	In October 1998 a law was passed that calls for state and municipal schools to introduce Latvian as the obligatory instructional language by the year 2004, which has created social tensions. Main obstacles to implement this act include (a) low numbers of vocational school teachers teaching in Latvian, (b) the level of the knowledge of Latvian among Russian-speaking students and (c) the lack of learning material in Latvian. The Rehabilitation Centre in Jurmala is the only institution providing vocational education and training courses for young people with physical disabilities. Groups of people at risk of social exclusion include, in particular, women, people below 25 and above 45 years of age, non-Latvian speakers, with Russians being the biggest group of ethnic minorities in Latvia, and people living in rural areas.

Lithuania	The Law on Education guarantees provision of education to ethnic minorities, of mainly Russian (8.2%) and Polish origin (6.9%), in their mother tongue. 9% of students in vocational education and training schools were trained in their mother tongue (1997/98). In March 1999 a new law will come into effect that provides for equal opportunities of men and women. However, women are more vulnerable to become unemployed than men. Female unemployment totalled 54.5% of all unemployed in 1998. There are no special programmes by the employment services to address the needs of women or other groups at risk of social exclusion, such as the long-term unemployed, ethnic minorities, people below 25 or above 45 years of age, the low qualified or people living in rural areas. Great differences between urban and rural areas exist as regards access to training. Programmes have been established for vocational rehabilitation and employment of the disabled, following the adoption of the Law on Social Integration of the Disabled. However, there is lack of specialised teachers and teaching equipment. Only a limited number of vocational schools possess the resources to train the disabled.
Poland	According to the Polish law, men and women have equal opportunities in education. Although women normally reach higher levels of education, their labour market prospects are slightly lower than those of men. Groups at risk of social exclusion include the low qualified, long-term unemployed, people living on social benefits or pensions and people in rural areas. Attempts are being made to address the needs of the long-term unemployed including the establishment of Job Clubs and providing job application and life skills training. Vocational education for disabled persons is still far from meeting the real needs and the international standards as accepted by the UN in 1993.
Romania	In 1993 the share of women in the Romanian labour force was close to 50%, in contrast with 25% in European OECD countries. However, the trend of female participation in the labour market is decreasing, as women are more vulnerable to unemployment than men. In 1996 the unemployment rate was slightly higher for women (7.3%) than for men (6.3%). Amongst the unemployed trained in 1997 by the Ministry of Labour and Social Protection, 60% were girls below 25 years of age. In 1994-95 the Roma population represented 9.4% of the Romanian population. Adult illiteracy among this group is estimated to amount to over 50% and in some communities even 80%. There are no specific training measures for groups at risk of social exclusion.
Slovak Republic	Traditionally, there is a high female employment rate (47%) by EU standards. However, as women are more vulnerable to losing their jobs than men, the number of unemployed women is rising. Women accounted for 72.8% of the total number of retrained unemployed in 1997. There is no systematic approach to promoting access to training for disadvantaged groups within the labour market, including the young and long-term unemployed, handicapped people or the Roma minority (estimated at 400,000 in Slovakia).
Slovenia	The structure of participation in vocational education is gender-biased, where the choice of vocations, particularly in the dual system, is traditionally male. Gender issues need to be more strategically addressed in training policy and programme design. While the total unemployment rate in Slovenia amounts to some 7% (in 1996), approx. 19% of young people 24 years of age or younger are unemployed. No specific measures exist for training and employment preparation of people with special needs. Sheltered workshops are the main employment opportunity for the handicapped but are city-based restricting access to rural residents. There are no specific measures to encourage employers to adapt workplaces for people with special needs.

The range of measures would need to be tailored to meet individual circumstances and allow each person to follow a planned set of training modules, education, temporary work and work experience. Labour market measures should be linked to local community development and the provision of social, health and welfare services. The individual may participate in a number of activities, including advice, vocational educational and training and work experience facilitated by different providers, but planned in an integrated and co-ordinated way.

Horizontal supporting measures

Supporting measures to enhance the effectiveness of the above described training measures would need to concentrate on the training of trainers and teachers, assessment and certification arrangements, infrastructure development and the ongoing evaluation of human resource development activities. They also require that access to qualifications is opened up by building progression routes horizontally and vertically through the education and training systems, removing any barriers for higher level education and training and creating bridging routes in-between different pathways.

Chapter 5. Conclusion

"Training can no longer be reserved just for the young. We must equip and train the whole of the potential workforce."[15] This statement holds especially true for the transition countries in Central and Eastern Europe.

There is a close interaction between the transition to a market-oriented economy and vocational education and training reform: economic sector reforms and the general liberalisation of the system are not only paralleled, but largely motivated and triggered by vocational education and training reform and vice versa. In order to master the transition process and achieve balanced and sustainable economic and social progress, skilful, adaptable and innovative people have to be prepared through training or retraining measures.

Introducing systemic changes into vocational education and training in order to increase its labour market relevance and allow it to cope with continuous technological changes will remain a high priority and call heavily on more resources by ministries in Central and Eastern Europe, if they want to increase economic competitiveness and effectively combat social exclusion.

Fundamental changes are required in the behaviour of the main players of the system, i.e. the state, the institutions, the teachers and 'clients', including students, parents and employers.

Policies need to be balanced, aiming at:

- reaching macro-economic stability by targeting resources to support specific, strategically important economic sectors through human resource development;
- containing costs and mobilising additional financial resources for education and training;
- promoting educational choices for clients;
- improving incentives and introducing competition among providers of education and training services;
- regulating markets by defining and maintaining qualification standards;
- ensuring equitable access to education and training services for all, including groups who are disadvantaged in the labour market and
- strengthening institutional capacity to implement the reforms.

In this way the development of the vocational education and training system will not primarily depend on new laws being passed, but first and foremost on new, open processes being started and where all available national and international knowledge can be used to solve specific problems. Modernisation can be started through experiments and learning processes for all those participating. However, as in other learning processes, desired changes do not occur spontaneously but require careful guidance and support.

15 *Allan Larsson, Director-General, DG V, European Commission.*

European Training Foundation

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