



European Training Foundation

**REVIEW OF PROGRESS IN VOCATIONAL  
EDUCATION AND TRAINING REFORM OF  
THE CANDIDATE COUNTRIES FOR ACCESSION  
TO THE EUROPEAN UNION IN THE LIGHT OF  
DEVELOPMENTS IN EUROPEAN POLICY  
ON VOCATIONAL TRAINING**



## FOREWORD

This paper has been prepared following the request formulated by the European Commission during the Foundation's Governing Board meeting on 19 November 1998. It aims at presenting an analytical review of the actual state of development in the field of vocational education and training in the candidate countries of Central and Eastern Europe as well as the MEDA region (Cyprus and Malta<sup>1</sup>). The review follows an intensive discussion process with the countries themselves and draws on the wide-ranging information, experience and expertise acquired by the Foundation through its activities during the last five years.

This paper is not meant to be used as an instrument to substitute or repeat the screening process envisaged in the Accession Partnerships.

Its purpose is threefold:

- to be used as a basis for an in depth discussion between the Foundation's Governing Board members and representatives of the candidate countries at the next Governing Board meeting which is scheduled to take place in November 1999;
- to support the accession process by helping the countries themselves define better their human resource development priorities and proposals with respect to the new programming phase of the Phare assistance;
- to support the strategic planning of the Foundation's future work with respect to the candidate countries.

The first draft of this paper was presented at the last meeting of the Foundation's Governing Board in March 1999. The present version takes into account the outcome of the extensive consultations held with the countries during the last few months and incorporates updated and additional information as regards the latest developments in the sector.

The process of collection and analysis of the information used in this review has revealed the important need in many countries for reinforcing further their information basis, in particular as regards aspects of continuing training provision. This issue will acquire a growing importance also with respect to the monitoring and evaluating of the effectiveness of both employment and training measures in the framework of future Phare funded interventions. In view of its remit, the Foundation is prepared to provide an appropriate support to the countries in this field building on the significant work, which has already been accomplished through the network of National Observatories.

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<sup>1</sup> A similar report is being prepared on Turkey. However, work has been delayed as a result of the recent earthquake.

The paper consists of three parts:

- a cross-country overview which draws on the analysis included in the country papers and seeks to highlight a number of common key areas in which further improvements are needed with a view to addressing existing deficiencies.
- the individual country documents: for coherency reasons as well in order to enable some comparative evaluation, these documents have been prepared following a common structure along the line of the three Community objectives which are proposed to serve as the framework of the second Leonardo da Vinci Community action programme for vocational training; they also include a chapter on the key employment related issues as well as an identification of priority areas for future assistance. The reference to these areas aims at providing an input to the preparatory work which is underway in all countries for planning operations of a European Social Fund nature to be supported by the new Phare programme.
- a set of tables based upon key indicators concerning education attainment, levels of skills in the active population, rates of unemployment and education financing. This data has, as much as possible, been compared to existing EU indicators.

The present review has been carried out in a context of significant developments as regards the Community policies in the fields of vocational training and employment as well as the financial assistance framework for the candidate countries. This context has served as an important reference point for the review.

The key features they could be considered as the *acquis communautaire* in vocational training of this new context are:

- the recent Community orientations illustrated by the objective to promote a European educational space;
- the objectives of the second Leonardo da Vinci programme focusing on the development of a Europe of knowledge;
- the convergence requirement of national employment policies towards the new European employment guidelines for 1999;
- the prominent position of the training related guidelines included in the general framework of the European Employment Strategy;
- the new priority fields to be supported by the interventions of the European Social Fund, as proposed in the Agenda 2000 and specified in the new Regulation for the Social Fund operations for the years 2000-2006;
- the importance attached to the objective of strengthening human resources among the priorities for the new Phare programme for 2000-2006;
- future Phare support for European Social Fund type measures which should be in line with the four pillars of the European Employment strategy.

**European Training Foundation**  
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# CROSS COUNTRY OVERVIEW OF CENTRAL AND EASTERN EUROPEAN CANDIDATE COUNTRIES

## 1. EXECUTIVE SUMMARY

This paper seeks to highlight a number of issues as well as certain common key areas in which further improvements are needed to address existing deficiencies and to better prepare for accession based on the analysis in the individual country reviews.

The most important transversal issues can be summarised as follows:

- **there is a significant divergence in the progress made to date by the different countries** as regards the reform of their vocational education and training systems and policies; consequently it is important that the statements included in this paper are interpreted in such a way as to take into account the specific developments in each country as much as possible.
- **a positive aspect arising from the analysis is the increasing awareness of the candidate countries as regards the central role of vocational education and training** in promoting lasting economic development and social cohesion. Having received very low priority at the beginning of the nineties (with very few exceptions), with the support of dedicated Phare programmes this issue has become a priority in most of the countries with a commitment on the part of the political authorities to consolidate the reforms achieved to date, even though these commitments are still often only on paper. The renewed importance given to strengthening human resources in the Guidelines for the new Phare programme and the countries' involvement in the implementation of the European employment strategy should contribute to maintaining and reinforcing this priority on the political agenda.
- **a key message** resulting from this analysis is that the current challenge facing the EU Member States of promoting knowledge and life long acquisition of skills as a means to enhancing employability and adaptability is equally relevant for the candidate countries. The latter will have to maintain and reinforce their structural efforts to modernise their vocational education and training systems and policies if they are to successfully meet this challenge.
- **there is a significant divergence in the progress made between initial and continuing training.** In some countries, substantial reforms in the initial training system have been achieved with the creation of an appropriate legal and institutional framework providing the necessary momentum to generate significant results before accession. On the other hand, continuing training policy is not well developed and is mainly limited to the organisation of (re)training activities for the unemployed. However, unemployment increase and budgetary constraints have led to a reduction in the training on offer. Since the collapse of the former socialist system, companies have stopped investing in vocational training. Meanwhile, a new training market is emerging for adults; at the same

time, mainly because of the weakness of social partners, initial vocational education and training schools often play an important role in providing continuing training but based on model and curricula designed for schools rather than adults.

- **the increase in the number of groups excluded from the labour market and/or the training system represents an important issue for policy-makers, particularly in view of the preparations for participation in the European Social Fund** such as the Romas in Central Europe, but also long-term unemployed previously employed in agriculture and heavy industry and concentrated in certain regions, early school-leavers etc..
- **decentralisation and regionalisation are also key issues.** Reforms introduced at the beginning of the nineties have led in many cases to responsibility for significant elements of the training system being decentralised to school or municipal level (mostly in Central Europe). This has led in turn to increased innovation at school level but also to an increase in the number of schools and to greater competition, whilst the number of students has remained stagnant or even decreased. The question is how to optimise the network of schools with a view to improving cost effectiveness. Regionalisation, which is on-going or on the agenda in most of the countries, offers an opportunity to address this issue on a more structured basis Through the establishment of networks of initial and continuing training providers and cooperation with the main actors (including the social partners) a regional vision of the labour market needs can be attained.

Critical aspects considered to be key priorities (and indeed acknowledged as such by many countries) for the modernisation process include:

- **ensuring the financial and institutional sustainability of the new legislative arrangements:**

Many countries have been active in reforming their legislative framework for vocational education and training, most often drawing on the outcomes and recommendations of the Phare VET reform programmes carried out over the last few years. However, the actual implementation of the new provisions would require in many cases the investment of significant additional financial resources. Given the budgetary constraints related to the on-going stabilisation process in some countries as well as the generally low level of expenditure on vocational education and training, this will not be an easy task to realise in the short-term. On the other hand, the setting-up of new support institutions, new mechanisms (such as the Vocational Training Fund in Hungary) including incentives to facilitate the involvement of social partners and the decentralisation of responsibilities need to be accompanied by appropriate preparation and upgrading of staff capacity to effectively fulfil this new role.

2. **up-grading the quality of the initial vocational education and training provision; most countries need to step up their efforts in improving the quality of provision in terms of:**

- \* **curricular policy:** reduction of unnecessary fragmentation of study fields, introduction of new subjects, emphasis on key competencies, establishment of training requirements on the basis of adequate occupational and regional labour market needs analysis, development of new learning approaches (such as modular curricula and practical training), promotion of in-service teacher training facilities linked to career development;
- \* **the standardisation of the assessment and certification procedure based on nationally unified standards of performance:** increasing emphasis is placed on the development of systems focusing on the evaluation of the outcomes of training to allow for sufficient diversity in the delivery of training, while providing possibilities to certify learning outcomes achieved outside the formal school system and promote transparency;
- \* **the improvement of the cost effectiveness of the school network** taking into consideration parameters such as: the need to ensure financial sustainability and an optimal use of scarce resources; the need to maintain adequate access possibilities across the different regions; demographic developments and their impact on enrolment rates; policy decisions or developments affecting the re-organisation of study fields, or the importance of the VET stream and its components within the secondary education system;
- \* **the creation of progression pathways and the diversification of the vocational education and training structure,** notably through the development of post-secondary and higher vocational education components as a bridge between secondary and university education; the main aim being to make the system more responsive to the growing aspirations for higher qualifications and the high demand for enrolment in tertiary education of increasingly large population groups, as well as to the needs of the labour market; the diversification should not go too widely, in order to maintain good visibility and to facilitate counselling and guidance;
- \* **the devolution of administrative responsibilities:** the main arguments in support of this approach are widely shared; the first relates to the need to attune training to the labour market by allowing for a better monitoring/analysis of skill requirements and through closer co-operation among educational authorities, employment services and social partners at regional/local level; the second one is based on the need to strengthen the monitoring and evaluation function and to permit more transparency and greater accountability in the management of the vocational education and training system. However, experience shows that, the level at which responsibilities are allocated and coordination between the different levels are crucial for success particularly in the perspective of preparing for the European Social Fund. In this respect, it appears that some countries will have to consider “re-centralising” at regional level certain responsibilities currently carried out at a lower level;

- \* **improved inter-Ministerial cooperation and coordination:** in several countries (eg. Latvia, Slovak Republic) responsibility for vocational training is spread across several sectoral Ministries while cooperation between the two key Ministries (Education and Labour) is poor. This arrangement has been further complicated recently in some countries with responsibility for employment policy being given to the Ministry of Economy.
- \* **the close involvement of socio-economic partners** in the whole process of policy development and implementation: this requires the activation of the institutional structures which most countries have established to secure the participation of social partners in the vocational education and training system; in addition, further institutional support aimed at both employer and worker organisations is necessary to raise their motivation and capacity to engage in a meaningful dialogue on vocational education and training issues at different levels;

Finally, many countries need to develop and implement more efficient policies to **prevent and/or reduce the number of students who drop out of the school system** without any or only very low-level qualifications; notwithstanding the complexity of the problem, raising the quality of training, in particular, in lower vocational schools, as well as providing possibilities for progression, should be among the preventive measures considered.

### 3. **addressing the skill deficit of the adult population;**

Given the similarities with regard to key features of the current employment situation in the countries, the scale of economic and technological developments, the skills profile of the workforce and the general lack of a continuing training policy, all the countries need to devote special priority to the following aspects:

- \* **increasing the financial resources** for training of unemployed people within the scope of active employment measures;
- \* **enhancing substantially the participation** in training activities for groups vulnerable to long-term unemployment and social exclusion such as low-skilled young people, older people with no or low qualifications, ethnic minorities;
- \* promoting **targeted support measures** which take into account the specific characteristics of individuals or groups and include a wide range of services (e.g. advice, training, work experience);
- \* **fostering the institutional capacities at regional and local level:** to anticipate changing employment and skill needs, develop active labour market policies and monitor their effectiveness;
- \* establishing **systematic cooperation** between schools, employment services and local communities and linking regional development priorities more closely with labour market and education policies at regional level;
- \* creating **incentives for companies to invest more in continuing training for workers:** the example of the Training Fund (financed most often by enterprises as a percentage of their payroll) which has been introduced in some countries could be adapted for this use.

Finally, it is to be expected that the on-going preparations underway in the countries as regards their participation in the European Social Fund and the drawing up of their Development Plans to be used as the framework for future Phare investment, will provide a significant opportunity and impetus to address some of the aspects mentioned above such as: systematic analysis and priority-setting tailor-made to the needs of regions or target groups, better coordination between educational and labour authorities, upgrading the policy development and management capacities at regional and local level and facilitating more effective involvement of social partners.

## 2. INTRODUCTION

The last two years have seen most of the candidate countries actively engaged in the process of further developing or successfully completing the pilot initiatives, often supported through the Phare programme, aimed at the reform of their vocational education and training systems. In some cases, the end of the pilot phase has been followed by a more active phase culminating in the preparation of policy documents that lay down important strategic recommendations or in the introduction of a new legislative framework.

These developments have been taking place within the general context of constant economic transformation influenced by the overriding political task of all the candidate countries to step up their efforts for accession in line with the priorities and strategy laid down in the Accession Partnerships.

A preliminary evaluation of the overall situation in the area of vocational education and training points to the fact that the key immediate challenge for all the candidate countries is to keep and reinforce the momentum and progress of the reforms initiated since the outset of the transition period, with the ultimate goal of consolidating the radical modernisation of their vocational education and training systems. This goal continues to preserve its essential character given the need for a new model of socio-economic development. This model, based on the promotion of citizenship, the incorporation of new technologies in the production process, new forms of work organisation, the quality of output and a highly educated and skilled labour force, appears even more pressing if the countries are to cope successfully with the competitive challenge of their integration into European and global markets.

The relevance of this goal becomes more pronounced in the light of the renewed attention dedicated to the aim of strengthening human resources in the Guidelines for future Phare assistance in the framework of the pre-accession strategy. This will require the candidate countries to take into consideration, in preparing their current and future training and employment policies, the overall guidelines and priorities that the Union and its Member States have set themselves (in particular, the European Employment guidelines as well as the new priority fields of the European Social Fund).

Based on the analysis included in the individual country assessments, this paper seeks to highlight the key areas in which further improvements are needed with a view to addressing existing deficiencies. The underlying assumption of the following statements is the significant divergence in the progress made so far by the different countries. This is reflected in the number of qualifications to many of the statements made in order to take into account as much as possible the specific developments in each country.

### **3. INITIAL VOCATIONAL EDUCATION AND TRAINING**

#### **3.1. Conceptual issues**

Despite the considerable steps taken by some countries in the preparation of new policy guidelines (in the form of strategic and policy papers), the long-awaited capitalisation on experience gained and know-how developed within pilot programmes remains incomplete. The renovation generated by these pilot initiatives runs the risk of remaining an isolated instance unless the countries find appropriate ways to channel their outcomes into an overhaul of the vocational education and training policies and systems.

The recent efforts of several countries to introduce new legislative acts on vocational education and training (e.g. Bulgaria, Estonia Latvia, Poland), following the recommendations and results of the pilot programmes, should, however, be noted. The effective implementation of these acts will require substantial financial support as well as adequate capacity-building in particular at regional and local level and in the new support institutions frequently established by the new legislation.

#### **3.2. Institutional/Administrative issues**

Most of the reforms, to date, have been implemented in a fragmented and un-coordinated way, seeking to address particular issues or components of vocational education and training systems. This insufficient coherence among the individual policy initiatives has been further reinforced in some cases by the dispersion of the administrative responsibilities in vocational education and training among different Ministries (Ministry of Education, Ministry of Labour and sectoral Ministries) as well as the lack of systematic cooperation between them.

However, there are positive signs emerging of increased cooperation between the Ministries of Education and Labour in many countries (e.g. Bulgaria, Estonia Romania, Slovak Rep.); this has often taken place in the context of the preparation for participation in the European Social Fund as well as in the process of preparing the adoption of a new legislative framework.

In most countries, institutional structures for the wider vocational education and training system have formally been established. Nevertheless the effective involvement and real influence of social partners on the design, implementation and monitoring of the vocational education and training policy is indeed limited in practice. On the other hand, the bilateral dialogue among employers' and workers' associations on training issues seems to be marginal.

The process of decentralisation of vocational education and training systems as well as its opening up to the private sector as a means to improve their relevance and management has taken place in many countries but in an uncontrolled way. A thorough consideration as to the optimal level of allocation of the various individual responsibilities between schools, local/regional and central administration has often been lacking. This has often produced undesirable side-effects as regards the quality of training delivery, the excessive focus on the most "fashionable" curricula without a proper analysis of the real labour market requirements or the financial sustainability of the school network.

The recent administrative reforms undertaken by countries such as Poland to attribute responsibilities in the field of education to the level of the regions can help to streamline the distribution of competencies whilst also bringing the vocational education and training system closer to local labour market needs in the perspective of integrated regional development strategies. In addition this process will facilitate the effective implementation of measures to be supported by Phare, which will increasingly focus on regional level implementation. However, remains the availability of human resources in the regional administrations to carry out their new tasks and duties remains a critical issue. There is a major need for training of civil servants and institution building.

### **3.3. Financing**

The modernisation of the vocational education and training systems has taken place under rigid budgetary constraints and this situation is not likely to change in the near future. This has resulted in a constant pressure on the funding levels for vocational education and training. With the exception of countries such as Bulgaria and Romania, where the general resources devoted to education and training remain extremely low, the amount other countries seem to spend on education - in terms of GDP percentage - is stagnant or diminishing, but still comparable to many of the EU countries (1995 data). However, this comparison has to be interpreted more cautiously taking into account the sharp decrease in GDP in most countries during the first stage of the transition process (in fact in most countries it has only reached the level of 1989 during the last two years). It is also worth noting that in some countries, budgets dedicated to vocational education and training should be carefully interpreted in the light of differences regarding the participation rates.(see below point 3.7).

It is obvious that these financial constraints are not conducive to the sustainability of the reform process, preventing the necessary investment for the renewal of often obsolete infrastructure and school equipment, or the upgrading of the learning process in terms of content, methods and teaching staff; on the other hand, the debate about increasing the effectiveness and efficiency of the system through a more rationalised use of available resources as well as the quest for alternative funding mechanisms and sources, besides the State budget, (e.g. policies to stimulate the investment from the employers' side, or to enable schools to raise their own funds, etc.) has only started in most countries. The above considerations about the optimisation of the school networks give some reason to believe there is some room for manoeuvre.

### **3.4. Human resources in vocational education and training administration**

In most countries, the staff capacity in the vocational education and training administration at central level has generally improved in terms of policy development and management. Nonetheless, a substantial strengthening of the institutional capability is required at national level and even more at regional, local and school level (in view also of the future new responsibilities as regards the efficient management and implementation in the future of the European Social Fund's resources).

### **3.5. VET delivery and its links with the labour market/enterprises**

Most countries are still at an initial stage with respect to the development of adequate arrangements to facilitate the transition of young people from school to work and to promote their employability. The actual adaptation of training provision to the rapidly changing needs of enterprises through the promotion of work-linked training (apprenticeship) depends too much on ad hoc cooperation between individual schools and enterprises or on the existence of practical training centres within schools (which are rarely well equipped). Furthermore, the collapse of the former socialist education system has led to the setting up of a strongly predominant school based system. Although some countries continue to use the term "apprenticeship schools", except in Slovenia at experimental level, there is no longer a real apprenticeship scheme in the candidate countries;

Key policy areas, which need to be further addressed, include the following:

- The optimisation of the school network which is already an important policy issue in some countries (e.g. Czech Republic., Slovak Republic., Slovenia).
- The development of a national approach to the curriculum providing answers to issues such as: integration of theory and practice, a balance between general and occupational oriented subjects, curricula based on broad or narrow occupational areas; organisation of the learning process in subjects or modules, etc.

- The traditional ad hoc contacts between schools and companies need to be transformed into systematic networks at the regional level involving or encouraging the participation of a wide number of key actors including regional authorities, employment services and social partners.
- On the other hand, in the case of countries such as Slovenia which have introduced new legislation for the development of work-based training approaches, the critical issue is the ability and commitment of enterprise (in particular SMEs) to support the implementation of these approaches.
- The development of vocational guidance and counselling services which is still lagging behind in several countries (in particular within initial vocational education and training systems).
- Most countries suffer from a lack of capacity, in terms of institutions or appropriate know-how, as regards the forward-looking and qualitative analysis of labour market developments and their potential implications for the content and methodology of the learning process. In addition, capacity in vocational education and training research is seriously limited due to financial constraints; there is a lack of qualified personnel oriented to modern challenges.
- Finally, a systematic approach as regards the initial training and upgrading of teaching staff is generally lacking. A key issue in this respect remains the still limited experience of teachers concerning the actual work process in companies and general labour market developments.

### **3.6. National system for qualifications, assessment and certification**

In many cases, the autonomy provided to schools to design their own curricula, the emergence of private training institutions (in particular for continuing vocational training) as well as the proliferation of separate pilot interventions taking place in parallel in different segments of vocational education and training systems, has led to the setting up of hundreds and sometimes more than a thousand more) possible curricula, raising concerns about transparency, “visibility” of the system by its customers and the comparable quality of the learning process and its outcomes. In reaction to this situation, a number of countries have started experimenting with different solutions: standardisation of their examination and certification systems (focusing on the assessment of outcomes of training) combined with the development of new qualification standards (based on broader occupational profiles) as a criteria for defining the related training requirements, accreditation of training institutions, etc. However, these initiatives are as yet only at a conceptual or initial phase of implementation requiring further substantial efforts - notably through the participation of the social partners and research support - to bring a more sustainable and systemic impact.

### **3.7. Participation in initial vocational education and training and vocational integration of young people**

All the countries have made substantial efforts, with the support of external assistance to improve the attractiveness of vocational education and training, notably through the diversification of training pathways, the development of new skill areas and/or the upgrading of the old ones. In most countries, with the exception of the Baltic States, the enrolment rates in vocational education and training continue to be quite high and well above or equal to the EU average, although with an overall decreasing trend which sometimes hides important disparities between the different pathways (e.g. a pronounced decline in participation in lower vocational schools which deliver narrowly specialised training and an increase in upper secondary technical schools providing higher qualifications and opening the door for post-secondary and higher vocational education);. This situation reflects both the traditionally different position of vocational education and training within the overall education system in each country and the diverging priority attached to this sector since the start of the transition period. This development is equally likely to be influenced by the diversified political priority that the countries attach to shifting the balance in favour of general education and increasing access to higher education.

It should also be noted that the average participation rate in secondary education in general across the region, while showing an upward trend between 1995-1997, is still considerably lower than the EU average. This fact, combined, in some countries, with the higher number of vocational education and training students who abandon their studies before graduation (compared to the respective numbers of drop-outs from general education), as well as the high unemployment rates among young people, suggests a need to enhance the effectiveness of vocational education and training. The improvement of the quality of the learning process itself, the establishment of progression routes to post-secondary or higher technical education, as well as the further adaptation of skills relevant to the needs of the economy continue to constitute high priorities.

## **4. CONTINUING VOCATIONAL TRAINING**

### **4.1. Legal and conceptual framework**

The concept of employment-oriented continuing vocational training (CVT) is a novel one in the candidate countries. The radical change in employment patterns has increased awareness in most countries of the urgency in promoting the adaptability of the present workforce through a wide range of retraining initiatives in particular in certain sectors or regions that are undergoing restructuring. Faced with a sharp rise in unemployment, all the countries rapidly adopted legislative frameworks allowing for the development of counteracting measures. In most cases, these measures have been oriented by a passive labour market approach. Meanwhile, continuing training for employed workers has not been given priority at government level in most countries in the absence of a legal and conceptual framework for continuing training.

## **4.2. Administrative and institutional framework**

In most of the countries responsibility for policy on continuing training for unemployed people lies with the Ministry of Labour/Social Affairs while the employment services (organised at central and regional/local level) play the major executive role. However, their role is most often limited to the organisation of training for the unemployed. On the other hand, Ministries of Education have often tried to take the lead in dealing with training for adults in the workforce. In some countries, vocational education and training schools already play a substantial role in adult training, which is based upon new curricula developed for initial training purposes. It should be stated, however, that in general responsibility for employment policy linked to the preparation of the Structural Funds has been given to the Ministries of Economy.

The participation of social partners in the administrative bodies of the employment services is usually formally recognised but, as in the case of initial vocational education and training, in practice their impact in promoting training by the employment services has been limited.

Establishing more systematic links among all relevant stakeholders at regional level (schools, educational authorities, employment services, regional administration and social partners) is required with a view to promoting synergy between regional development priorities on the one hand and labour market and training policies on the other at regional level. The offer opportunities for synergy as the National or Regional Development Plans requested by the Commission are supposed to be based upon the partnership principles of the Structural Funds.

The concrete organisational and financing aspects related to training and upgrading of employees fall primarily within the sphere of contractual relations between the employer and employee. It is still exceptional to find collective agreements on this issue and, where they exist, they mostly recognise the right to training and qualifications in a generic way without providing for binding or facilitating arrangements for enterprises.

## **4.3. Financing**

The financial support of the state is primarily targetted at subsidising adult training in the formal schooling system (e.g. formal adult education courses in evening classes) as well as training for the unemployed (or employees threatened with redundancy). However, in a growing number of candidate countries, training for unemployed people is funded from employer and employee contributions via the unemployment insurance. In both cases Ministries of Labour/Social Affairs have the main responsibility for managing resources. The possibility of using part of these resources to promote continuing training of workers has not yet been considered or, where such a possibility has been recognised, not yet fully exploited (e.g. Hungary, Lithuania). However, the severe increase in unemployment together with the financial difficulties in some countries, reduces the scope for the promotion of more active employment measures.

There is a lack of commitment and/or possibilities on the part of enterprises to invest in the ongoing training of their workforce. The experience of countries such as Hungary shows that it is possible to promote structural but pragmatic alternatives focusing on aspects such as sustainable funding arrangements, support to enterprises for analysing their training needs and closer participation of the social partners in the monitoring of the system.

It should be stressed, however, that some countries have started concentrating active measures on specific target groups such as the long-term unemployed and the disabled. These resources in some cases come primarily from employer and employee contributions.

#### **4.4 Human resources in CVT administration**

There is a need to improve the technical and professional capabilities of staff responsible for the development and administration of employment policies, in particular, at regional and local level. The aim should be the development of individually designed preventive approaches (focusing on early identification of individuals' needs, active vocational guidance and counselling and training) as well as the management of an efficient monitoring system to enhance the effectiveness of active labour market measures.

It is also necessary to promote better cooperation between all the Ministries involved. The implementation of the Phare 2000 provision gives an opportunity for this as the National Development Plan and the concrete ESF-type measures should be prepared on an inter-ministerial basis.

#### **4.5. Key features in CVT delivery**

The supply of continuing vocational training is characterised by the involvement of a wide range of training providers. In many countries, the public secondary schools are among the major continuing training providers and are mainly active in the organisation of traditional formal education courses for adults. In all the countries there is a fast-growing private training market (in particular for new service sector-oriented specialisms) but in many cases the quality of the training provided is questionable (in terms of equipment, methods and trainers). Training is also provided by a wide range of non-governmental organisations, or specialised institutions, which have often become a focal point for the management of external financial support (e.g. National Training Fund in the Czech Republic).

With the exception of some countries in which enterprises appear to dedicate significant resources to the continuing training of their employees (e.g. in Hungary companies spend about 2 to 2.5% of the total payroll for training; this rate is about 1.5% in the Czech Republic), the data available indicates that participation of workers in continuing training is still very low. However, most countries do not possess any information system, capable of providing regular and reliable data on the participation of the working population in employment-oriented continuing training.

## **4.6. The place of CVT in labour market policies**

In most countries the promotion of active employment policies, including training, still absorbs a minor proportion of the resources devoted to the fight against unemployment

Within the scope of active employment measures funding for training of the unemployed, with a few exceptions (e.g. Slovenia), is very limited. The participation of groups most vulnerable to long-term unemployment and social exclusion (low qualified young people, older people with no or low-level qualifications, ethnic minorities) is still very low in all the countries. However, there is a growing awareness of the need to promote integrated, innovative measures for the unemployed combining training with counselling and/or job placement opportunities.

Labour market training is still conceived and delivered on an ad hoc basis; its design tends to take place without any systematic link to development potential and plans at local/regional levels; therefore, it is rarely preceded by the necessary preparatory work in terms of analysis of specific skill needs and employment possibilities at those levels.

## **4.7. Quality management, monitoring and assessment mechanisms**

An increasing number of countries are taking initiatives to establish an accreditation system for training providers (in particular, those who are involved in the delivery of training for unemployed).

Monitoring and appraisal of the effectiveness of labour market training (most often measured on the basis of the employment placement of trainees) is still infrequent.

The high proportion of unemployed people without basic qualifications, as well as the large part of the population with generally low educational level or out-dated qualifications, have raised awareness of the need to introduce assessment and certification arrangements which can facilitate the access of adults to formal qualifications, notably through the certification of skills acquired outside the formal education system. Some countries (e.g. Slovenia, Estonia) have taken steps in this direction.

## **4.8. Participation in CVT**

Finally, it should be noted that in several countries there is a growing interest in developing the policy debate on lifelong learning and its implications in terms of the significant institutional reforms that this approach would require (e.g. development of vertical and horizontal progression opportunities throughout the system, recognition of informal learning, etc.).

## 5. OVERVIEW OF KEY EMPLOYMENT ISSUES

Notwithstanding the significant differences between the various countries regarding their points of departure and subsequent performance during the transition process, a number of common trends can be identified.

The combined effects of restructuring, privatisation and economic crisis have triggered off a substantial fall in employment rates which has been the result of both the emergence and significant rise of unemployment and the decline in participation in the labour force of working-age people. The employment rate has shown some signs of stabilisation since 1993 but without compensating for the losses of the early transition period. The employment rates in the candidate countries in 1997 show a similar variation to that in the EU.

The appearance and, in most cases, rise in unemployment has been accompanied by a significant reallocation of employment: decline of the employment in the industrial sector and state owned enterprises, growth in the service sector and private enterprises. However, the relative number employed in industry and agriculture is still above the EU average while the share of employment in services is considerably below the Union average. This indicates the potential of important shifts expected out of industry and agriculture and the scope for growth of employment in services. In particular, the significant increase of the employment level in agriculture recently observed in some countries (e.g. Romania) is likely to have acted as a temporary adjustment mechanism for absorbing the redundant labour force; it represents therefore a serious risk for the further rise in unemployment in the coming years.

An additional development, which needs to be stressed, concerns the important expansion of the “black economy” in many countries; this is often viewed as an undesirable side-effect of the high level of payroll taxes.

The population groups most threatened by unemployment are young people under 25 without prior work experience, as well as middle aged and older people with low or no qualifications. In most countries the rate of female unemployment remains higher than for men. Long-term unemployment has become a serious problem, representing in most countries more than half of the total unemployed. Low educational attainment is among the major factors conducive to (long-term) unemployment. It should be noted, however, that the scale of the problem is not substantially different to those experienced by most EU member states.

As regards the geographical distribution of unemployment, there are strong regional disparities, affecting in particular mono-industrial areas in which the restructuring and rationalisation of production is more pronounced. This situation is often aggravated by the regional concentration of a series of negative factors such as: inadequate skills level of the workforce in the region, lack of appropriate infrastructure, existence of a large ethnic minority population, low attraction of foreign investment. The lack of financial resources, the limited know-how and insufficient co-ordination among the key

regional actors are all inhibiting factors in the development of a regional development policy aimed at addressing the issues raised above.

Finally, in some countries the risk of social exclusion for existing ethnic minorities (e.g. Roma population), is a growing concern. Their very low educational attainment, their social and living conditions, as well as their limited access to the labour market, constitute a vicious circle requiring comprehensive approaches developed and implemented at local level, as close as possible to the source of the problem.

## 6. CONTRIBUTION TO INNOVATION

In spite of interesting initiatives at school level, particularly in the vocational education and training reform programmes, the contribution of the vocational education and training system to innovation, **mainly within companies**, is still poor.

One of the key areas, which Phare vocational education and training reform programmes have focused on, is the development of new curricula, including for the acquisition of core skills, within schools. This experience however is still limited in most countries to a small number of pilot schools covered by the programmes. The process of dissemination to the overall system is in most cases still pending.

There have also been significant initiatives with the support of the Phare programme to promote the use of new technologies for the development of flexible forms of learning. The Phare multi-country Distance Learning Programme has recently introduced open and distance learning components into training curricula and established a network of 40 distance training centres open to the private and public sectors in all the candidate countries.

The development of programmes to promote the delivery of **managerial and entrepreneurial skills** has been initiated mainly by the universities or specific business centres. In particular, the Tempus Programme has initiated and developed a number of promising activities between universities and companies. Nevertheless, further efforts will be required in most countries to integrate the delivery of these types of skills into the learning process of the initial vocational education and training systems.



## Review of progress in vocational education and training reform

### 1. OVERALL ASSESSMENT

Starting from the early 90s priority has been given to VET issues and ministries are highly committed to reforms. A modern education and training policy framework provides for the alignment, in a mid-term perspective, of VET in Slovenia with mainstream developments in Europe.

The 1996 overhaul of legislation provided for new structures of vocational education, including technical *gymnasia* and post-secondary professional colleges. An important development is the establishment, on a pilot basis, of a dual (apprenticeship) system in parallel with the school-based system. However, scales of the dual system have so far remained limited due to the low commitment of employers.

VET reforms have largely been introduced by central level institutions. Particular emphasis was laid on initial vocational education. Apart from the extension of reforms in initial VET, efforts are needed for increasing policy development and management capacities at regional and local levels as well as for enhancing initiatives in employment-related continuing training.

The lack of an effective policy aimed at strengthening regional economic development in line with overall policy priorities has become obvious with increasing regional discrepancies and a concentration of problems in certain areas. Regional reform is currently one of the major issues in Slovenia with a new law on regional development.

Institutional capacities for ESF planning and implementation need to be strengthened especially at regional/local level.

With few exceptions, links between schools and enterprises are weak with the latter being only to a marginal extent involved in the planning and delivery of training at a regional/local level. However, the situation is improving.

Social partnership is well established in law but trade unions are not yet in a position to play the part they should. The Chambers of Commerce and Crafts will need greater capacity to fulfil the roles assigned to them.

High drop-out rates from secondary, especially vocational schools (16.2% in 1997). Young people, the low qualified, people above a certain age (45+) and people living in rural areas are especially vulnerable to unemployment. More than 60% of all registered unemployed are long term unemployed. Measures by the ESS start to become effective now. However, they have to be extended and take a more preventive orientation.

## **2 KEY PRIORITY AREAS FOR FUTURE ASSISTANCE**

Further systemic changes in a second phase of VET reform which include the further rationalisation of the school network and review of the system of occupational standards and curricula, a better integration of work and learning, comprehensive teachers' and trainers' training, the upgrading of equipment, the diversification and flexibilisation of training provision for both young people and adults and the accreditation of skills.

Integrated regional/local reform initiatives to increase labour market effectiveness of continuing training and other employment promotion measures, especially in sectors/regions undergoing economic restructuring.

Design of specific concepts and programmes tailor-made for special target groups, including school drop-outs, women, unemployed above the age of 40, long-term unemployed and those with low qualification levels.

## **3. INITIAL VOCATIONAL TRAINING**

### **3.1. Legal and conceptual framework**

Key legislation includes the Organisation and Financing of Education Act (1996) which sets a good institutional framework for publicly approved training, including the apportioning of finance between the state and local authorities. The Vocational and Professional Education Act (1996) allows, amongst others, for a dual system to co-exist with standard school-based vocational education but the financial feasibility of a two-track system has so far been questionable. The new law provides for new structures of vocational education, of which the post-secondary vocational education programme proved to be an important and successful component of the reform process. Vocational courses designed especially for secondary general school graduates, are also an innovation in the VET system.

### **3.2. Administrative and institutional framework**

Reforms have been driven by the national level with the Ministries of Education and Labour keeping overall control over public or donor funding. Involvement of employers' organisations in VET at national level is good but direct practical involvement in local planning and delivery is weak. Four Regional VET Councils were established on a pilot basis in 1997. Two years later only two of them (Velenje, Maribor) are active. Current possibilities of Regional VET Councils are limited. All in all, while there is awareness and legal provision for the need to decentralise VET management, respective bodies at regional & local levels hardly exist or do not avail of sufficient funds. Decision-making continues to be state-dominated. Good examples for a social partnership are the tripartite school councils, including also representatives from local communities.

### **3.3. Financing**

In 1996 public expenditure on all education accounted for 5.84% (in 1995: 5.68%) of GDP, on VET for 0.64% (VET figure for 1995 not available). Expenditure on all education represents ca. 11% of all public expenses. Enterprises and municipalities are not required to contribute to training, except for the fact that the Local Self Government Act (1996) decrees that infrastructure costs for vocational schools are met by regions and municipalities.

Overall amounts of public funds for schools are determined by type of programme, number of classes and students. Both total amounts as such and the way allocations to vocational schools are disbursed and controlled still do not leave enough room to school management for flexibility and innovation. At the same time there is no link between financing, quality/effectiveness of school performance and labour market relevance. Applications for public funds for new programmes are not always based on actual needs of the Slovenian economy. There is currently no information available on how much employers spend annually on apprenticeships. Employers are presently arguing for special state funds to assist their co-operating in the dual system.

### **3.4. Human resources in VET administration**

Good quality of administration and expertise in the Ministry of Education and Sport (MOES). The "Centre for VET of the Republic of Slovenia" (CPI) as well as the Chambers of Commerce and Industry and of Crafts provide main support for VET administration, modernising existing and developing new VET programmes. Integrated into the CPI - an institution set up jointly by the MOES and the Ministry of Labour, Family and Social Affairs (MOLFSA) - there are the National VET Observatory and the Unit for EU programmes whose staff have got a great deal of experience in liaising with EU institutions, managing EU programmes and carrying out VET research projects. Within the Government, the capacity and necessary links and joint working need augmentation.

### **3.5. Key features of VET delivery**

In the 1998/99 school year, there were 156 secondary schools (general, vocational and technical-professional). Six out of those were private (ca. 4%). New vocational programmes and pathways, such as the new non-university higher professional education strand, allow for a greater choice and flexibility for training.

The ambiguous situation in the labour market has over the past years diminished the interest of young people for VET. Many vocational schools lack students and half of the posts remain empty. In addition, the image of on-the-job training within enterprises and the apprentice' status are even poorer. Young people prefer to be trained for the same occupation in schools rather than enterprises.

Curriculum development has benefited, in the initial training area, from both the Phare 1994 VET and bilateral aid programmes. Further curriculum review has to put more emphasis on (a) new areas of economic activity and (b) the development of core competencies, such as problem-solving, teamwork, communication skills, etc., amongst others, through a better integration of work and learning. Programmes are still too much education rather than labour market-driven with poor in-company training elements. VET teachers are largely unprepared to deal with new technological and pedagogical challenges. A wider-scale teacher & trainer training programme (both pre and in-service) would be required.

### **3.6. Links with the labour market/enterprises**

An apprenticeship system was re-introduced in the crafts sector where practical training is carried out in crafts workshops and small businesses and the Chamber of Crafts supervises training. There is a dual VET system in place. In 1998/99 12 dual programmes were offered at 21 schools. However, the further extension of the dual system is at risk. Employers' ultimate (especially financial) commitment is not certain. Operation of five inter-company training centres is hampered by unsettled legal, property and financial issues.

Traditionally, there is a good vocational counselling and guidance system for school students.

Enterprise-school links have, in general, remained weak, but are improving. Chambers are, by law, leading on the design of occupational standards but their input has so far been rather unsystematic and requires both guidance by the national level and contributions from other players, including VET experts inside and outside Government institutions. The whole area of labour market/training needs analysis requires revision as no adequate mechanism is in place to systematically explore qualification needs as a basis for educational planning and programme development, including their adaptation to regional/local requirements. The overall sectoral and occupational foci of schools need revision with the aim to increase relevance of programmes to enhance employability of graduates. Links and complementarity between programme delivery in vocational education institutions and training provision within enterprises need to be improved.

### **3.7. National system for qualifications, assessment and certification**

Slovenia has just started a Phare project aiming at (a) the review of the national qualification system and its adaptation to EU practices and (b) the development of an assessment & certification system that takes account of prior and informal learning.

### **3.8. Participation in initial VET**

Equal opportunities to enrol in VET programmes at secondary level are guaranteed for all pupils finishing elementary schools, although the structure of pupils in vocational education is traditionally gender-biased. Two-and-a-half-year lower vocational programmes are primarily designed for both pupils with weaker learning abilities and those who did not complete compulsory education. In 1995/96, 76.7% of the population aged 15 to 19 years were enrolled in various education programmes. Of all pupils in upper secondary education in 1997/98, 24.9% were enrolled in general secondary and 75.1% in vocational and technical-professional education programmes.

Drop-outs from secondary schools are offered opportunities to complete formal education later on but special programmes aiming at partial (and more practice-related) labour market qualifications do not exist.

For respective minorities, Italian and Hungarian languages are used in schools apart from Slovenian. Training is organised for disabled people in specialised institutions and state-subsidised sheltered workshops.

### **3.9. Vocational integration of young people**

There are high drop-out rates from VET programmes. According to a 5-year tracer study, from the overall cohort starting secondary school in 1992 18.6% dropped out from two and three-year VET programmes and 12.8% from 4-year professional programmes compared to 7% from general secondary schools (total secondary VET 16.2%; total secondary education 14.1% - ESS data). There are no significant differences among regions. However, drop-out rates are highest in more developed regions (Ljubljana, Koper). Currently there is no prevention system or tracking of school drop-outs in place. However, awareness of the problem is rising. Some research is carried out in this respect. It is hard for young people, especially those with narrower vocational qualifications and little or no work experience, to find a job which is illustrated by a high unemployment among those aged below 25.

## **4. CONTINUING VOCATIONAL TRAINING**

### **4.1. Legal and conceptual framework**

Legislation is in place assuring the planning and access to continuing education and training (Adult Education Act 1996, Vocational and Professional 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. Labour Relations Act, general collective agreements for the commercial and non-commercial sectors and some branch collective agreements stipulate employees' rights to training in their own interest, as well as in the interest of the employer. However, neither the

Labour Relations Act nor collective agreements explicitly oblige employers to establish the necessary conditions for employees to exert these rights.

## **4.2. Administrative and institutional framework**

The traditional state-financed and enterprise-based CVT system has collapsed but concepts of adult and continuous education are still largely determined by these traditions. Young employment services and commercial markets have only partially been able to fill the gaps.

MoLFSA develops employment and training policy and programmes. The Employment Service of Slovenia (ESS) which is led by a tripartite administrative council and reports to MoLFSA, carries out measures for both the unemployed and those threatened by unemployment through a network of regional offices. The MOES is responsible for adult education services. According to the Law, Chambers are in charge of identifying training needs in the area of adult training. This task has, however, not been carried out, yet, due to the lack of an agreed methodology (under preparation). Good co-operation between the key Ministries and ESS assures coherent and complementary training provision for both the unemployed and those threatened by unemployment. However, Ministries need to better respond to regional/local needs, amongst others by devolving more responsibility to bodies at intermediate level.

## **4.3. Financing**

Since 1991 a special amount in the state budget has been earmarked for adult education. The corresponding share of adult education expenditure in GDP rose from 0.01% to 0.08%. However, no stable funds have to date been secured to finance continuing training for employed staff besides general adult education. In general, it is employers and individuals who are the main bearers of costs. No reliable data are available on how much money is spent altogether on CVT and how costs are split among individual bearers. Individual ministries earmark funds in their budgets for the training of their employees.

Funds for labour market training are derived from special employers' contributions and complemented by the State. In 1998 expenditure on all employment policy programmes accounted for almost 1.3% of GDP (active employment measures 0.4%). Despite the relatively low share of GDP, Slovenia has managed to develop a variety of active employment measures, as are common in Member States.

A Training Fund exists only in the crafts sector to which self-employed crafts people contribute with 1% of their overall wage bill.

In 1995 Slovene companies invested a total amount equal to 0.34% of GDP (= USD 99 per employee) in the training of their staff. According to a 1998 survey, almost 60% of companies plan to invest more in the coming 10 years.

#### **4.4. Human resources in continuing VET administration**

The Slovene Adult Education Centre and the CPI provide research support and advice in the area of CVT. ESF planning and management will require the setting up of a co-ordination body, the adaptation of regional infrastructures, the setting up of a regional system of labour market analysis and planning capacities, the stronger involvement of social partners, the organisation of both pre-programming activities and technical assistance, as well as the development of evaluation and auditing mechanisms. Training needs exist with respect to all the above mentioned areas for civil servants/administrators and promoters alike.

#### **4.5. Key features in CVT delivery**

The total number of adult education providers was 191 in the 1996/97 school year, out of which 38% were private, 32% 'folk high schools' and 29% secondary schools, to name just the biggest types of providers. Regional distribution of training providers is poor with 40% of service providers concentrated in the Ljubljana region. Secondary schools offer education mainly for those adults who dropped out from school and want to complete education (80% of adults in the age group 15-29). The number of private education institutions is growing rapidly. They offer mainly language courses, computer courses, accounting and technical education courses, etc. Some higher education institutions have well-developed study centres for adults.

Efforts need to be stepped up in the counselling of both employed and unemployed adults which requires a more pro-active and target group-specific approach by counsellors.

In general, there is a lack of strategic focus of training on those areas in which employment is expected to grow in the future. Offers take rather account of immediate (centrally determined) needs and currently available training capacities. Learning methodologies are still largely traditional, i.e. classroom-based.

#### **4.6. The place of CVT in labour market policies**

In 1998 about one sixth of the overall ESS budget was spent on active employment measures, within which training, as the main instrument of regulating labour force supply, makes up the largest part and has increased constantly (from 12,000 participants in 1991 to over 29,000<sup>2</sup> in 1998). Training addresses not only unemployed but also those who are threatened by unemployment. In addition, amongst others local communities are supported by the ESS to foster local initiatives for employing long-term unemployed. Training for both redundant workers and the unemployed takes various forms, including on-the-job training, and covers various subjects, including job application and functional training, the completion of a professional qualification and skills upgrading. There is a need for further extending the scales of such training in

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<sup>2</sup> Registered unemployed persons have the right to take part in more than one training programme.

connection with economic restructuring and adaptation processes and for orienting it better towards employable skills.

#### **4.7. Quality management, monitoring and assessment mechanisms**

Recognised vocational qualifications can currently be acquired only through taking courses within the formal system. The quality of continuing training courses, e.g. through tracer studies, is not assessed. Concepts from EU countries according to which voluntary associations are formed by continuing training providers to respect self-set high quality standards may inspire Slovenian providers.

#### **4.8. Participation in CVT**

There are no legal restrictions as to the access of people to continuing training. However, the choice may be limited due to (a) the availability of full-time (formal) training rather than short-term offers in certain subject areas, (b) the lack of pedagogical and technological prerequisites that would allow for modern forms of adult learning, such as distance or open learning and (c) geographical aspects. Educational leave for participation in formal education at secondary & tertiary education levels is pro forma guaranteed by the general collective agreements for the commercial and non-commercial sectors but not binding for individual employers. Systemic changes had had a negative impact on the amount of investment in education and training of the employed. In general, staff training levels in enterprises and organisational support, through a strategic personnel development approach, have remained low.

Special training programmes and other kinds of support are organised by the ESS for long-term unemployed. In 1998 a joint MOLFSA/MOES programme called 'Project 5000' was carried out aiming at raising the (formal) qualification level of primarily young unemployed without completed secondary education. In addition, both the 'Project learning' and the functional training programmes were targeted at the needs of unqualified young people facing problems in their social environment. However, measures have to be extended to specifically address the needs of this group.

22 Self-Learning Centres mainly for the unemployed were established jointly by the Adult Education Centre and MOES. As regards specific measures for the disabled, Slovenia has managed a programme since 1990 which includes special training measures, as well as subsidising, for up to 80%, employers' wage costs for disabled persons. A limited number of training (personal development) programmes exists for marginalised groups, including gypsies, drug addicts and adults released from prison.

## **5. OVERVIEW OF KEY EMPLOYMENT ISSUES**

### **5.1. Breakdown of employment and unemployment rates**

While the surveyed<sup>3</sup> overall activity rate compares, with 59.1% (men 65.7%, women 52.9%), to EU average, surveyed unemployment rates (7.8% in 1998) are lower than EU average. Registered unemployment rate is almost double - over 14%. Unemployment is higher amongst people with low educational attainments. 46.9% of registered unemployed persons have no vocational qualifications. The share of women amongst all unemployed has risen from 44.9% in 1994 to 49.9% in 1998. The trend of falling unemployment in Slovenia over the past few years is most evident in the category of young unemployed, i.e. those below 26 (33.5% of all unemployed in 1994 compared to 26.3% in 1998). Unemployed aged 40 years and above (46.7% in 1998) and those being unemployed for more than 12 months (62.4% in 1998) remain, however, key problems. Regional variations in unemployment need to be strategically addressed as structural unemployment takes hold. Podravje and Pomurje are considered the most problematic regions.

Compared to 1995 figures, employment has slightly grown in agriculture, construction, wholesale and retail trade, hotel and catering services, real estate and business support activities. There was a decline in mining and quarrying and manufacturing industries, as well as in the area of public administration and defence. According to ESS, in 1997, 53.6% of all demands for labour were in services, 44.6% in industry and only 1.1% in agriculture. Also in comparison with 1995, the total number of persons in paid employment has decreased as has the number of self-employed. Only 30% of all self-employed are women. The share of persons in employment with fixed-term contracts and both working (non-voluntarily) part-time or in the informal sector has risen since 1993. In 1998 6.8% of all employed people were unpaid family workers (1993: 3.2%).

### **5.2. Short term/long term unemployment**

More than 60% of all registered unemployed belong to the category of long-term unemployed. People with low educational attainment rates, people above 40, women, people living in less industrialised or rural areas and disabled people are more vulnerable to long-term unemployment than other groups of people. Over 18% of registered unemployed are older than 50 who have very bleak employment prospects. Special support programmes (e.g. public works, contribution to employers, job-induction schemes, etc.) to help long-term unemployed reintegrate are currently insufficient - a major area for ESF support.

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<sup>3</sup> To date there have been big differences between surveyed and registered (un-)employment.

### **5.3. Ethnic minorities**

The wave of return of immigrant workers from other parts of former Yugoslavia home, which started in 1988, stopped completely in 1993. The records of work permits for foreigners indicate slow growth in employment of foreigners once again in 1994, which is likely to continue because the Slovenian labour market is too small to make structural adjustments without international labour migration. However, according to the 1991 census, 87.8% of the population living in Slovenia are Slovene.

## **6. CONTRIBUTION TO THE PROCESS OF INNOVATION**

### **6.1 Business education and management training**

In the past few years efforts have been taken to develop formal, largely institution-based business education programmes. Management training courses have largely been based on subjects/modules taken from the business education area. There is a lack of both integration of such subjects and focus on company-specific problems. Most of the companies do not have strategies or formal plans related to HRD, as the area of strategic business management is underdeveloped in general. Training needs are related to both functional, managerial, leadership and generic skills which should be developed particularly through short in-company seminars and workshops drawing on both external professional providers and in-company resources.

### **6.2. Links between universities and industry**

University courses were traditionally over-academic and lacked links with industry. Following the 1993 Higher Education Act, universities have been aiming at becoming outlets in the areas of both basic and applied research. In 1995 and 1996 approx. 40% of research projects financed by the Ministry of Science and Technology were carried out by the two Slovene universities. There has been increasing participation in international research projects fostering quality and international competitiveness. Levels of providing services for local industry, including contract research, the establishment of Technology parks, tailor-made courses for industry or similar, are, however, still low and offer potential for development and support.

### **6.3. Lessons learnt from Phare and first phase of Leonardo programme**

The Phare 1994 VET programme gave a major boost to the design of new curricula and learning materials, teacher and school manager training, as well as the establishment of EU partnerships. Phare pilot activities, including the development of new types of programmes, have been extended to other schools. Under the Phare programme for MOLFSA an HRD Fund was successfully established in Maribor. However, the sustainability of this Fund that ought to be evaluated as a potential machinery for ESF management may be at stake due to a lack of legal and financial support by the central level.

Slovenian institutions were allowed to participate in Leonardo as project promoters only in 1999. In addition to ongoing systemic VET reforms, innovative Leonardo projects represent a good complimentary means for Slovenian partners to position themselves and learn from international experience. Project selection was carefully guided by the Slovene Leonardo NCU by basing proposed contents on international criteria and linking them to national priorities.