

# *Cedefop's role as the European Reference Centre for Vocational Training*

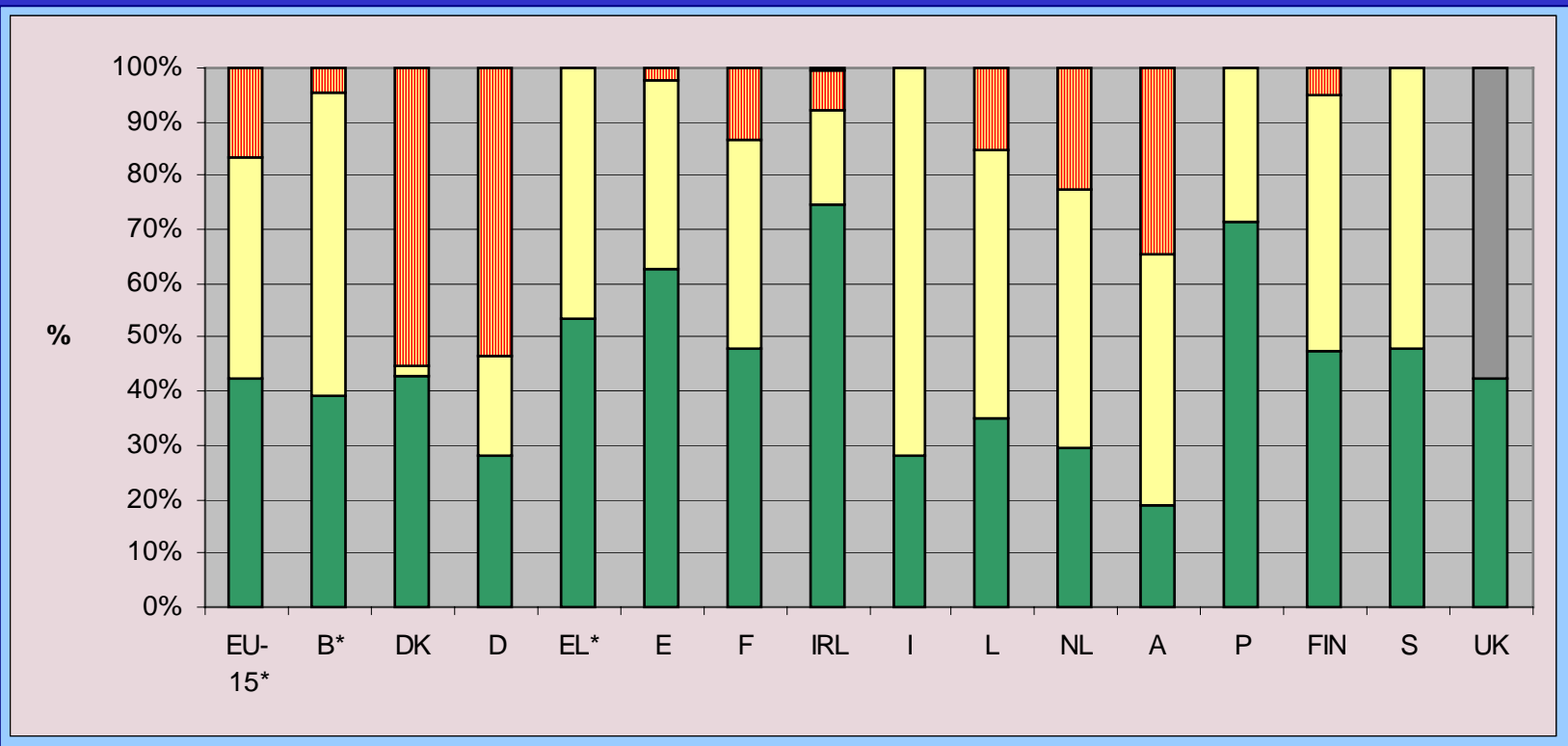
- A centre for collecting and analysing data on vocational training, exchanging views, informing interested parties
- Our audience: policy makers across the EU, social partners, researchers and practitioners



## Cedefop's project on financing vocational education and training in the EU

- 15 National Reports
- Covering initial vocational training, continuing vocational training for employed people and training for unemployed people
- Both qualitative and quantitative information

# Breakdown of participants between general education and vocational education and training (school-based and work-based) at ISCED level 3 (upper secondary level), 1995/96



# Denmark: Funding initial training

## Key features of initial training in Denmark

- General initial training comprising school-based theoretical and practical training.
- Colleges are public corporations managed by boards.
- Different funding mechanisms for theoretical and practical training.

# Denmark: Funding initial training

## Key features of funding for colleges

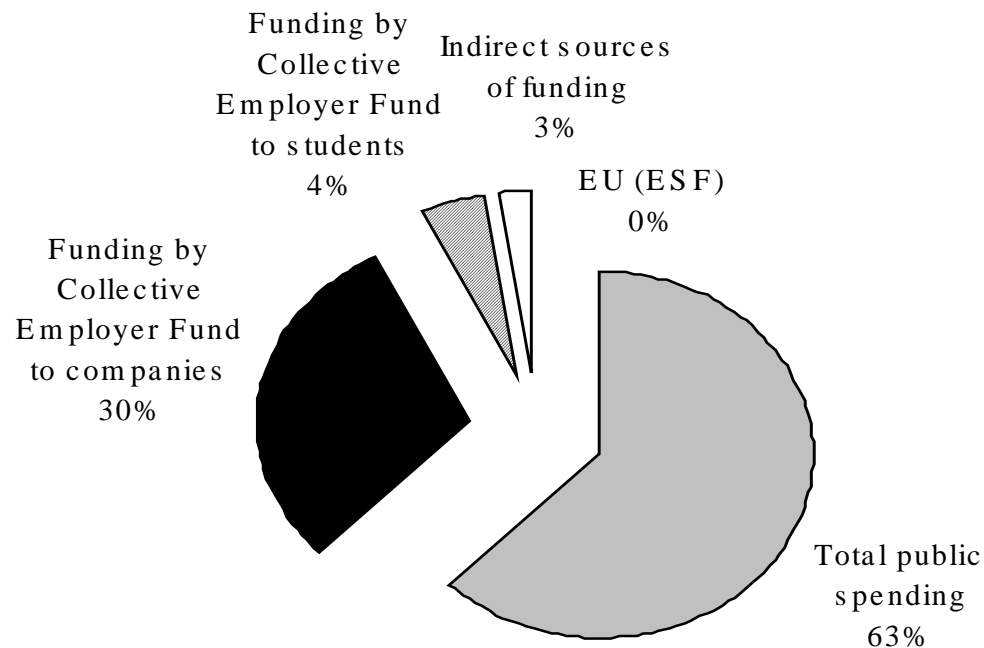
- Formula funding on basis of student numbers of type of course
- Education taximeter (mainly for salaries and teaching materials)
- Institutional taximeter (administrative costs)
- Building taximeter (capital costs)

# Denmark: Funding initial training

## Key features of the Collective Employer Fund

- Contributions from all employers (EUR 156 per employee per year in 2000).
- No State subsidy since 1999.
- Reimburses employers offering work placements for trainee wage and colleges for practical training costs for trainees without a work placement.

# Denmark: Funding initial training (1996)



Source: adapted from Hansen, 1998.

# Finland: funding initial training

## Key features of initial training:

- Expansion funded during 1980s.
- Target for adult participation introduced.
- Mostly school-based training with a work-based element gaining in importance.
- Merging of training schools (covering a wider range of courses).
- Ownership delegated to municipalities.



# Finland: funding initial training

## Key features of funding:

- Lump-sum funding for municipalities to fund training schools based on per student units (according to course).
- Unit prices reduced annually to create efficiency savings.
- Unit funding usually replicated at municipal level.
- Drive to increase own income of training schools.

# Finland: funding initial training

## Changes in funding patterns in IVT in Finland (1991-1996)

	<b>State funding of total recurrent costs (%)</b>	<b>Municipal funding of total recurrent costs (%)</b>	<b>Own income of training providers</b>
<b>1991</b>	61	30	9
<b>1996</b>	48	35	16

*Source:* adapted from Pitkänen, 1999.

NB Capital costs have not been included as the figures cover a period when their definition and funding mechanism changed.

# Britain: funding of initial training

## Key features of funding initial training:

- Increasing participation encouraged through the funding system (marginal funding rates).
- Funding reduced annually to account for efficiency gains.
- Massive reduction in per capita expenditure.
- Introduction of output related funding.
- Training credit scheme.

# Britain: funding of initial training

## Output related funding:

- Percentage of funding linked to outcomes (qualifications achieved and work placements - depending on training sector - FE colleges or work-based training).
- Questions raised over perverse incentives (cheaper, shorter courses, creaming etc.).
- Principle of ORF retained.

# Britain: funding of initial training

## Training Credit Scheme:

- Operated nationally for one year on a regional basis.
- Voucher with a nominal cash value.
- Students/trainees could 'purchase' their own training.
- Evaluations found limited impact.
- Voucher schemes operate in some French regions some are targeted at initial training.

# Data Issues

- Lack of descriptive data (only data for education).
- Changes within countries make comparisons difficult.
- Effects of decentralisation and greater provider autonomy.
- No indicators of cost-effectiveness, instead look at different approaches of Member States.