# Training & Employment

A FRENCH NEWSLETTER FROM CEREQ AND ITS ASSOCIATED CENTRES

# Central and Eastern Europe: Vocational Education and Training in Transition

The analysis of recent developments in vocational education and training in the countries of Central and Eastern Europe brings out very pointedly certain common problems arising almost everywhere and raises a recurring question: to what extent can a training "model" be transferred from one context to another? The text that follows focusses on four specific countries: Hungary, Poland, Estonia and Lithuania<sup>1</sup>. After a summary of their common trends and individual features, it will deal with the reforms of structures, organisation and management and relations with the companies and the labour market.

# COMMON TRENDS AN INDIVIDUAL FEATURES

The original training systems in Central and Eastern Europe had inherited different traditions of vocational education and training. The Czech Republic, for example, was closer to the Germanic model; Hungary, to the Austrian model combining apprenticeship and technical schools and Poland, more oriented towards general training with some apprenticeship experience [Grootings 1993]. These systems were largely unified along the lines of the Soviet model and were notably characterised by strong centralisation and a great deal of rigidity. Eight or nine years of elementary education gave access to three streams: general, technical and vocational. A very high proportion of the students entered the vocational stream (usually three years) for very specialised training, most often in the area of manufacturing. This training was school based but enjoyed considerable support from large State-run companies, either through their own

schools or through in-company workshops. In the Baltic countries, which were directly integrated into the Soviet system, school-based vocational training programmes were less developped. A larger proportion of the students went into general education and more of the training was carried out subsequently by the companies themselves.

With the collapse of the Soviet bloc, all of these countries are facing the same problems. On the economic level, they are undergoing a profound crisis. Traditional industries have suffered both the loss of outlets in the former Soviet Union and competition from the more modern industries in the West. The disappearance of traditional forms of regulation has left the economy disorganised; privatisation has just begun to bear fruit and unemployment, which was practically unknown before, has suddenly emerged. This situation has naturally had significant consequences for training. The first has been the closing of many company schools or workshops. The absence of recruitment has particularly affected young people, notably students in vocational schools, where the training programmes were no longer adapted to the new needs and the quality and level of general training left a great deal to be desired. Finally, inflation plus the disruption of the pay structure has made teaching careers particularly unattractive, with the result that teachers are attempting to enter the private sector.

CENTRE D'ETUDES ET DE RECHERCHES SUR LES QUALIFICATIONS

<sup>1.</sup> This article is primarily based on national research projects co-ordinated by the International Institute for Educational Planning and funded by the European Commission (DC XII) under the NESA/EPICURES programme. These projects culminated in a research workshop on "Managing Vocational Education and Training in Central and Eastern Countries" held in Paris in December 1994. Other sources include the papers of the COST A 7 workshop organised in Budapest in January 1994 by the Hungarian Academy of Science and the study on Poland published by CEDEFOP in 1993. Cereq participated in all of these activities.

### REFORMING THE VET SYSTEM

The need for reforming vocational education and training in these countries had already been felt for a long time, and numerous projects had been prepared, notably on the initiative of those running the system and the teachers themselves. But these projects were not carried out, for lack of both political determination and material resources. With the crisis and the transition to a market economy, the situation has become even more urgent today. As Crootings has observed, there are three possible approaches to reforming the system: "A typical Anglo-Saxon approach, [aimed] at establishing secondary general education--eventually with broad-based vocational preparation . . . . A more continental European approach, advocating modernised forms of basic vocational education . . . A third option claims that the architecture of the educational system should be kept as open as possible during the transition period".2 In the face of these different options, Grootings continues, "educational authorities have great difficulties [in defining] their own clear policy objectives. They are understandably caught between the urgent modernisation and the implicit policy objectives of donors and donor institutions, since they are the ones who presently provide necessary financial resources". In this difficult situation, recent years have witnessed efforts at modernisation rather than any attempts to question the systems and their overall inspiration. Modernisation has usually led to an increased number of students in the general streams and a decline in the secondary vocational streams; the latter are then grouped together alongside new training programmes created to meet the needs of this modernisation. In Hungary, for example, technical schools with greater general training content have been created with the support of the World Bank, and in Poland there are experimental vocational schools and technical high schools. Certain countries have introduced new legislation while others have not. But it has been shown that change is not necessarily tied to such laws (which may be strictly formal) and can very well occur in a legislative void. In fact, the most significant changes--but also the most difficult--are those involving the much-needed improvement in the quality of the training as well as in the attitudes of teachers and the other actors, all of whom must co-operate more closely both within the training system and with the production system.

# THE DECENTRALISATION ISSUE: THEORY AND PRACTICE

In most countries, the change of regime has led to a redistribution of responsibilities between ministries and between the national, regional and local levels of government. It could thus be asked whether the difficulty

encountered by certain ministries in assuming the weighty new responsibilities passed on to them in a context of change has not contributed to the widely observable decentralisation process.

In Poland, this decentralisation is part of official policy, but a portion of the powers are delegated to regional administrations which are only an extension of the central government, and the schools still have to go back to the ministry for approval of most of their initiatives. Such decentralisation could be considered more theoretical than real. Hungary has gone much farther by giving local elected officials great freedom in opening and closing schools and restructuring them according to the different kinds and levels of instruction. Some observers are concerned about the potential consequences of this liberalisation with regard to the balance between regions and social equality, insofar as training possibilities could benefit the most privileged at the expense of the others. In Lithuania, there has been no official decision on decentralisation but in practice the schools enjoy a great deal of freedom to reorient their activity and find new resources. In an extreme crisis situation, this is often a question of basic survival for the schools. In most countries, renting out school facilities and the schools' production of goods or services for the market are sources of additional revenues but remain subject to certain limitations, such as competition from imported goods or the risks of corruption.

Dialogue could probably be most effective on the regional level, insofar as it is closer to realities in the field and on the labour market. But this implies the existence of actors who in many instances have not yet appeared on the scene but whose emergence must be encouraged.

# RELATIONS WITH THE COMPANIES AND THE LABOUR MARKET

Since 1993, the number of salaried employees has dropped 11 percent in the Czech Republic, 16 percent in Poland and 24 percent in Hungary. This massive decline has led to an increase in unemployment (which exceeds 13 % in Hungary and Poland) and a modification of behaviours in relation to the labour market, whereby certain categories of the work force (basically women) have abandoned the idea of a paid activity. Data on unemployment among young people leaving training programmes is generally unavailable.

Within the framework of the research undertaken for the IIPE programme, a follow-up study carried out in Lithuania among graduates of technical and vocational schools with industrial specialisations shows unemployment rates of 13 and 27 percent, respectively, but full-time employment rates of only 56 and 50 percent. In Hungary, the analysis of different sources of information leads to an estimated

<sup>2.</sup> Contribution to IIEP workshop, 1994.

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unemployment rate averaging 42 percent: 12 percent after university, 38 percent after technical schools, 45 percent for the vocational schools and 76 percent for general education. The fact that the poorest results are associated with general education suggests that the usefulness of vocational schools should not be called into question too quickly. In any case, however, the figures concerning both unemployment and labour-market entry must be interpreted with caution, insofar as the unemployed do not register systematically because they only receive very small benefits (in Lithuania, for example) and undeclared work is gaining ground nearly everywhere. It is generally felt that the main problem facing the countries of Central and Eastern Europe is that of adapting their training and education programmes to the needs of the market economy. But what are these needs? The industrialised countries have already become aware of the aleatory nature of forecasting and its limited usefulness. How then is the problem of identifying needs to be resolved in the case of countries where the economy itself is so uncertain?

The first step should be dialogue with the social partners. In this context, Hungary, for example, has set up a threepart National Council on Vocational Education and Training which is responsible for distributing the funds obtained from a tax on wages. At the same time, a restructuring of the chambers of commerce has been undertaken. There is also a desire to create the channels of social dialogue necessary for operating a training system inspired by the German "dual" model. It is still too early to judge the impact of these mechanisms, and it will undoubtedly take time for the emergence of truly representative interlocutors. Greater company participation in training is another way of tightening relations with the labour market. As has already been indicated, the collapse of the large industrial enterprises has, on the contrary, led to the total withdrawal of many of them or the closing of the workshops they previously devoted to training. In some cases, such as that of Hungary, for example, these workshops have been taken over by the schools, which means that in spite of the desire to shift more responsibilities from the school to the company, just the opposite is taking place.

The studies carried out through the IIPE research programme identify four different scenarios in terms of the companies' attitudies and capabilities with regard to training:

- a. The traditional large industrial enterprises have practically stopped recruiting and are too caught up in their own short-term survival to be able to assume responsibility for training.
- b. The new companies are often very small-scale service enterprises with a minimal structure. Until now, most of

them have shown little interest in vocational education and training.

- c. Craft industries are more willing to take on apprentices along the lines of traditional apprenticeship, but it remains to be be verified that they do not do so solely in order to obtain a cheap labour force and that they provide real training, which is difficult to monitor.
- d. The large foreign companies which have recently arrived are more sensitive to the need for training or reconverting their labour force but are more inclined to meet this need through their own programmes. There are instances of co-operation between these companies and training bodies, and these may well provide a solution in future, but at present their impact remains limited.

It can be seen that the transposition of a foreign model, whether the Germanic dual system or the Anglo-Saxon approach that leaves most of the responsibility for training up to the companies, may not address current realities in the countries under consideration. At present, moreover, the transposition of the dual model would come up against the absence or inadequacy of an institutional or contractual framework assuring the connection with the labour market and the recognition of qualifications. In order to maintain the generally accepted principle of an alternance between theoretical and practical training, one possible solution (suggested in particular for Poland) would be to create regional centres providing practical training for both adults and young people. Until now, the development of adult training has come under separate programmes having their own facilities and no link with school-based initial training. It could be argued that such a separation is less justified in terms of material resources than the pedagogy, since the traditional skills of the teachers are probably not well adapted to the needs of adults in the process of reconversion. With the rapid rise of unemployment, this reconversion raises a difficult question: what should they be reconverted into if the very problem is the massive lack of jobs being offered? Would it not be better to give preference to the young people who are arriving on the labour market?

# THE NEED FOR CONSISTENCY AND REGULATION

The analysis of national trends and the discussion of current research at the IIPE seminar showed that in spite of the fairly high social costs that they entail, greater flexibility and responsiveness are indisputably desirable in the countries of Central and Eastern Europe. But there must be a counterweight. Indeed, it is indispensable to maintain both the internal coherence of the training systems (in terms of their general, technical, vocational and higher training components) and its connection with the

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labour market and the society at large. This requires a separate mechanism to guarantee the regulation that cannot be adequately provided by the market, assuming that the latter's needs are clearly identifiable. Regulation requires the determination of both general orientations and the instruments to implement them. Owing to political instability and an inadequate framework for dialogue, as well as a lack of skills suited to the new context, the general lines have hardly been defined as yet. This may have positive effects in the short run, but could lead to a lack of orientation over time. The extreme case of Lithuania offers an illustration of this situation. Enrollment in vocational education has declined overall to the point where the number of applicants is often lower than the number of places available, but there are significant variations according to the schools involved, which basically reflects the energy and enterprising spirit of their administrators. In other words, for lack of national directives, changes are made in function of the social demand. It then must be asked whether this demand is sufficiently informed about the prospects offered by the labour market. The answer would seem to be fairly positive in the short term but more doubtful over time.

Furthermore, it can be observed that while graduates of Lithuanian technical schools are fairly successful in placing themselves on the labour market (especially male graduates and in the capital), they often wind up in specialisations other than the ones for which they were trained. Here too a problem of interpretation arises: should this situation be attributed to the inappropriateness of the present streams or, on the contrary, to the fact that the schools actually prepare students rather well to adapt to the new context of the small private enterprises that are now emerging?

The question of regulation can also be raised in relation to the considerable development of private training programmes, as in Poland, for example, in fields that are highly sought after in the new context (i.e., computer science, management, marketing). But the quality of these training programmes and their suitability to longer-term needs remain open questions. This situation in turn raises the issue of skill standards, which is of great concern to the countries of Central and Eastern Europe. National standards can offer a guarantee of quality and homogeneity that is all the more necessary because the decentralisation is so extensive and so little rooted in the

culture. Furthermore, these countries are inclined to view the shift to European norms of qualification as a prerequisite for their entry into a united Europe. They are not always conscious of the fact that there are no European norms and that the definition of skill standards is not only a difficult issue butone that cannot provide a miraculous solution to a Utopian match between training and employment. In large part, regulation seems to depend on the healthy circulation of information between administrations and among actors on the different levels. It is this circulation, rather than data-collecting, however, which seems to pose a problem. In many countries of Central and Eastern Europe, the data is abundant but not always relevant, especially where the analysis of unemployment relative to qualification is concerned. There are no systematic follow-up studies on those exiting training programmes. This kind of study could provide information that is currently not available. But only a small number of researchers and decision-makers are aware of the problem. In addition, such studies are very costly, and in the face of rapid changes, the information that they provide may quickly become outdated.

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