Sharing the costs of training in the newer EU Member States

Importance of investment in vocational education and training

Vocational education and training (VET) is one of the key instruments in Europe's strategy to strengthen its position in the global economy and respond to the challenge of ageing societies. It is also one of Europe's principal tools for managing the present economic crisis. Considerable investment in training is necessary to equip people with the skills needed to tackle the current economic downturn and accelerate European recovery. Everyone has to make a contribution: public authorities, employers and individuals.

Cedefop's work on financing vocational education and training

For the last three years, Cedefop has been investigating the strategies and mechanisms used by European countries to finance VET, focusing mainly on cost-sharing approaches. Various Cedefop studies, seminars and conferences have examined tax incentives, sectoral training funds, vouchers, loans, training funds and saving schemes and explored the role of the different actors in sharing the cost of VET. To reinforce mutual learning and contribute to evidence-based policy-making, Cedefop has also looked at VET financing models in some non-European countries. However, the experience of the 12 newest EU Member States in implementing cost-sharing instruments has remained largely unknown. Research was launched last year to fill in this information gap.

Cedefop's conference "Sharing the costs of training in the newer EU Member States"

The conference will announce the results of Cedefop's study "Sharing the costs of vocational education and training. An analysis of schemes in the newer EU Members States". The research findings will form the basis of discussions among policy-makers, social partners, researchers and practitioners on current patterns and trends in the financing of training in the countries concerned and on challenges and possible solutions. The conference participants will:

- identify cost-sharing approaches in the newer EU Member States and examine how effective, efficient and equitable they are;
- ascertain whether the current crisis has had an impact on the effectiveness or the operation of cost-sharing approaches;
- consider possible ways of improving existing cost-sharing arrangements and remedying any negative trends arising from the crisis;
- set priorities for policy and research.

The event follows up the conference 'Investing in people: Strategies for financing VET' held in Thessaloniki in May 2008.

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Final Agenda (, 135 KB)

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11.00 - 11.30	Tea/coffee break
11.30-13.00	Chair: Patrycja Lipińska, Cedefop Systemic perspective: country examples Financing VET in Hungary: main cost sharing schemes Zsófia Lux, Ministry of Social Affairs and Labour, Department of Adult Training and Vocational Training, Hungary Financing of adults training - Bulgarian example Galia Bozhanova, Director, VET center, Bulgarian Industrial Association, Bulgaria VET financing policies from two points of view Juraj Vantuch, Comenius University, Slovakia Discussion
13.00-14.30	Lunch
14.30 - 17.30	Encouraging private sector investment: financing instruments Parallel working sessions
	Chair: Mária Hrabinská, Cedefop Rapporteur: Jasper van Loo, Cedefop Working group I: Incentives for individuals Hungarian experience in student loaning with reference to some other European countries Edina Berlinger, Corvinus University of Budapest, Hungary VET financing in Latvia in times of change Jānis Gaigals, Director, Ministry of Education and Science, Department of Vocational and General Education, Latvia Incentives for initial and continuous VET learners in Estonia Andres Pung, Director, Ministry of Education and Research, Vocational and Adult Education Department, Estonia

	Significance of training costs for Romanian employers and employees Ovidiu Mantaluta, Institute for Educational Sciences, Romania
	Chair: Jean Raymond Masson, European Training Foundation Rapporteur: Philip Ammerman, Navigator Consulting Group Ltd, Greece Working group II: Incentives for employers An overview of tax incentives to encourage legal entities to promote VET in the EU with special reference to Lithuania Simonas Gaušas, Public Policy and Management Institute, Lithuania ESF co-financing for vocational training: grant schemes for training of employees in Lithuania Dalia Čiupailaitė Public Policy and Management Institute, Lithuania Co-financed training aid in Malta Joseph Galea, Employment and Training Corporation, Malta Supporting companies in financing CVET – Czech example Vera Czesaná, Department Manger, National Training Fund, National Observatory of Employment and Training, the Czech Republic
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20.00	Conference dinner

Friday, 16 October 2009

  09.00-09.30 09.30 - 11.00	Chair: Christian Lettmayr, Deputy Director, Cedefop Reports from the working groups The role of European funds in supporting training. Response to the crisis Viktorija Šmatko, Director, Directorate General for Employment, Social Affairs and Equal Opportunities, European Commission The EIB Education Lending Paper: Implications for VET Finance Albert Tuijnman, European Investment Bank Examples of anti-crisis measures supported by the ESF in Poland: How to revitalise the economy by investing in training Paulina Mucha, Ministry of Regional Development, Department for European Social Fund Management, Poland Discussion
11.00-11.30	Tea/coffee break
  11.30-13.00	Chair: Christian Lettmayr, Deputy Director, Cedefop Round table discussion Towards efficient and equitable VET cost-sharing: priotites for policy and research

	Romulus Pop, National Centre for TVET Development, Ministry of Education Research and Innovation, Romania Petar Terzyiski, Director, Economic Analysis Department, Bulgarian Chamber of Commerce Jean-Raymond Masson, European Training Foundation
13.00 - 13.30	Conclusions. The way forward Manfred Tessaring, Cedefop and Patrycja Lipińska, Cedefop
13.30 - 15.00	Lunch

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Speakers, chairs & rapporteurs

Ammerman	Philip	more	Navigator Consulting Group Ltd, Greece
Arendt	Łukasz	more	University of Łódź, Poland
Berlinger	Edina	more	Corvinus University of Budapest, Hungary
Bozhanova	Galia	more	Bulgarian Industrial Association, Bulgaria
Bulgarelli	Aviana	more	Director of Cedefop
Čiupailaitė	Dalia	more	Public Policy and Management Institute, Lithuania
Czesaná	Vera	more	National Training Fund, National Observatory of Employment and Training, the Czech Republic
Delgado	João	more	Directorate General for Education and Culture, European Commission
Dumčius	Rimantas	more	Public Policy and Management Institute, Lithuania
Gaigals	Jānis	more	Ministry of Education and Science, Department of Vocational and General Education, Latvia
Galea	Joseph	more	Employment and Training Corporation, Malta
Gaušas	Simonas	more	Public Policy and Management Institute, Lithuania
Hrabinská	Mária	more	Cedefop
Isusi	Iñigo	more	IKEI, Spain
Kumer	Branko	more	School Centre of Ptuj, Slovenia
Lettmayr	Christian	more	Cedefop
Lipińska	Patrycja	more	Cedefop
Lux	Zsófia	more	Ministry of Social Affairs and Labour, Department of Adult Training and Vocational Training, Hungary
Mantaluta	Ovidiu	more	Institute for Educational Sciences, Romania
Masson	Jean-Raymond	more	European Training Foundation
Meglič	Janja	more	Chamber of Crafts
Mucha	Paulina	more	Ministry of Regional Development, Poland
Panayides	George	more	Human Resource Development Authority, Cyprus
Pop	Romulus	more	National Centre for Technical and Vocational Education Development Romania
Pung	Andres	more	Ministry of Education and Research, Vocational and Adult Education Department, Estonia
Rettich	Tamás	more	Hungarian Association of Craftsman's Corporations (IPOSZ), Hungary
Šmatko	Viktorija	more	Directorate General for Employment, Social Affairs and Equal Opportunities, European Commission
Terzyiski	Petar		Economic Analysis Department, Bulgarian Chamber of Commerce
Tessaring	Manfred	more	Cedefop
Tuijnman	Albert	more	European Investment Bank
van Loo	Jasper	more	Cedefop
Vantuch	Juraj	more	Comenius University, State Institute of Vocational Education/Slovak National Observatory of Vocational Education, Slovakia
Zahilas	Loukas	more	Cedefop

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Presentations

Thursday, 15 October 2009

Welcome and opening speeches
Aviana Bulgarelli, Director, Cedefop
João Delgado, Head of Unit, Directorate General for Education and Culture, European Commission
(speech, 115KB)

Cedefop's analysis: Sharing the costs of training in the newer EU Member States
Patrycja Lipińska, Cedefop
and
Rimantas Dumčius, Public Policy and Management Institute, Lithuania

Systemic perspective: country examples

Financing VET in Hungary: main cost sharing schemes
Zsófia Lux, Ministry of Social Affairs and Labour, Department of Adult Training and Vocational Training, Hungary
(presentation, 221KB), (abstract, 9KB), (paper, 49KB)
Financing of adults training - Bulgarian example
Galia Bozhanova, Director, VET center, Bulgarian Industrial Association, Bulgaria
VET financing policies from two points of view
Juraj Vantuch, Comenius University, Slovakia
(presentation, 284KB)

Encouraging private sector investment: financing instruments
Parallel working sessions

Working group I: Incentives for individuals

Hungarian experience in student loaning with reference to some other European countries
Edina Berlinger, Corvinus University of Budapest, Hungary
VET financing in Latvia in times of change
Jānis Gaigals, Director, Ministry of Education and Science, Department of Vocational and General Education, Latvia
(presentation, 283KB)
Incentives for initial and continuous VET learners in Estonia
Andres Pung, Director, Ministry of Education and Research, Vocational and Adult Education Department, Estonia
(presentation, 84KB)
Significance of training costs for Romanian employers and employees
Ovidiu Mantaluta, Institute for Educational Sciences, Romania
(presentation, 521KB)

Working group II: Incentives for employers

An overview of tax incentives to encourage legal entities to promote VET in the EU with special reference to Lithuania
Simonas Gaušas, Public Policy and Management Institute, Lithuania
(presentation, 154KB)
ESF co-financing for vocational training: grant schemes for training of employees in Lithuania
Dalia Čiupailaitė, Public Policy and Management Institute, Lithuania
(presentation,1MB)
Co-financed training aid in Malta
Joseph Galea, Employment and Training Corporation, Malta
(presentation, 264 KB)
Supporting companies in financing CVET – Czech example
Vera Czesaná, Department Manager, National Training Fund, National Observatory of Employment and Training, the Czech Republic
(presentation, 2,6MB)

Working group III: Obligations for employers

The Human Resource Development Fund in Cyprus: Recent developments and effects of the economic crisis
George Panayides, Director of Training Services, Human Resource Development Authority, Cyprus
(presentation, 166KB), (abstract, 10KB), (paper, 121KB)

Sharing the costs and responsibility in VET in Slovenia
Janja Meglič, Chamber of Crafts and Branko Kumer, Director, School Centre of Ptuj, Slovenia
(presentation, 1,2MB)

Training fund in Poland - its effectiveness and future prospects
Łukasz Arendt, University of Łódź, Poland
(presentation, 1,8 MB), (abstract, 54KB), (paper, 160KB)

How to ensure that micro enterprises have access to the Vocational Training Fund in Hungary
Tamás Rettich, Hungarian Association of Craftsman's Corporations (IPOSZ), Hungary
(presentation, 580KB)

Friday, 16 October2009

Reports from the working sessions
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The role of European funds in supporting training. Response to the crisis.
Viktorija Šmatko, Director, Directorate General for Employment, Social Affairs and Equal Opportunities, European Commission
(presentation, 248KB)

The EIB Education Lending Paper: Implications for VET Finance
Albert Tuijnman, European Investment Bank
(presentation, 800KB)

Examples of anti-crisis measures supported by the ESF in Poland:
How to revitalise the economy by investing in training
Paulina Mucha, Ministry of Regional Development, Department for European Social Fund Management, Poland
(presentation, 135KB), (abstract, 9KB), (paper, 26KB)

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Papers and Publications

Sharing the costs of vocational education and training. An anlysis of schemes in the newer EU Member States.

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Information

Conference Organiser
Cedefop, Europe 123, GR-57001, Thessaloniki

Conference Coordinator
Patrycja Lipińska

Cedefop`s VET Financing Team

Conference Secretariat
LDK Consultants

Conference Venue, Thessaloniki and Greece
More information on the location and how to get there, the conference hotels and on Thessaloniki.

Useful information when you are travelling to Greece
Coming to Greece in October.

Hotels
Map of the "Region of Thessaloniki" with hotels marked on it.

Practical Information
Condensed general information for participants by LDK(, 157 KB)
Taxi information and map to drive to Cedefop (,131 KB)

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Final Agenda (, 135 KB)

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Incentives for initial and continuous VET learners in Estonia
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Vera Czesaná, Department Manger, National Training Fund, National Observatory of Employment and Training, the Czech Republic

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George Panayides, Director of Training Services, Human Resource Development Authority, Cyprus

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Janja Meglič, Chamber of Crafts and Branko Kumer, Director, School Centre of Ptuj, Slovenia

Training fund in Poland - its effectiveness and future prospects
Łukasz Arendt, University of Łódź, Poland

How to ensure that micro enterprises have access to the Vocational Training Fund in Hungary
Tamás Rettich, Hungarian Association of Craftsman's Corporations (IPOSZ),Hungary

20.00 Conference dinner

Friday, 16 October 2009

Chair: Christian Lettmayr, Deputy Director, Cedefop

09.00-09.30 Reports from the working groups

09.30 - 11.00 The role of European funds in supporting training. Response to the crisis

	Viktorija Šmatko, Director, Directorate General for Employment, Social Affairs and Equal Opportunities, European Commission The EIB Education Lending Paper: Implications for VET Finance Albert Tuijnman, European Investment Bank Examples of anti-crisis measures supported by the ESF in Poland: How to revitalise the economy by investing in training Paulina Mucha, Ministry of Regional Development, Department for European Social Fund Management, Poland Discussion
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13.00 - 13.30	Conclusions. The way forward Manfred Tessaring, Cedefop and Patrycja Lipińska, Cedefop
13.30 - 15.00	Lunch

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Sharing the costs of training in the newer EU Member States
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10.00-11.00	**Cedefop's analysis: Sharing the costs of training in the newer EU Member States** Patrycja Lipińska, Cedefop and Rimantas Dumčius, Public Policy and Management Institute, Lithuania Discussion
11.00-11.30	*Tea/coffee break*
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14.30-17.30	**Encouraging private sector investment: financing instruments** **Parallel working sessions**
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		Chair: Christian Lettmayr, Cedefop
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13.00-13.30	**Conclusions. The way forward.** Manfred Tessaring, Cedefop and Patrycja Lipińska, Cedefop	
13.30-15.00	*Lunch*	

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Berlinger	Edina	more	Corvinus University of Budapest, Hungary
Bozhanova	Galia	more	Bulgarian Industrial Association, Bulgaria
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Čiupailaitė	Dalia	more	Public Policy and Management Institute, Lithuania
Czesaná	Vera	more	National Training Fund, National Observatory of Employment and Training, the Czech Republic
Delgado	João	more	Directorate General for Education and Culture, European Commission
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Kumer	Branko	more	School Centre of Ptuj, Slovenia
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Lipińska	Patrycja	more	Cedefop
Lux	Zsófia	more	Ministry of Social Affairs and Labour, Department of Adult Training and Vocational Training, Hungary
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Tessaring	Manfred	more	Cedefop
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Vantuch	Juraj	more	Comenius University, State Institute of Vocational Education/Slovak National Observatory of Vocational Education, Slovakia
Zahilas	Loukas	more	Cedefop

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Philip Ammerman

ammerman

Philip Ammerman is Managing Partner of Navigator Consulting Group Ltd., based in Athens, Greece. Philip's specialisation is in strategic corporate development and specifically the development of human resources and management competencies. He advises numerous companies and public organisations on setting up training programmes, corporate universities, vocational educational centres, human resources development funds and related activities. Since beginning his consulting career, he has participated in over 125 projects in 44 countries. He has worked with clients such as Hellenic Petroleum, Gazprom, Titan Cement, Asea Brown Boveri (ABB), 3M, DS Smith plc, Consolidated Contracting Company, Obolon Brewery, as well as international organisations such as the European Bank for Reconstruction & Development (EBRD), the European Training Foundation and the European Commission.Philip holds a B.Sc. in Geological Sciences and a B.A. in International Relations from Princeton University, and a Certificate in Human Resources Studies from Cornell University, School of Industrial and Labour Relations.

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Łukasz Arendt

arendt

Łukasz Arendt – PhD, graduate of the Faculty of Economics and Sociology at the University of Lodz. Assistant Professor in the Department of Economic Policy at the University of Lodz and in the Department of Employment and Labour Market at the Institute of Labour and Social Studies in Warsaw. Member of the Polish Social Policy Society. Specialist focus on labour market issues and ICT-driven changes in small and medium-sized enterprises. Expert in many national and international research projects. During the last five years published more than 20 papers on labour market policy, unemployment, SMEs' innovativeness and business digital divide, and delivered numerous lectures at conferences and seminars in Poland and abroad. Recently involved in the research project aimed at implementation of the system of forecasting skills' needs on the regional and local labour markets in Poland.

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Edina Berlinger

berlinger

Dr. Edina Berlinger is a financial economist graduated from the Corvinus University of Budapest (CUB). She completed her Ph.D. thesis about income contingent student loan system in 2004. Since then, she has been a full time faculty; and from 2008 the Head of Department of Finance.

Dr. Berlinger has participated in several research projects. She recieved a research grant from the Ministry of Higher Education for investigating the student loan and pension system. She participated in the design and implementation of the Hungarian student loan system as a World Bank consultant, and also was awarded a Research Fellowship at the Collegium Budapest in Complex Systems. Presently, her research interest focuses on the financial management of welfare systems (student loan, pension, health care).

Dr. Berlinger has been actively contributing to the educational development of CUB´s programs in financial management, investments, and corporate finance. She has been involved in translating textbooks, managing and directing bachelor and master courses, supervising several BA, MA and Ph.D. theses.

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Galia Bozhanova

bozhanova

Galia Bozhanova has a M.Sc. in economics and M.Sc in project management with 10 years experience in development of Employers' policies in the field of VET. Ms. Bozhanova is a director of the Vocational training department at the Bulgarian industrial association (BIA) – union of the Bulgarian business and since 2003 she also stands at the head of the VT Center at BIA, which is one of the major players on the market of adults' training services aiming to achievement of labour market balance. She has participated in designing and implementation of a great number of projects for development of human resources on company, regional and national levels. Since 2004 she is also a secretary general of the Association of licensed vocational training centers in Bulgaria. Ms. Bozhanova is a co-author of the "National classification of occupations in Bulgaria", published in 2006. At present, she is an Employers' representative in the ACVT and in the governing boards of CEDEFOP and Eurofound.

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Aviana Bulgarelli

Aviana Bulgarelli is the Director of the European Centre for the Development of Vocational Training (Cedefop). During her tenure, Ms Bulgarelli has placed Cedefop at the forefront of European policy-making in the field.
Before her appointment in 2005, Aviana Bulgarelli enjoyed a career which alternated between applied research and policy-making. As Director-General for Guidance and Vocational Training Policies at the Italian Ministry of Labour and Social Policies (2002-2005) she co-ordinated the Leonardo da Vinci Programme, the European Social Fund Community Support Framework and the relevant national programmes and policies.
As a researcher in labour market and policy analysis issues, Ms Bulgarelli was Director of Research in the Italian Vocational Education and Training Research Institute (ISFOL) and Director of the Italian Programme and Policy Evaluation Unit of the European Social Fund.
She has numerous academic books, international journal articles and conference contributions to her name.

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Dalia Čiupailaitė

ciupailaite

Dalia is an analyst at the Public Policy and Management Institute in Lithuania. The Public Policy and Management Institute is a policy research and evaluation centre that conducts research and provides advice aimed to improve public policies and their management. Dalia works at the Institute since 2006. Her areas of specialisation include social research and evaluation of the implementation of European Structural Funds programmes. Dalia has conducted research and evaluation in the area of workforce training, non-formal education, and equal opportunities, including evaluation of grant schemes for employers for employees training under Human resourse development priority of Lithuanian SPD 2004-6. Dalia holds a Master degree in sociology, which she acquired from Vilnius University.

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Vera Czesana

czesana

Vera Czesana works now as a Head of National Observatory of Employment and Training that is an analytical unit of National Training Fund, Prague. She graduated at University of Economics in Prague and completed post-gradual studies in economics and statistics. She has a long term experience in research of labour market issues, quality of human resources and education in relation to economic development and social inclusion. In last decade she focuses on lifelong learning issues and on early identification of qualification needs on labour market. She is an author and co-writer of many analytical studies and has participated in many national as well as international projects. She is a national co-ordinator of ReferNet activities in cooperation with Cedefop.

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João Delgado

delgado

João Delgado is a Portuguese official of the European Commission since 1988 and at present he is the Head of Unit in charge of promoting a cooperation process on Vocational Education and Training Policy, among the European Union Member States. Furthermore, he manages the Leonardo da Vinci programme, which supports European transnational traineeships schemes and innovative projects in the area of Vocational Education and Training.

He worked previously in other departments of the European Commission (Regional Policies, Development Aid, and Employment) and in the banking sector and also as an attorney in Lisbon, Portugal.

He studied Law at the Catholic University of Lisbon, Portugal; European Studies at the College of Europe in Bruges, Belgium; and he holds a Master Degree in Executive Management from the Solvay Business School, Brussels, Belgium.

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Rimantas Dumčius

Dumcius

Rimantas acquired MA in Political Science (European Studies) from the Institute of International Relations and Political Science, Vilnius University, Lithuania. Professional career started in 1998 in the Ministry of Public Administration Reforms and Local Authorities of the Republic of Lithuania, where Rimantas was involved in designing and implementation of public financing instruments to promote social and economic development. Rimantas also worked in the Lithuanian Non-formal Education Centre where he helped to develop and manage pilot distance learning projects. In 2001 Rimantas became the member of the management team of the Public Policy and Management Institute based in Vilnius. In the institute Rimantas pursued career as public policy analyst with special focus on education, labour market and social policy. Implemented a number of research, policy evaluation and technical assistance assignments on VET policy during the last 5 years including the study on VET cost-sharing mechanisms in 12 newer EU member states commissioned by CEDEFOP.

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Janis Gaigals

gaigals

Janis Gaigals is currently the Director of the Department of Vocational education and General education of the Latvian Ministry of Education and Science. He was the Minister of Education and Science in 1998-1999 responsible for the political management of the education sector and the monitoring of the governance of the education sector. From 1999 until 2002 he was the Parliamentary Secretary of the Ministry of Justice, as well as the Secretary of the Budget and Finance (taxation) Committee. Between 2002 and 2009 he held various key positions.

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Joseph Galea

galea

Joseph Galea joined the Employment and Training Corporation (Malta's PES) in 2001. He has worked for the Corporation in its Apprenticeship Section and as an Employment and EURES advisor. He is today a coordinator and contact person for two ESF programmes (Training Aid Framework and Employment Programme) and an ERDF programme (building of an extension to existent training complex).He has a Diploma in Management Studies another in Training and Development and a Masters of Science in Psychology of Work.He is a co-author of a policy for career guidance in compulsory education in Malta published by the Ministry of Education in 2007.

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Simonas Gaušas

gausas

Simonas acquired MA in Political Science (European Public Administration Studies) from the Institute of International Relations and Political Science, Vilnius University, Lithuania. Since 2004 he is working in the Public Policy and Management institute based in Vilnius. In the institute Simonas pursued career as public policy analyst with a special focus on education (esp. vocational education and training, adult learning) and labour market (esp. and labour market policy (esp. forecasting skills supply and demand, integration of socially vulnerable groups into the labour market) policies. Implemented a number of policy evaluation and research assignments on VET policy during the last 5 years. Recent projects include the study "Sharing the costs of vocational education and training. An analysis of schemes in the newer EU Member States" (2008-2009) commissioned by CEDEFOP and study "Implementation of Action Plan on Adult Learning - LOT 2: Assessment of the impact of ongoing reforms in education and training on adult learning" (ongoing) commissioned by DG Education and Culture.

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Maria Hrabinska

Hrabinska

Maria Hrabinska (SK) came to Cedefop in 2008 from the European Commission (DG Education and Culture) where she worked for four years monitoring and analysing progress towards the Lisbon objectives within the "Education & Training 2010" work programme. A specialist in comparative research on educational policy developments, she has cooperated with international organisations such as the OECD, UNESCO and the Council of Europe, and is the author of number of papers on the subject of how education and training is and can be developed to respond to global challenges and serve European policy goals. At Cedefop, she coordinates activities focused on policy analysis and reporting on developments in vocational education and training in Europe (Copenhagen process).

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Iñigo Isusi

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Iñigo Isusi has extensive experience in socio-economic studies and research. His work has covered a wide range of economic and enterprise subjects (labour, CSR, continuing training, sectorial and SMEs studies, innovation,...). In this sense, Mr Isusi has acted as a consultant for the Spanish and several Spanish regional governments, as well as for several international organisations (i.e. European Commission, European Foundation for the Improvement of Living and Working Conditions, CEDEFOP, OECD, Inter American Development Bank,...). Particularly in the education and training domain, he has been involved in several projects (several projects for the Leonardo programme intended to analyse existing training practices and training-related problems amongst SMEs; a project for the OECD for compiling a catalogue of relevant international experiences of demand-led financing of lifelong learning and, finally, two projects for CEDEFOP on Sector Training Funds and Tax Incentives in Europe. In addition to this, he has been recently involved in a project for DG Employment and Social Affairs intended to identify emerging competences in the European Union shipbuilding sector.

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Branko Kumer

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Branko Kumer, Director of the School Center Ptuj since 1996, born in 1959 in Slovenia.He has a university degree in mechanical engineering and specialization at the College of Management in the field of management and financing of non-profit institutions. Since 1981, he taught technical subjects; in the year 1993 became the headmaster of a secondary school in a school center, and in the year 1996 became the Director of the largest secondary school educational institution in Slovenia. Today, this centre is visited by over 1850 pupils on secondary education level, over 650 students in higher professional education, and over one thousand adults in the manifold training programs.Mr. Kumer was involved in various project teams for creating educational policy, quality assurance in VET education and development and preparation of national curricula for VET. As well as external experts, he was involved in national evaluation team. Since 2004 he has been a member of a national project team for changes in financial and administrative system in education in Slovenia. As a manager, lecturer and member of various national and international expert commitees he has practical experience in vocational education, training planning and further education.

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Christian Lettmayr

Christian Lettmayr, Deputy Director of Cedefop since April 2005, was born 1951 in Austria.

He has a master's degree in business administration and economics from the Wirtschaftsuniversitaet Wien and a master's degree in vocational and technical education from the University of Illinois in Urbana-Champaign, where he was a Fulbright scholar.

From 1985 until 2001 he was Deputy Director and - from 1994 - Director of the Austrian Institute for Small Business Research (now: KMUforschung Austria) in Vienna. In 2001 he took up an assignment with the European Commission, DG Enterprise, contributing to the benchmarking of enterprise policies and competitiveness analysis.

Mr Lettmayr has a background in socio-economic research and the management of research institutions. Through policy-oriented research and participation in various advisory groups he has contributed to the design and implementation of policies. As an entrepreneur, lecturer and member of various professional commissions he has hands-on experience of vocational training, the design of training courses and continuing education.

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Patrycja Lipińska

Lipinska

Patrycja Lipińska has worked at the European Centre for the Development of Vocational Training (Cedefop) since 2005.Her main tasks include policy analysis and reporting on the progress made in implementing the European priorities for vocational education and training, agreed within the framework of the Copenhagen process. Since 2007 she has coordinated research and reporting on the financing of vocational education and training. She holds master degrees in economics from the University of Gdańsk, Poland and the University of Exeter, UK.

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Zsófia Lux

Lux

Zsófia Lux is a senior counsellor in the Department of Adult Education and VET at the Hungarian Ministry of Social Affairs and Labour. Previously she worked at the Ministry of Labour, before joining the Ministry of Education from1998 to 2006. For over 10 years she has worked on issues relating to vocational education and training (VET). She has been responsible for international relations, following EU policies, Education and Training 2010 work programme, LLL, LLP, mobility programs. She was national coordinator of the OECD-VET project “Learning for Jobs”, has been delegated member of the EU Advisory Committee for Vocational Training (ACVT), the EU ECVET Working Group and the working group on the 2010 Bruges review of the Copenhagen process. She holds a Masters in economic sciences from Karl Marx University of Economics, Budapest.

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Ovidiu Mantaluta

mantaluta

Ovidiu Mantaluta is senior researcher in the Management Laboratory, at the Institute for Educational Sciences. He was personal adviser to Secretary of State for Pre-university Education, for education financing and education system decentralisation: in this position, he coordinated the activities of Ministry of Education and Research in decentralisation problem, the methodological aspect in Decentralisation Strategy Document for pre-university education. He worked in projects to improve the administrative and financial management of schools in a decentralised environment, issued comparative studies about education finance, kindergarten finance, deductions, facilities and education systems in Europe.

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Jean-Raymond Masson

masson

Jean-Raymond Masson is a Senior Expert at the European Training Foundation in projects related to VET policies in the candidate countries, the Western Balkans and in Mediterranean countries, with particular reference to financing and quality assurance in education and training and lifelong learning, and more generally to the dissemination of the EU policy in Education and Training in ETF partner countries.

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Janja Meglič

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Janja Meglič, MA is a representative of the Chamber of craft and small businesses of Slovenia with a long period of experience on the field of professional education and training and international cooperation. As an adviser for HR to the General Secretary, she is involved in decision-making processes concerning professional education and training on national and EU level and a member of different professional national and EU bodies.

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Paulina Mucha

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Paulina Mucha, a graduate of the Faculty of Political Science at the Warsaw University with a major in European Studies, holds the Diploma of European Political Science of the Robert Schumann University in Strasbourg. Since 2005 she worked in the Polish Ministry of Regional Development in the Department for ESF Management. She is actively involved in the preparation of strategic documents for 2007-2013 financial perspective in Poland. As a senior expert, she focuses on the labour market and social protection issues in the ESF co-financed programmes. Since 2008 she is a member of the governmental working group dealing with the situation of older workers on the Polish labour market, responsible for elaboration of the strategy “Solidarity of generations” aimed at increasing the level of vocational activity of older workers.

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George Panayides

Panayides

George Panayides is Director of Training Services at the Human Resource Development Authority of Cyprus (HRDA), the national organisation that is responsible for the promotion of training and development in Cyprus. He holds academic qualifications in Economics and Labour Economics from the London School of Economics and Political Science. His 25 years with the HRDA cover a wide spectrum of issues in both the areas of Human Resources and Labour Market Research as well as national policies and measures for the promotion of training and development. Mr. Panayides is a member of the Governing Board of the Foundation for the Management of the Lifelong Learning Programme in Cyprus. He served as a member for Cyprus on the Advisory Forum of the European Training Foundation from 1999 to 2008.

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Romulus Pop

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Romulus Pop is expert at the National Centre for Technical and Vocational Education Development Romania. His main tasks include the implementation of the Phare VET programmes in the vocational schools. He has 33 years experience in education, from high school to university, including a four years position of Secretary of State for pre-university education sector.He holds a doctoral degree in physics from the Babes-Bolyai University of Cluj-Napoca.

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Andres Pung

pung

Andres Pung has worked at the Ministry of Education and Research in Estonia since 2003. He is the Head of Vocational and Adult Education Department. Earlier he worked in the higher educational sector and acted as the Vice Rector in the studies and research at the Estonian Music Academy.His main responsibility is developing the vocational education and adult education policy and coordinating its implementation in Estonia. He has coordinated the preparation of two strategies for developing VET as well as adult education in Estonia in 2005 and in 2009. Andres Pung has graduated from the Tallinn Conservatoire in the speciality of music theory and took his postgraduate training at the St. Petersburg Conservatoire.

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Tamàs Rettich

rettich

Tamàs Rettich joined IPOSZ, the Hungarian Association of Craftsmen's Corporation, the biggest organisation of Hungarian micro and small-sized enterprises in 1999. He has been working for the International and Training Department as project manager. One of the main projects for which he is a project manager is called: "Funding equipment purchase for the enterprises employing less than 10 employees and raising apprentices". This project is financed by the Vocational Training Fund.

He has a Diploma in Environmental Management and a Master of Science in History and Teaching.

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Viktorija Šmatko

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Viktorija Šmatko was born in Lithuania in 1962. She graduated from the Vilnius University with a Master's degree in Economics in 1983. Since then, she has continued her professional education by participating in a number of conferences, seminars and training courses all over the world, sharing her progressively responsible experience in accounting, audit, budget, evaluation, finance, investigation, information and related area.
Her background also includes: strategic management planning and analysis, budgeting, personnel administration, training and organizational development, program and project management, facility management, procurement, technical and report writing, and public relations.
From 1983 to 1994, Ms Šmatko was employed at the Lithuanian state and private enterprises as the Economist-Financier, Deputy Chief Financial Officer, Chief Financial Officer, and Director of Commerce. In 1994, she was selected to be the first professional, who joined a newly opened office of Coopers & Lybrand (now Pricewaterhouse Coopers) in Lithuania. In 1994, she won the first National Competitive Recruitment Exam competition organized by the United Nations in Lithuania. Between 1995 and 2007, she worked as the Auditor and Auditor/Inspector in the Office of Internal Oversight Services of the United Nations in New York, inter alia, in UNIDO,Vienna.
Viktorija Šmatko joined DG Employment, Social Affairs and Equal Opportunities of the European Commission (EC) in March 2007 as Director of Directorate I responsible for audit, controls and evaluation of over the 75 billion Euros programme budget executed through EC direct management and shared with the EU Member Sates management of the European Social Fund (ESF). Her duties also involved contribution to the process of accreditation for the implementation of the Instrument for Pre-accession candidate countries; coordination the relationships with the control authorities (IAS, ECA, Committees of the EC and EP); and all matters concerning relations with the European Anti-Fraud Office (OLAF), including inter alia, irregularities and fraud, in view of protecting the financial interests of the Community.
In April 2009, she became a Director, EMPL C responsible, in partnership with the nine Member States, for the efficient and effective programming and implementation of about 2/3 of operational programmes financed from the ESF. Directorate C contributes to the implementation of the Lisbon Strategy for Growth and Jobs and to economic and social cohesion by ensuring that the ESF supports Member States' related policies and by coordinating the monitoring of the corresponding national policies particularly in the field of employment and the social protection and social inclusion process. Also, Directorate C ensures reliable financial assistance to all the ESF Directorates (27 Member States and IPA countries), coordinates the financial progress of ESF programmes, and ensures that all
ESF files are archived properly.
Viktorija Šmatko is a member of the International Foundation of Employee Benefit Plans, the Institute of Internal Auditors, the Association of Certified Fraud Examiners, and the Institute of Forensic Auditors. Viktorija Šmatko is a Certified Fraud Examiner, Registered Forensic Auditor, and holds Certification in Retirement Plans.
Ms Šmatko is married with two sons.

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Manfred Tessaring

Tessaring

Manfred Tessaring graduated 1972 in National Economics and obtained his doctorate in economics of education in 1979. Until 1996 he worked with the Institute for Employment Research (IAB) of the Federal Employment Agency in Nuremberg, Germany, where he was executive scientific director. Since 1996 he is working with Cedefop in Thessaloniki, Greece, where he is Head of the Area 'Research and Policy Analysis'.

His main responsibilities include:

• research in vocational education and training,
• identification and anticipation of skills needs,
• analysis of progress achieved to implement the Copenhagen objectives for vocational education and training.

His work is documented by a number of publications. He is engaged in several European research projects and networks and is member of European and national committees.

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Albert Tuijnman

Tuijnman

Albert Tuijnman is senior economist for human capital at the European Investment Bank. He also is professor of comparative education at Stockholm University, the University of Nottingham and the Danish University of Education. Previously he was Principal Administrator at the OECD with responsibilities for publications such as Education at a Glance, Lifelong Learning for All, Education Policy Analysis, and the International Adult Literacy Survey.

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Jasper van Loo

Jasper van Loo has worked at Cedefop as a project manager since 2007. His research interests include labour market dynamics and training needs, skill mismatch and the labour market situation and training of ageing workers. Before starting at Cedefop, Jasper has contributed to and published a number of reports on the impact of training. In addition, he has been responsible for managing a labour market observatory for a large training fund in the Netherlands. Currently, he is responsible for the Cedefop research arena (Cedra) and contributes to Cedefop's regular research reports on vocational education and training.

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Juraj Vantuch

vantuch

Juraj Vantuch is an education policy analyst at Comenius University Bratislava (CU). Graduated from teacher training programme at CU, he received the title (RNDr) from the Faculty of Mathematics and Physics at CU in Probability and Statistics (1978) and a PhD in Pedagogy from Charles University in Prague (1987). After periods of working as a university teacher, specialist-researcher at research institute and adviser to Minister(s) at Ministry of Education, he is currently Ass. Professor in Pedagogy Management-Education Policy, serving as lecturer at Faculty of Education offering courses in Methodology, Education Policy, Comparative Education; and Labour Market and Education within teacher training programmes; and as lecturer at Faculty of Social and Economic Science offering Education Policy course within Public Administration programme. He serves as CEDEFOP-Refernet national coordinator since accession of Slovakia to the EU in 2004.

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Loukas Zahilas

zahilas

Loukas Zahilas is Senior Expert in Qualifications and Learning Outcomes at the European Centre for the Development of Vocational Training (Cedefop. Born in 1960, he studied Chemistry and Information Technology. After a six-year stint in the pharmaceutical industry, he has concentrated entirely on education and training. His more than 20 years of professional experience in vocational education and training were mainly acquired at the Greek Organisation for Vocational Education and Training (OEEK), but also in technical Institutes and the University of Athens. Before joining Cedefop in 2006, he represented Greece in various European bodies such as the Directors General for VET (DGVT), the Advisory Committee for Vocational Training (ACVT) and the European Training Foundation (ETF). He has also served as the National Europass Coordinator and National Liaison Officer for Study Visits Programme (NLO), and participated in the Technical Working Groups on the European Qualifications Framework (EQF) and the Credit System for Vocational Education and Training (ECVET). Loukas Zahilas is currently working on the development and implementation of the European and national qualifications frameworks, the shift to learning outcomes, and sectoral approaches to lifelong learning.

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Presentations

Thursday, 15 October 2009

Welcome and opening speeches

Aviana Bulgarelli, Director, Cedefop

João Delgado, Head of Unit, Directorate General for Education and Culture, European Commission

(speech, 115KB)

Cedefop's analysis: Sharing the costs of training in the newer EU Member States

Patrycja Lipińska, Cedefop

and

Rimantas Dumčius, Public Policy and Management Institute, Lithuania

Systemic perspective: country examples

Financing VET in Hungary: main cost sharing schemes

Zsófia Lux, Ministry of Social Affairs and Labour, Department of Adult Training and Vocational Training, Hungary

(presentation, 221KB), (abstract, 9KB), (paper, 49KB)

Financing of adults training - Bulgarian example

Galia Bozhanova, Director, VET center, Bulgarian Industrial Association, Bulgaria

VET financing policies from two points of view

Juraj Vantuch, Comenius University, Slovakia

(presentation, 284KB)

Encouraging private sector investment: financing instruments

Parallel working sessions

Working group I: Incentives for individuals

Hungarian experience in student loaning with reference to some other European countries

Edina Berlinger, Corvinus University of Budapest, Hungary

VET financing in Latvia in times of change

Jānis Gaigals, Director, Ministry of Education and Science, Department of Vocational and General Education, Latvia

(presentation, 283KB)

Incentives for initial and continuous VET learners in Estonia

Andres Pung, Director, Ministry of Education and Research, Vocational and Adult Education Department, Estonia

(presentation, 84KB)

Significance of training costs for Romanian employers and employees

Ovidiu Mantaluta, Institute for Educational Sciences, Romania

(presentation, 521KB)

Working group II: Incentives for employers

An overview of tax incentives to encourage legal entities to promote VET in the EU with special reference to Lithuania

Simonas Gaušas, Public Policy and Management Institute, Lithuania

(presentation, 154KB)

ESF co-financing for vocational training: grant schemes for training of employees in Lithuania

Dalia Čiupailaitė, Public Policy and Management Institute, Lithuania

(presentation,1MB)

Co-financed training aid in Malta

Joseph Galea, Employment and Training Corporation, Malta

(presentation, 264 KB)

Supporting companies in financing CVET – Czech example

Vera Czesaná, Department Manager, National Training Fund, National Observatory of Employment and Training, the Czech Republic
(presentation , 2,6MB)

Working group III: Obligations for employers

The Human Resource Development Fund in Cyprus: Recent developments and effects of the economic crisis
George Panayides, Director of Training Services, Human Resource Development Authority, Cyprus
(presentation , 166KB), (abstract , 10KB), (paper , 121KB)
Sharing the costs and responsibility in VET in Slovenia
Janja Meglič, Chamber of Crafts and Branko Kumer, Director, School Centre of Ptuj, Slovenia
(presentation , 1,2MB)
Training fund in Poland - its effectiveness and future prospects
Łukasz Arendt, University of Łódź, Poland
(presentation , 1,8 MB), (abstract , 54KB), (paper , 160KB)
How to ensure that micro enterprises have access to the Vocational Training Fund in Hungary
Tamás Rettich, Hungarian Association of Craftsman's Corporations (IPOSZ), Hungary
(presentation , 580KB)

Friday, 16 October2009

Reports from the working sessions
Working Group I (, 118KB) Working Group III (, 79KB)

The role of European funds in supporting training. Response to the crisis.
Viktorija Šmatko, Director, Directorate General for Employment, Social Affairs and Equal Opportunities, European Commission
(presentation , 248KB)
The EIB Education Lending Paper: Implications for VET Finance
Albert Tuijnman, European Investment Bank
(presentation , 800KB)
Examples of anti-crisis measures supported by the ESF in Poland:
How to revitalise the economy by investing in training
Paulina Mucha, Ministry of Regional Development, Department for European Social Fund Management, Poland
(presentation , 135KB), (abstract , 9KB), (paper , 26KB)

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European Challenges in Vocational Education and Training Opening Speech

João Delgado
Head of Unit
European Commission
Conference: Sharing the costs of training in the newer Member States
Thessaloniki/Brussels, 15 October 2009

Member States are in charge of their education and training systems…
How does the EU get involved?

Education and Training 2020 work programme

Synergies between the different education and training sectors

Effective use of open method of coordination (OMC)

- **four strategic objectives**
- **common reference tools and approaches**
- **peer learning, exchange of good practice, dissemination of results**
- **monitoring and reporting**
- **evidence and data**
- **full use of the Community programmes (LLP)**

Education & Training 2020

Strategic objectives:

1. Making lifelong learning and mobility a reality
2. Improving the quality and efficiency of education and training
3. Promoting equity, social cohesion and active citizenship
4. Enhancing creativity and innovation, including entrepreneurship, at all levels of education and training.

European benchmarks

Benchmark	2020 Target
Participation in early childhood education	**95%**
Low-achievers in reading, math, science	**<15%**
Early leavers from E&T	**<10%**
Tertiary educational attainment (30-34 year olds)	**40%**
Participation of adults in LLL	**15%**

Copenhagen process on enhanced cooperation in VET

•Strengthen the European dimension

•Improve transparency, information and guidance systems

•Recognise competences and qualifications

•Promote quality assurance

•Process based on agreed European and national priorities and developing common tools

•Reviewed every two years (Communiqués)

Bordeaux Communiqué (Nov 2008)

4 priority areas:

1) Implementing the tools and schemes for promoting cooperation in the field of VET

2) Heightening the quality and attractiveness of VET systems

3) Improving the links between VET and the labour market

4) Strengthening European cooperation arrangements

Conclusions of the study „Investing in and financing VET in an efficient and sustainable way” (May 2008)

- Need for better data and analysis for VET (according to the type of education; IVET, CVET, public, private, etc)

- Need for a common measurement framework applied to divergent national VET systems

- Need to increase private investment (through various measures, such as tax exemption)

- Need to increase individual incentives to train (e.g. vouchers, learning accounts)

Conclusions of the study „Investing in and financing VET in an efficient and sustainable way" (cont.)

- **Connections between training and work (e.g. alternance)**
- **Flexible learning (eg. recognition of non-formal and informal learning)**
- **Closer links between general education and VET**
- **Investment in tertiary VET in EU lags behind that of the USA and Asia**
- **Deeper insight into organisational and institutional processes of change is needed**

Leonardo da Vinci Programme

Community action programme to promote cooperation in vocational education and training.

Focuses in two main priorities:

- **Development of a well-functioning European labour market (Copenhagen process);**

- **Modernisation of the European Education and Training systems (Lisbon Agenda).**

Leonardo da Vinci Programme

- Promotes mobility and innovation

- Traditionally strongest link to work and enterprises

- Pilot projects deliver innovative solutions for learning in companies, based on needs analysis

- Roughly 300 innovation projects annually all through Europe, all sectors

Leonardo da Vinci Programme

LdV II (2000-2006)

350.000 mobile persons (EUR-12: 78.000)
2.000 multilateral projects (EUR-12: 400)

LLP – LdV (2007-2008)

150.000 mobile persons (EUR-12: 40.000)
650 Transfer of Innovation projects (EUR-12: 140)
800 funded partnerships (EUR-12: 180)

The way forward: Future challenges in LLL

- Economic crisis
- Globalisation
- 80 million Europeans formally low skilled
- Demographic change
- Maintaining human capital
- Increase participation in LLL
- Increase attractiveness of VET

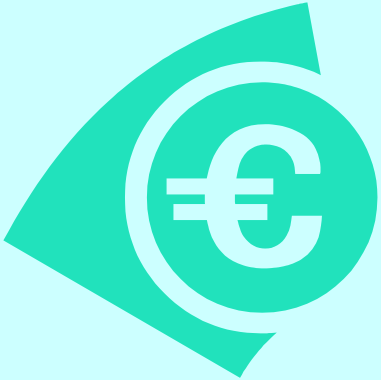
Education and Training

Thank you!

Website: http://ec.europa.eu/education

Hungarian Ministry of Social Affairs and Labour

Financing VET in Hungary:
MAIN COST SHARING SCHEMES



CEDEFOP conference, Thessaloniki, 15-16 October 2009.

Zsófia Lux

Cost sharing mechanisms and regulatory instruments

	Cost-sharing mechanisms and regulatory instruments		HUNGARY
1.	Tax incentives	Personal income tax deduction	2004-2006 adult ed.+HE
		Corporate income tax deduction	Payroll levy 1.5%
2.	Training funds	National / sectoral training funds	National training fund
3.	Subsidy based mechanisms	Vouchers, individual learning accounts	NO
		Grant schemes	YES
4.	Loans	Conventional loans/income-contingent loans	In higher education
5.	Payback clauses	Payback clauses for individuals and/or next employers	Regulated by Labour Act
6.	Training leave	Paid and/or unpaid training leave	Regulated by Labour Act
7.	Saving schemes		NO

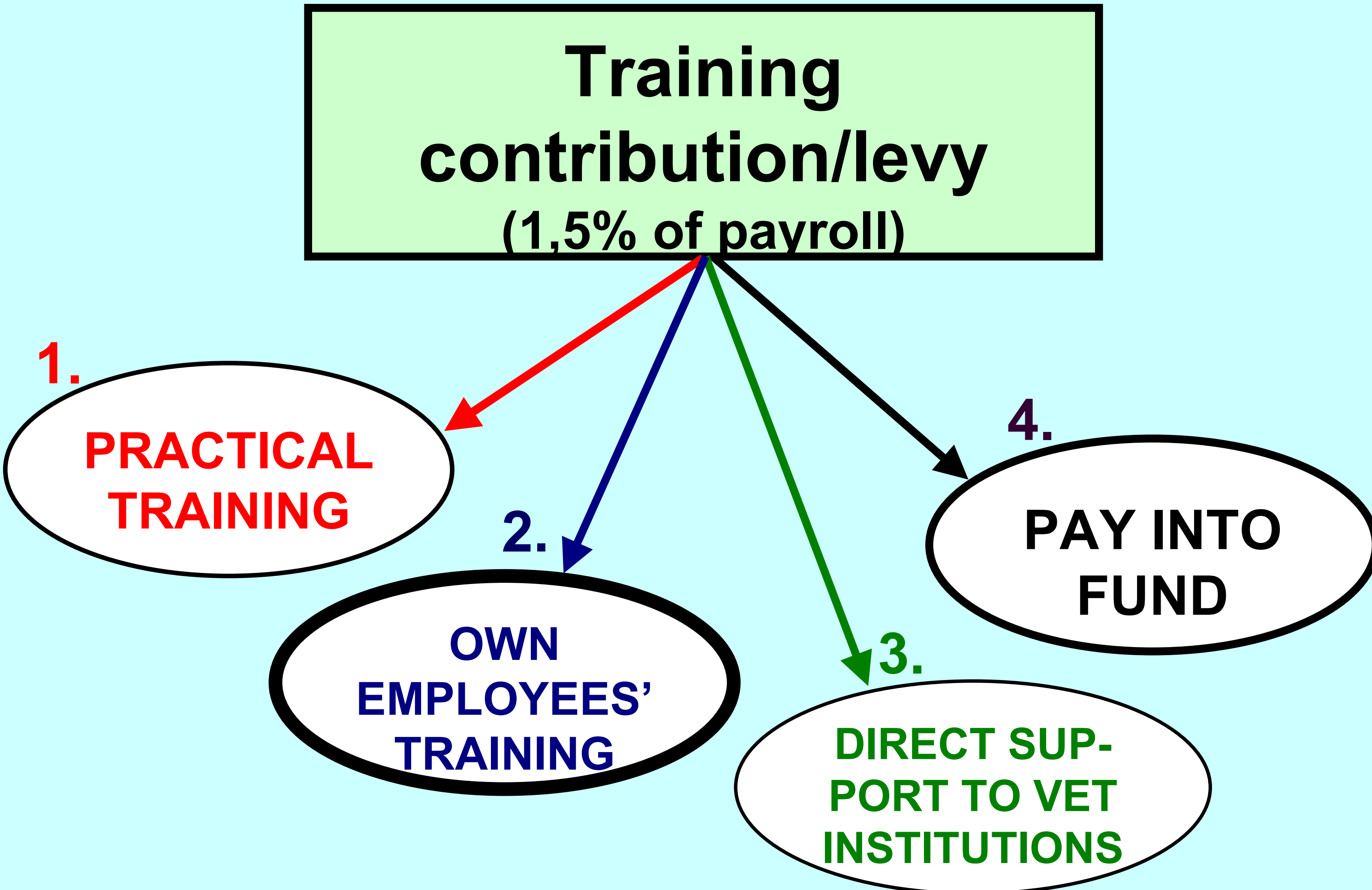
Labour Market Fund sub-funds

- Employment sub-fund
- Solidarity sub-fund (for unemployed people)
- Training sub-fund
- Wage-guarantee sub-fund
- Rehabilitation sub-fund
- Sub-fund for other operational purposes

The Vocational Contribution „Story”

- **1972** – training levy introduced – Apprenticeship Fund
- **1988** – Vocational Training Contribution – Vocational Training Fund
- **1991** - Vocational Training Contribution – Labour Market Fund Vocational Training Sub-fund
- **2001-** Vocational Training Contribution – Labour Market Fund Training Sub-fund

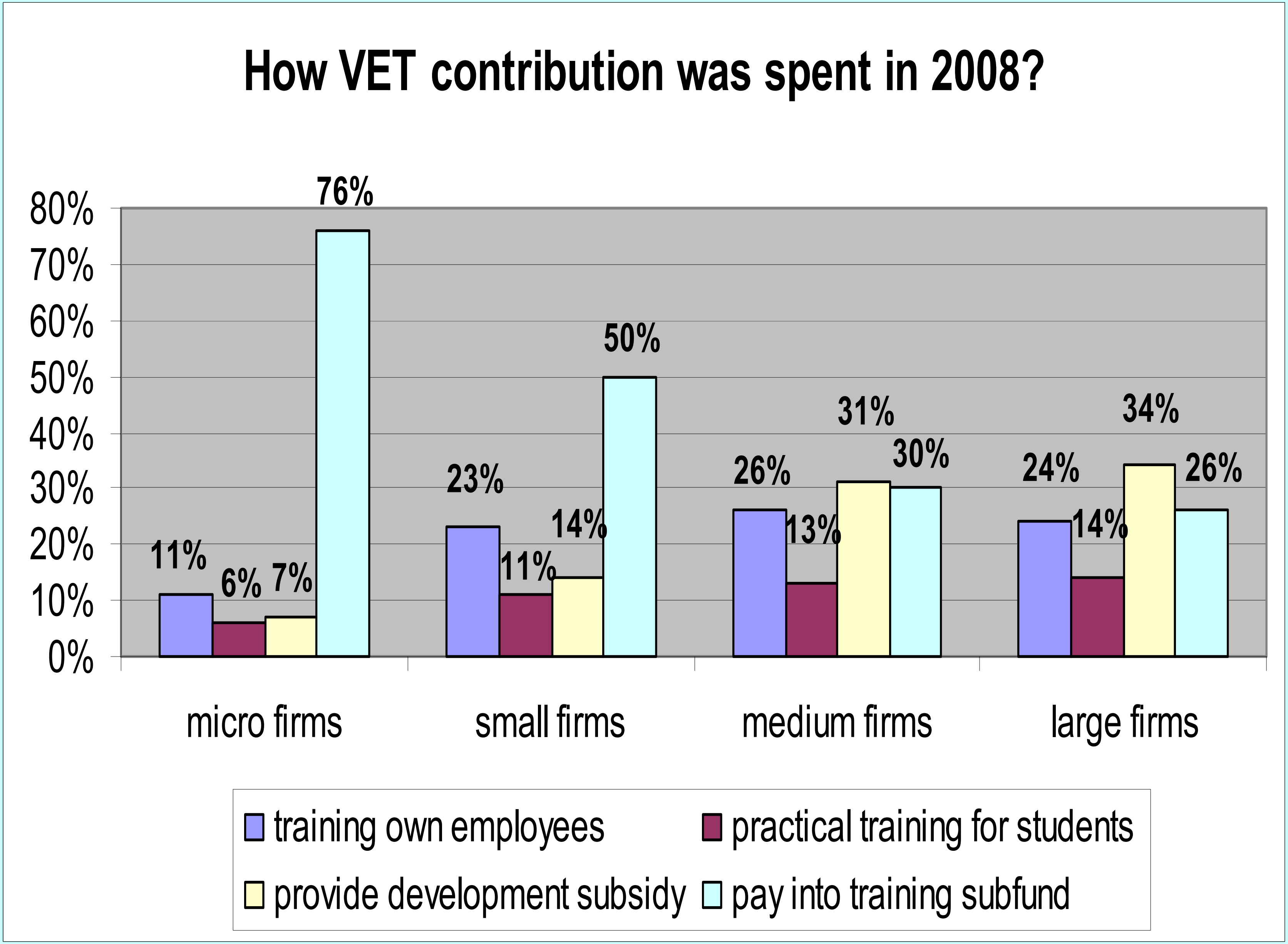
WAYS OF ALLOCATION OF THE TRAINING CONTRIBUTION



ALLOCATION OF VET CONTRIBUTION

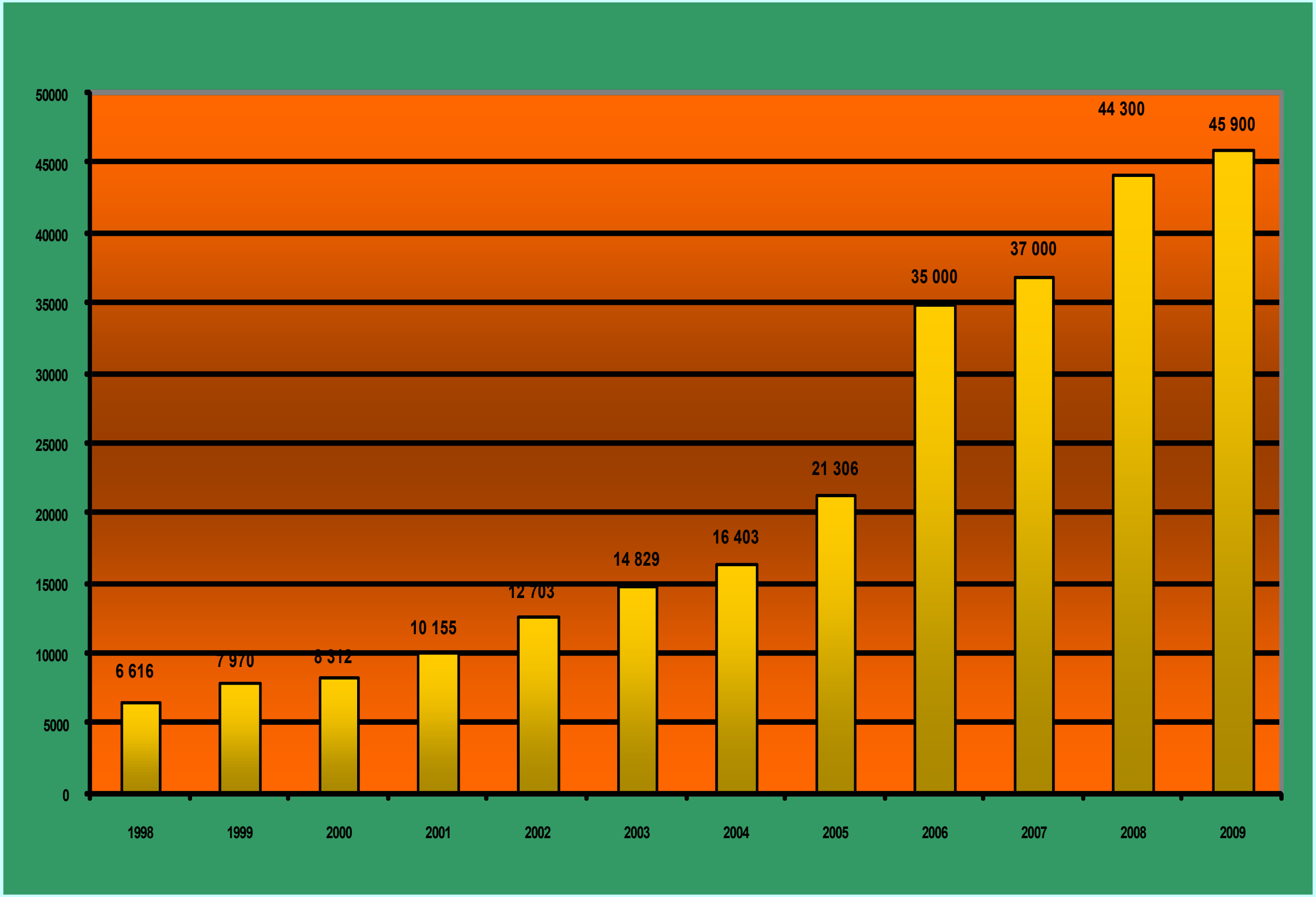
1998-2008 (billion HUF) [HUF 100 HUF=EUR 0.4]

Year	Practical training provision for VET students at enterprises	Development subsidy for		payment into the Training sub-fund of the LMF	Training provision for own employees	Total
		VET schools	higher education institutions			
1998	5.7	n/a	-	8.7	n/a	14.4
2001	6.2	11.9	0.9	16.0	2.4	37.4
2005	9.2	12.8	4.1	28.5	6.98	61.6
2008	16.1	10.7	4.5	42.1	7.8	81.3



How VET contribution was spent in 2008?
80%
70%
60%
50%
40%
30%
20%
10%
0%
11%
6%
7%
76%
23%
11%
14%
50%
26%
13%
31%
30%
24%
14%
34%
26%
micro firms
small firms
medium firms
large firms
training own employees
practical training for students
provide development subsidy
pay into training subfund

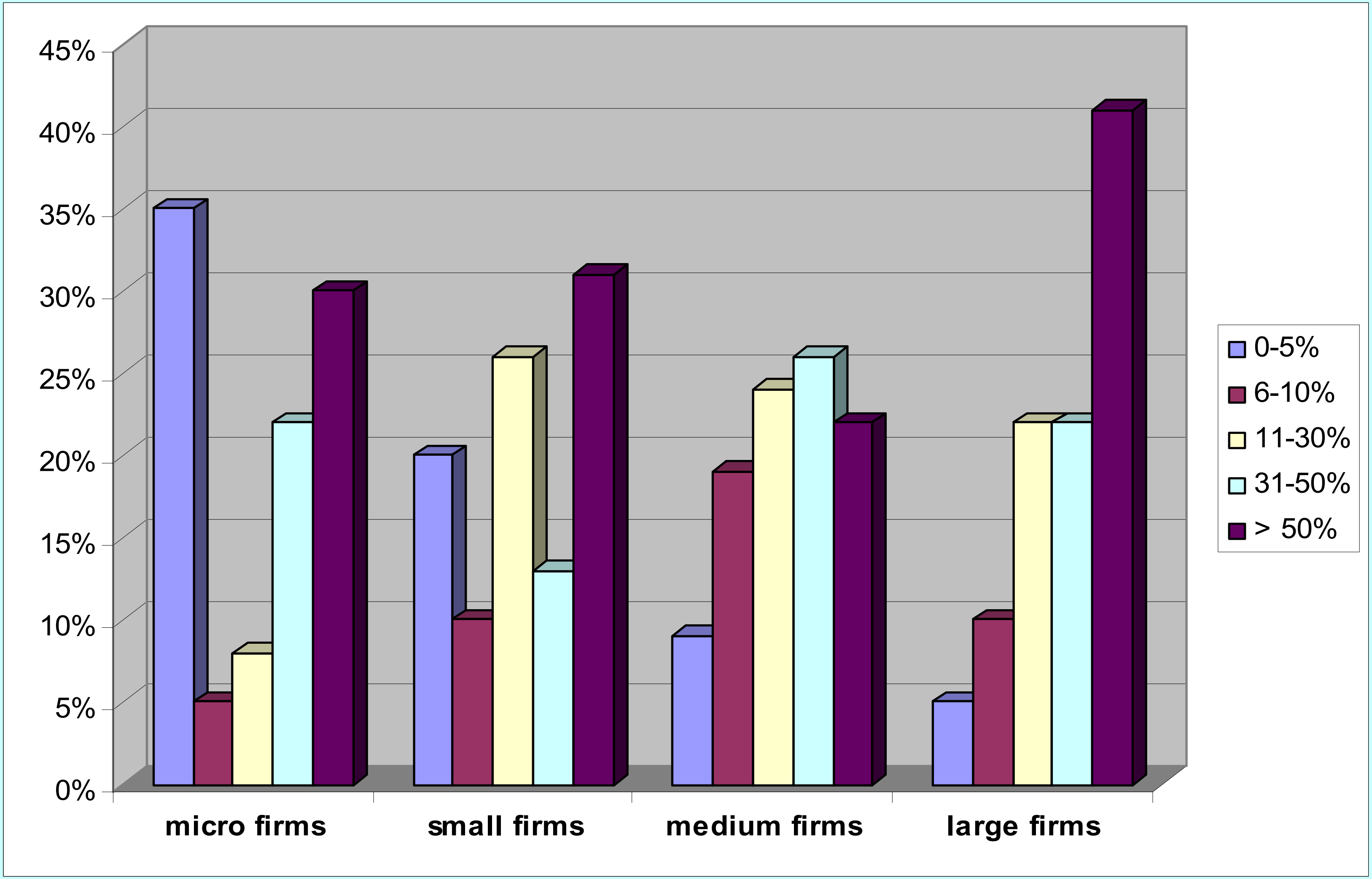
Number of student contracts 1998-2009



TRAINING OF THE COMPANIES' OWN EMPLOYEES

- 33% of the total contribution, i.e. 0.5% OF THE PAYROLL
- 60% in case of SMEs
- Still small companies hardly use it (before 2000 only 0.2% of SMEs used it)

TRAINING OWN EMPLOYEES IN 2008



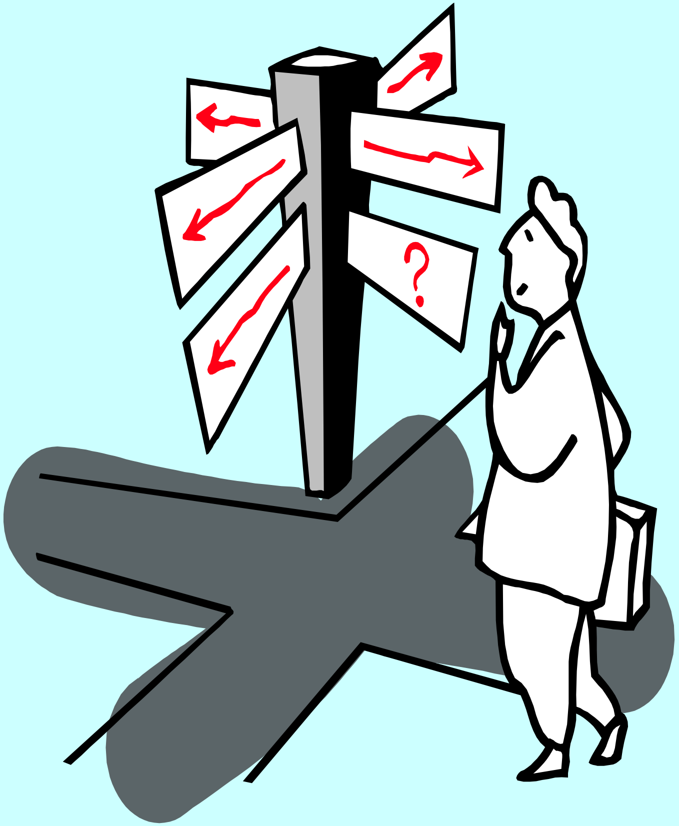
DIRECT SUPPORT TO VET INSTITUTIONS

- To be used for practical training development purposes
- Up to 75% of VET contribution (for VET schools)
- Up to 37,5% for HE institutions
- Since September 2008 only for maintainers of member-schools of Regional Integrated Vocational Training Centres (TISZKs)

Increase of VET contribution paid into training sub-fund of LMF, 1998-2008

Year	Million EUR	% of 1998
1998	34	100.00
2000	53.2	152.87
2002	74.4	213.79
2004	96	275.86
2006	129.2	371.26
2008	168.4	483.91

Thank you for the attention!



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Zsófia LUX

Financing VET in Hungary
MAIN COST-SHARING SCHEMES

Abstract

In Hungary the most important cost-sharing mechanisms relating toVET financing, the **VET contribution** or payroll levy for legal entities, the operation of the **training sub-fund** (within the Labour Market Fund) and the **grant system** are strongly interrelated.

A particularly important source of the ***training sub-fund*** is the **VET contribution**, a kind of VET tax levied on enterprises amounting to **1.5% of total labour cost**. The amount of VET contribution can be paid by the enterprises in various forms as legally regulated. They can allocate their VET contribution for the following purposes: providing practical training for students (fully deductible); providing training for their own employees; give development subsidy for VET schools or higher education institutions; or pay it into the training sub-fund of the Labout Market Fund. From this training sub-fund are financed the technological and content development of IVET, practical training part of IVET and CVET, training programmes, co-financing of EU supported VET projects, etc.

Zsófia LUX

Financing VET in Hungary
MAIN COST-SHARING SCHEMES

The Hungarian government and several other stakeholders do their utmost in the sake of a really good VET both for the young generation and the adults by a couple of financing mechanisms, though the efficiency of the support as a whole leaves doubts. Probably the greatest challenge of our VET is the presently low prestige of manual skilled work, against which we try to fight by making it attractive by introducing higher scholarship, advantageous conditions of employment, levy reduction possibility for employers, etc.

The primary sources of funding for the operation of VET come from the central budget and the budget of the school maintainers (local governments, churches, foundations, etc.), but there are other, cost sharing instruments which play a very important role in the financing and development of both IVET and CVET in Hungary.

Recent changes concerning the financing of IVET were related to the educational policy objectives of:

(a) promoting workplace learning and in particular apprenticeship training (i.e. training based on a student contract);

(b) adapting training provision to labour market needs; and

(c) encouraging institutional concentration and optimising capacity utilisation.

The most important cost-sharing financing mechanisms in Hungary i.e. the **VET contribution** or payroll levy for legal entities, the operation of the **national training sub-fund** (within the Labour Market Fund) and the **grant system** are *strongly interrelated.*

In Hungary there are no sectoral training funds, but exists a national *Labour Market Fund*, which has several sub-funds (for employment, solidarity, training, wage guarantee, rehabilitation, operational purposes). Its income derives from various kinds of compulsory contributions paid by employers and employees, budgetary support and privatisation. Some of the sub-funds play very important role in financing VET provision and the development of both IVET and CVET, the development of vocational schools, etc. The right of disposal over the Labour Market Fund is at the Minister of Social Affairs and Labour who shares the exercise of these rights with the tripartite Labour Market Fund Governing Board and the Minister of Education and Culture in relation to the employment and the rehabilitation sub-funds. Allocation and tendering for the resources of the **training sub-fund** are assisted by the National Vocational and Adult Training Council and the Regional Development and Training Committees involving representatives of the social partners.

From the *employment and the rehabilitation sub-funds* of the Labour Market Fund – among others – financial support is given to unemployed people, people living with disabilities and other target groups to participate in training programmes provided by accredited adult training providers and the Regional Training Centres. Their support may include the *reimbursement of training costs, related expenses and provision of supplementary/compensatory payment for the duration of training.*

From the point of view of vocational education and training the training sub-fund of the Labour Market Fund plays the most important role. A particularly important source of the ***training sub-fund*** is the **VET contribution**, a kind of VET tax levied on enterprises amounting to **1.5% of total labour cost**. *Act LXXXVI of 2003 on the Vocational Training Contribution and Support for the Development of Training* regulates the conditions of the payment and the possible uses of the 'VET tax' paid by enterprises and the allocation of resources available for VET development from the training sub-fund of the Labour Market Fund.

VET contribution is not a new fenomenon in Hungary. It was first introduced in 1972. Since it has gone through several updatings, modifications, having different scopes and objectives, but it still has a decisive role in the financing of training related matters. This is an instrument by which enterprises contribute to the expenses of vocational training, as it is mainly them who benefit from an advanced level vocational education and training.

In the beginning it was only used in the interest of the apprenticeship training. From 2001 the scope of entitlement, the possible use of the money deriving from the training sub-fund was widened. Now it can be used also for the in-service training of VET teachers and trainers, for career guidance, pre-vocational education, professional grounding, etc. Recently an ever growing percentage of it is spent for co-financing EU supported VET projects and other VET programmes, like the so called "Vocational Training School Programme", which has the aim to reform the vocational school system, to improve the quality of training and the job opportunities, as well as the career prospects of young people on the labour market.

The VET contribution provides a significant and reliable source of funds for VET. It played a particularly crucial role during the transition years (early 90's) as other funding sourced collapsed or became uncertain. This levy accounts for almost one-third of total national expenditure of school-based VET. The amount of VET contribution can be allocated in various forms as regulated by legislation. Accordingly, enterprises decide themselves how they wish to allocate their VET contribution.

Figure 1 (see Annex below) illustrates the allocation (by the enterprises) of the VET contribution in 2008.

Allocation of the VET contribution can be realised by the following ways:

1. to provide **practical training** for VET students (based on cooperation agreements or student contracts; **100%** of their VET contribution can be allocated to expenses related to this). The funding of any practical training – mainly in the form of apprenticeship training on the basis of a student contract – provided by an economic organisation is ensured by the enterprise, which can then allocate a part or the whole of its vocational training contribution

to related expenses. As a further incentive, when apprentices' costs exceed the VET contribution enterprises can apply for the reimbursement of any expenses not covered by their vocational training contribution duty from the training sub-fund of the Labour Market Fund.

Figure 2 (see Annex below) shows the increase of the number of student contracts between 1998 and 2009.

In spite of the incentives some employers – especially small firms – are reluctant to take on apprentices and find it easier to contribute in other ways. Small Hungarian firms and branches of foreign firms offer relatively little workplace-based training.

2. to provide (either internal or external) vocational or foreign language **training for** their **own employees** (in the amount of at most **33%**, or in the case of micro and small-sized enterprises **60%** of their VET contribution);

Figure 3 (see Annex below) illustrates that large firms train most employees both in number and in proportion. 63% (22+41%) of them said that over 30% of their employees received training in 2008. Over 1/3 of micro-sized companies didn't provide training at all or provided to only max. 5% of their own employees.

Although we have no data about it yet, but due to the recent economic crises and programmes initiated by the government to support training – it is likely that – some companies spend more on the training of employees and allocate their vocational contribution duty to related expenses.

3. to offer **direct support to VET schools** (a maximum amount of **75%** of their VET contribution) or, since 2001 to higher education institutions (maximum **37.5%**) for practical training **development** purposes;

Fundamental changes have been introduced recently concerning the availability and use of development funds and the related decision-making processes. As of September 2008 eligibility to development subsidies and investment support from the training contribution is restricted to the maintainers of schools that are members of Regional Integrated Vocational Training Centres (TISZKs) with at least 1500 full-time VET students. The narrowing of the group of beneficiaries aimed to encourage the establishment of TISZKs, which adhere to the decisions of the Regional Development and Training Committees regarding training offers and appropriate shares of student enrolment.

4. to pay it into the **training sub-fund** of the LMF (up to 100%).

Allocation and tendering for the resources of this sub-fund are assisted by the National Vocational and Adult Training Council and the Regional Development and Training Committees involving representatives of the social partners. VET schools and HE institutions may apply for grant for investing in equipments to be used for practical training.

As Tables 1, 2 and 3 (see Annex below) show, the total amount of VET contribution has been growing steadily during the recent years. But as a consequence of the crisis in many sectors, the growing number of companies under bankruptcy or liquidation process and the rise of unemployment it is expected that in 2009 the VET contribution is going to drop. Less money is going to be paid into the training sub-fund of the Labour Market Fund as well, which will result in less sources to support VET development programmes and less grant for investing in equipments for technical training.

Beside the above complex, strongly interrelated VET financing mechanism – as an incentive to support lifelong learning – there used to be available a **personal income tax deduction** opportunity (below an annual income threshold) for participants of adult training programmes. This was valid from 2003 until 31 December 2006 for participants of programmes which were provided by an accredited training provider. The amount of tax deduction was *30% of the training fee* but not more than HUF 60,000.-/EUR 236. It was very popular with those who participated in training. This tax incentive had to be abolished due to budgetary restraints as part of the measures taken to reduce the national budget deficit, and to comply with the objectives of the Convergence Programme.

Although some policy documents of recent years have referred to the need to assess the opportunities of introducing *learning accounts, vouchers* and/or saving schemes, currently there are no measures initiating any of these. The main problem expected to be with the voucher-scheme is the registration of individuals completing the training and the exclusion of abuses (exclusion of duplicate financing).

Payback clauses for individuals in Hungary are regulated by the Labour Code which applies to all employees. Besides this the Act on Civil Servants and the Act on Public Servants regulate the payback clauses for next employer within public institutions.

The Labour Code collectively entitles the employees to *unpaid leave* if the employee takes part in a so-called school-system based education or training. The employer is obliged to grant unpaid leave to the employee upon receipt of the documentation of the (licensed) educational or training institution. If the employee takes part in general elementary education, (s)he has the right for paid leave. The employee is entitled for (paid or unpaid) leave also in case of attending non-school based education and training only if the training is compulsory and regulated by specific legislation, or if (s)he enters into a "training contract" with the employer. The latter is always subject to the agreement of the parties concerned.

Annex

Figures and Tables

Figure 1. What VET contribution was spent for in 2008?

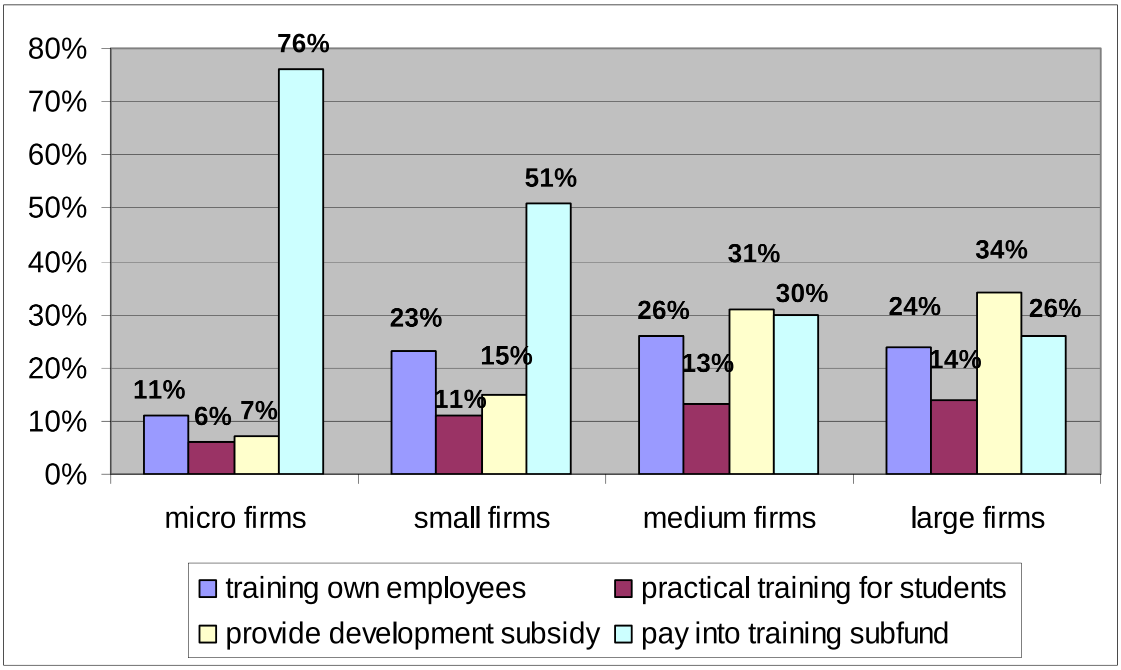


Figure 2. Number of student contracts 1998-2009

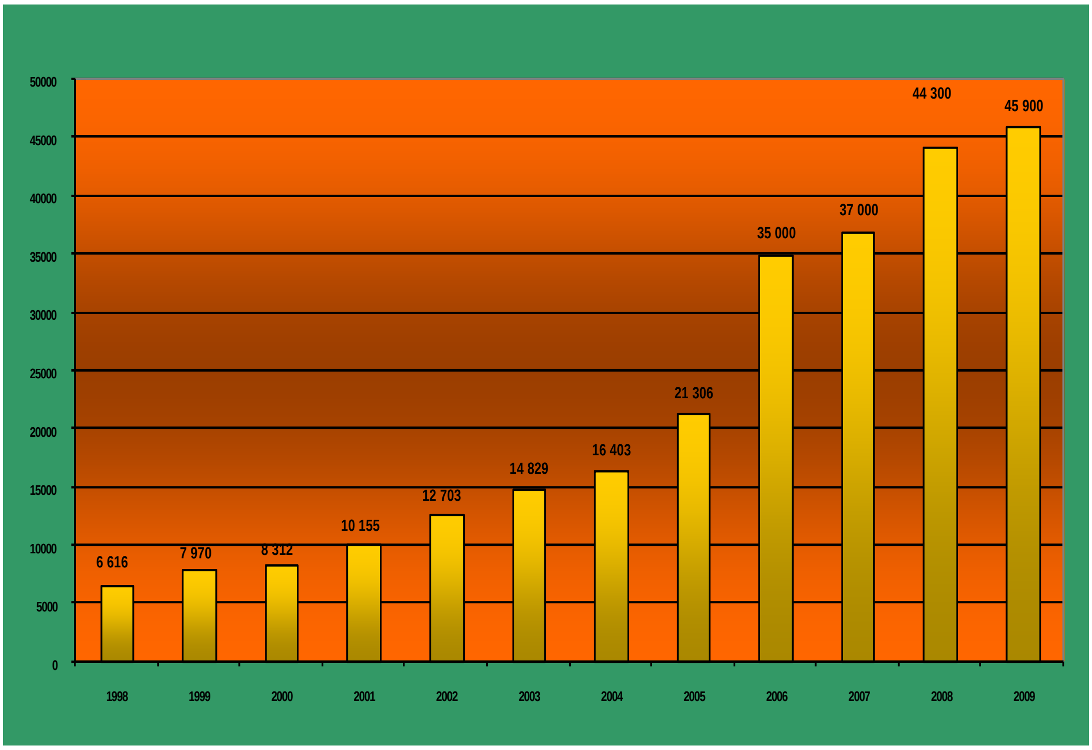


Figure 3. Training own employees in 2008

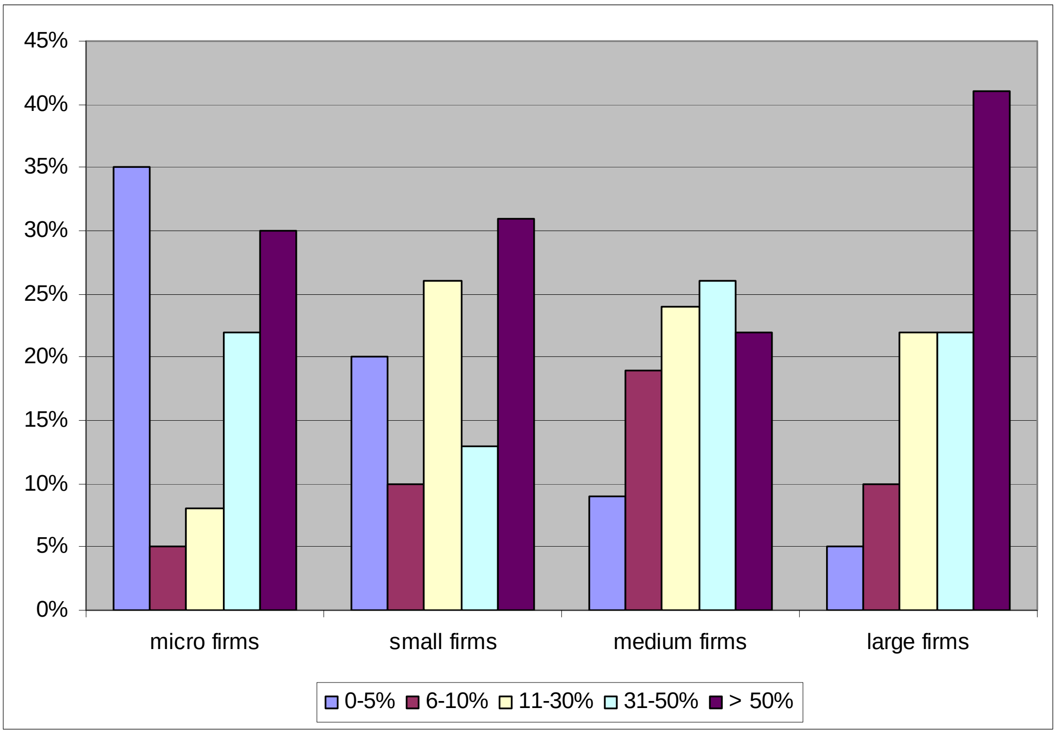


Table 1. VET contribution by purpose of allocation, 1998-2008 (billion HUF) [HUF 100 HUF=EUR 0.4]

Year	Practical training provision for VET students at enterprises	Development subsidy for		payment into the Training sub-fund of the LMF	Training provision for employees	**Total**
		vocational training schools	higher education institutions			
1998	5.7	n/a	-	8.7	n/a	14.4
1999	5.6	n/a	-	11.0	n/a	16.6
2000	5.5	n/a	-	13.3	1	19.8
2001	6.2	11.9	0.9	16.0	2.4	37.4
2002	6.9	12.5	2.3	18.6	3.4	43.7
2003	7.6	13.3	3.0	20.8	4.8	49.5
2004	8.0	12.4	3.3	24.0	5.4	53.1
2005	9.2	12.8	4.1	28.5	6.98	61.6
2006	11.0	12.3	4.4	32.3	7.80	67.8
2007	13.6	10.4	4.4	36.7	7.31	72.4
2008	16.1	10.7	4.5	42.1	7.8	81.3

Table 2. Distribution of the amount of the vocational training contribution by the purpose of its allocation, 2001-2008 (%)

Year	Practical training provision for VET students at enterprises	Development subsidy for		payment into the Training sub-fund of the LMF	Training provision for employees	**Total**
		vocational training schools	higher education institutions			
2001	16.58	31.82	2.41	42.78	6.42	100.00
2002	15.79	28.60	5.26	42.56	7.78	100.00
2003	15.35	26.87	6.06	42.02	9.70	100.00
2004	15.07	23.35	6.21	45.20	10.17	100.00
2005	14.94	20.79	6.66	46.28	11.33	100.00
2006	16.22	18.14	6.49	47.64	11.50	100.00
2007	18.78	14.36	6.08	50.68	10.10	100.00

Table 3. The increase of the vocational training contribution paid into the training sub-fund of the Labour Market Fund, 1998-2008

3Year	billion HUF [HUF 100=EUR 0.4]	% of 1998	Consumer price index 1998 = 100%	% of 1998 purchasing power parity
1998	8.7	100.00	-	-
1999	11.0	126.44	110.00	114.95
2000	13.3	152.87	120.78	126.57
2001	16.0	183.91	131.89	139.44
2002	18.6	213.79	138.88	153.94
2003	20.8	239.08	145.41	164.42
2004	24.0	275.86	155.30	177.63
2005	28.5	327.59	160.89	203.61
2006	32.3	371.26	167.16	222.10
2007	36.7	421.84	180.54	233.65
2008	42.1	483.91	191.55	252.63

Sharing the costs of training in the newer EU Member States

CEDEFOP, 15-16/10/2009

VET Financing Policies from Two Points of View

Juraj Vantuch

Comenius University

Bratislava

Thessaloniki

15/10/2009

VET Financing Policies from Two Points of View : Slovak Example

First View

Cedefop's study and conference

- cost-sharing approaches
- current crisis impact
- improving existing cost-sharing arrangements
- set priorities for policy and research

Second View

Slovak VET Policy Report (2008)

Thematic overview 2008; Country report 2009 (Refernet)

- Financing detailed descripitions
- VET financing policy analysis

http://www.siov.sk/refernet/en/publikacie.htm

http://www.cedefop.europa.eu/etv/Information_resources/NationalVet/default.asp

VET financing policy analysis

- VET basics (IVET, CVET, LMT)
- Schemes and instruments (sec. IVET, CVET)
  - Policies development in history
    - Philosophies
    - Lobbying
- Further steps?

Basic information on VET

Education system traditionally secondary education focused

91.3% of aged 20-24 completed ISCED3 in 2007 (EU: 78.1%)

7.2% early school leavers aged 18-24 in 2007 (EU: 14.8%)

27.8% of low achievers in reading (EU:24.1%; PISA2006)

74 % of students in ISCED 3 VET, 46 % in EU27 (UOE, 2006)

(among EU largest VET streams, but shift from ISCED 3C to 3A)

Dominantly school based secondary VET

Marginal appearance of „apprentices“

Basic information on VET (2)

Tertiary

Recently strong increase in enrolment

43.4% newly enrolled compared to age 19 cohort in 2007

34 019 graduates in 2007 in contrast to 18 516 in 1999, Eurostat UOE ISCED 5A data

Low share of MST graduates (10,3%), despite 2006/2000 growth 81.4%

CVET

Vivid not regulated market! Matthew effect

LMT

Two ALMP tools: Retraining and Graduate Practice (ESF supported)

CVET/LMT weak point: Targeting

CVET Matthew effect

Share of trainees increasing with education level

Participation of 25-64 aged

in non-formal education (%)

	ISCED 2	ISCED 3+4	ISCED 5+6
EU25	6.5	16.4	30.9
SK	6.7	19.7	41.2

in formal education (%)

	ISCED 3	ISCED 5+6
EU25	5.2	8.5
SK	0.8	2.9

Source: Eurostat LLL ad hoc module LFS 2005 (reference year 2003)

CVET: 2010 benchmark data carefully observed!

4.3 %, 4.6 %, 4.1 %, 3.9 %, 3.3 % in 2004-2008 period (Eurostat, Adult LLL 2010 benchmark)

- **Financial support of new coming investors**
- **Pro-training attitude of large/rich companies,**
- **ESF**

No increase in a number of trainees!

38 % enterprises providing CVET courses; below EU27 (49 %) (2005 CVTS3)

2007 Policy paper (Strategy of LLL and LG) to achieve improvement up to 15 % in 2015.

Fiscal incentives for individuals and SMEs

Financial Schemes and Instruments

Secondary IVET

Per capita funding introduced 2004

Per class funding since 2001

Historical trends earlier

Current expenditures „normatives“ consist of wage normatives and operational normatives

set for categories of schools equally, regardless the ownership

(for private and church affiliated schools in the same amount)

Selected current expenditures normatives for 2004 (in SKK)

School category	Wage normative	Operational normative		Normative total		out of which for educational process costs
		Minim	Maxim	Minim	Maxim	
Regular Basic schools	16 835	4 041	4 905	20 876	21 740	584
Grammar schools	20 187	4 107	4 971	24 294	25 158	650
SSS	28 096	4 264	5 128	32 360	33 224	807
SSS of Art and Health	32 618	4 353	5 217	36 971	37 835	896
Conservatories	70 295	5 097	5 961	75 392	76 256	1 640
SVS and VS	30 735	4 965	5 829	35 700	36 564	859
Centres of practical training	12 729	3 960	4 824	16 689	17 553	503
Secondary schools for disabled	43 491	5 866	6 730	49 357	50 221	1 111

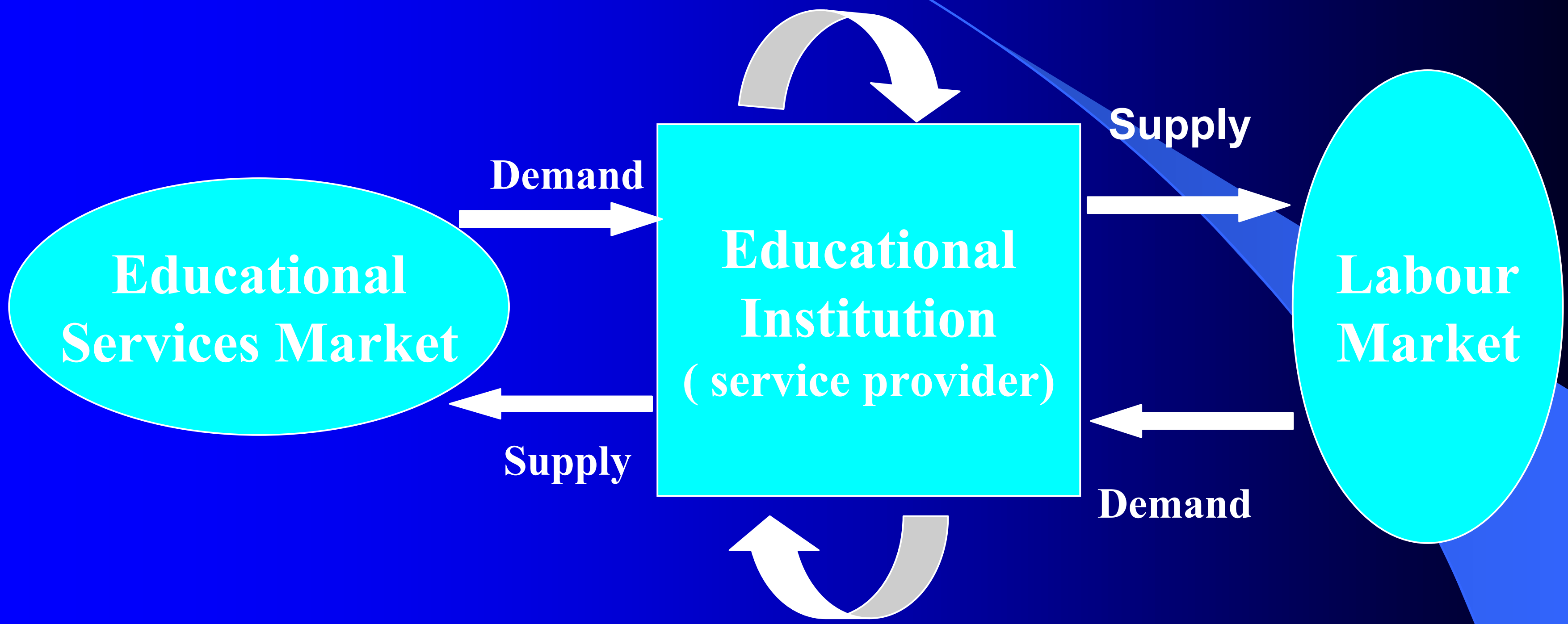
Source: Ministry of Education SR , taken from Vantuch, J: Financing VET in Slovakia (**Table 42)**

Note: EUR 1 = SKK 41.16 as of 31 December 2003)

What happened and why?

- **Macroeconomy dominated over microeconomy :**
  - **Schools and their establishers were stimulated to cost saving measures regardless the impact on the quality of their service**
  - **Per capita funding stimulated to maximisation of students enrolment up to the capacity of facility disregarding other factors.**
  - **Schools were stimulated to prefer demand of parents/students over the demand of employers**
- **No efficient quality assurance measure adopted:**
  - **With a weak regulation of quality on output, schools disregarded the quality checking on input (accepted almost everybody to improve their budgets)**

Fundamental Dilemma
Schools: Market Driven? Supply or Demand Driven?



Market and Demand Driven!

However ESM not LM driven, in order to survive in biased environment.

„Economism“ (Counter-balancing of per capita funding forgotten)

Impact of the reform

+	-
Hard fiscal constraints (no bailing out)	**Shift from VET to GEN**
Transparency	**Shift from 3C to 3A** (blue collar to white collar)
Efficiency „rationalisation“ of networks of schools and programmes	**Decrease of quality** (in both ISCED 3A GEN/VET)
	Lack of skilled workers

Two points of view

Succes from macroeconomy point of view (MoF winner:)

Failure from education policy point of view (MoE looser:)

Analysis conclusion

Although financing per capita is a standard measure, implementation without other correcting measures

(stronger quality management, improved guidance and counselling, incentives for cooperation between schools and enterprises, etc.)

turned this measure to an example of ill practice due to incoherence in policies.

(VET policy report-Slovakia 2008, page 86)

Expenditure on education are very low

- **Total public expenditure on education in Slovakia is deeply below EU average: 3.79 % in 2006, while 5.02 % in EU27**
  (according to harmonised Eurostat data, date of extr.: 1/5/09)

- **Annual expenditure on public and private education institutions per pupil/student compared to GDP per capita is below EU**

- **19.6 in contrast to 25.4 for EU 27.**
- **17.9 compared to 20.8 for EU27 in ISCED 1**
- **16.4 compared to 25.8 for EU27 in ISCED 2-4**
- **33.6 compared to 38.1 for EU27 in ISCED 5-6**

Expenditure on education* in % of GDP and in % of total public expenditures

	1995	2002	2003	2004	2005	2006	2007	2008
% of GDP	4.75	4.17	4.17	4.03	4.15	4.15	3.89	3.93
% of total public exp.	9.76	9.70	9.90	10.00	10.58	10.80	10.90	9.20

Source: MF
Note: * all expenditures of the government, of municipalities and self-governing regions, including private sources of regional schooling; expenditures of private higher education institutions are not included (they are not available)

Maastricht over Lisbon

Market supporters vs Interventionists

Fiscal incentives: Yes or No?

CVET financing

- No specific scheme till 2008
- Low corporate tax (19%) considered sufficient
- Only one tax related VET incentive accepted:

VET was recognised as tax deductible expense for employees and for IVET students only in case of evidence of additionality of training and no risk of double financing

(respective training goes beyond curricula and therefore it did not fall under financing by contribution from the state budget).

- 2% tax direct allocations for NGO

– secondary impact on VET

VET financing new developments

2008

- Medical staff specific training cost reduced by about one fifth (recognised tax deductible item -19% income tax exempt)

See Parliament Breaks a Taboo: Tax Incentives for Lifelong Learning. In: Cedefop Info 1/2008

2009

VET Development Fund to be established
headed by the Minister of Education collecting voluntary contributions from non-state subjects
(instead of expected "train or pay" principle and levy based obligatory funding - Fund at risk of illiquidity.

2010?

20% tax deduction for accredited CVET/LLL

Two points of view again- LLL Act conflict

✍ to implement financial tools in support of LLL

GovReg No 382/2007 point B.12. - „LLL strategy“ policy document

- to expand „2008 medical staff measure“ (discrimination of other professions)
- to back LLL Act in parliament (already approved by Gov)

vs

✍to reject fiscal incentives and to accept

- direct opposition and principal disagreement of employers (RÚZ) qualifying 20% tax relief (bonus) as a non-systemic intervention into tax system
- dissatisfaction of selfgovernments facing decrease of funding from income tax caused tax deductables
- MoF condition of limited support („within budget limits“)

Fiscal decentralisation scheme

Income tax centrally collected and redistributed

For
Municipalities – 70.3%
Selfgoverning regions – 23.5%
State Budget – 6.2%

Corporate tax not applied within this scheme!

Consequence:
Sensitivity on tax incentives (e.g. tax deductibles)
Selfgovernments at risk

VET Financing Policies from Two Points of View : Slovak Example

Cedefop's study focus

- cost-sharing approaches
- current crisis impact
- improving existing cost-sharing arrangements
- set priorities for policy and research

Slovak example

- cost-sharing hampered ideologically and structurally
- current crisis impact : fiscal austerity, HRD marginalised, increasing unemployment harming IVET co-financing
- existing cost-sharing arrangements: non systemic (CVET/LLL discriminatory, VET Fund dead born?
- priorities: depending on point of view
- Research might help to solve the dilemma
  When market driven and when intervention based

Further steps

Financing VET must be revisited

- secondary VET “normatives” should be revised in order to guarantee at least standard EU teaching/learning environment; variety of IVET programmes should be reflected within this revision;
- quality assurance must be interlinked with financing to prevent from headhunting for enrolment regardless the quality of graduates;
- fiscal incentives for co-financing VET by businesses should be introduced, in particular to better align IVET to labour market needs;
- projected gradual decline in investment in education reflecting population decline and disregarding from a modernisation debth in education should be rethought while keeping Slovakia's commitment towards the Stability and Growth Pact
- CVET/LLL tax incentives must not be marginalised by „sticking to budget limits“ (however training targeted – but how?)

VET Financing Policies from Two Points of View

Thank you for your attention!

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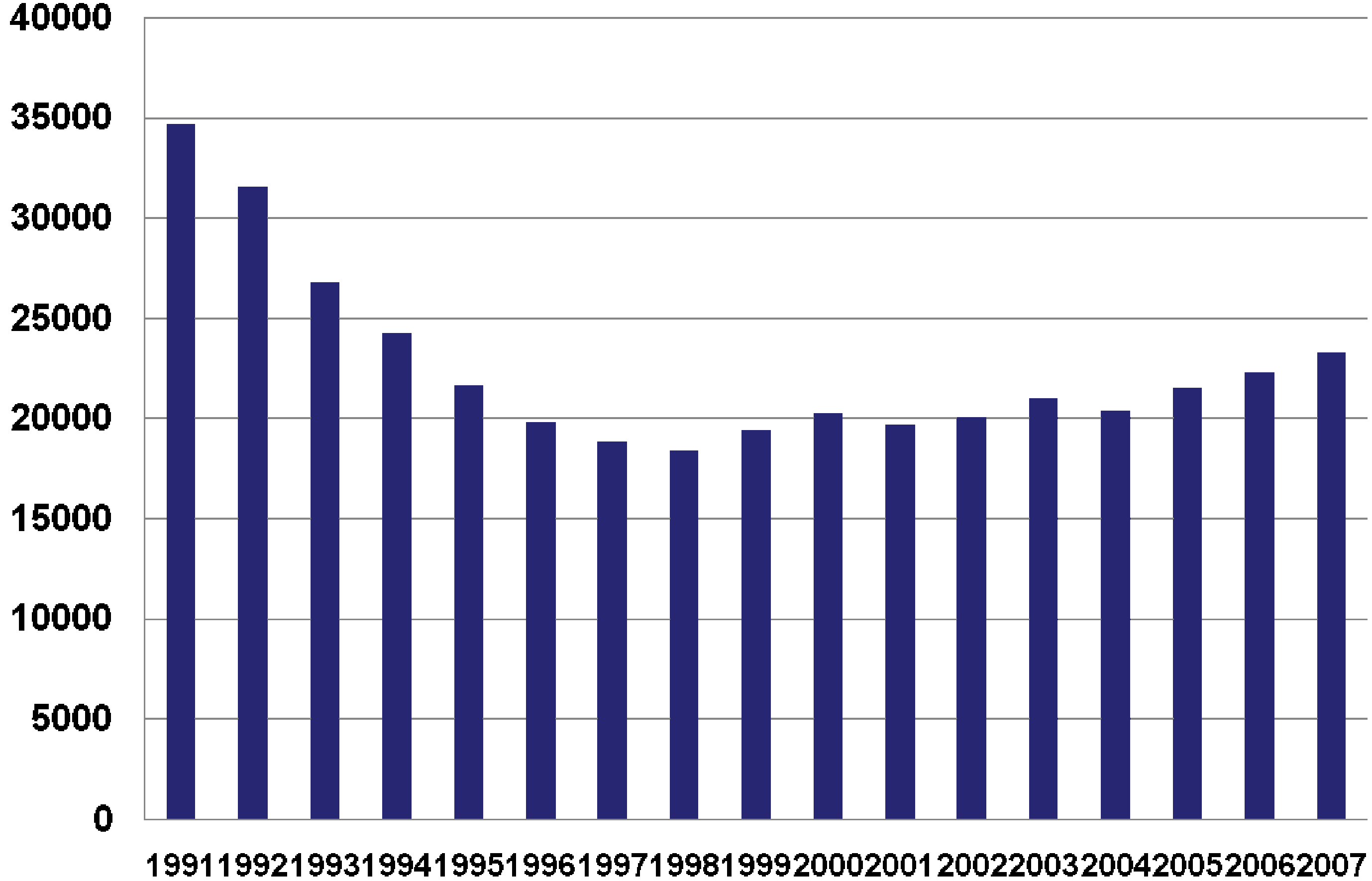
Thessaloniki
15/10/2009

Sharing the costs of training
in the newer EU Member States

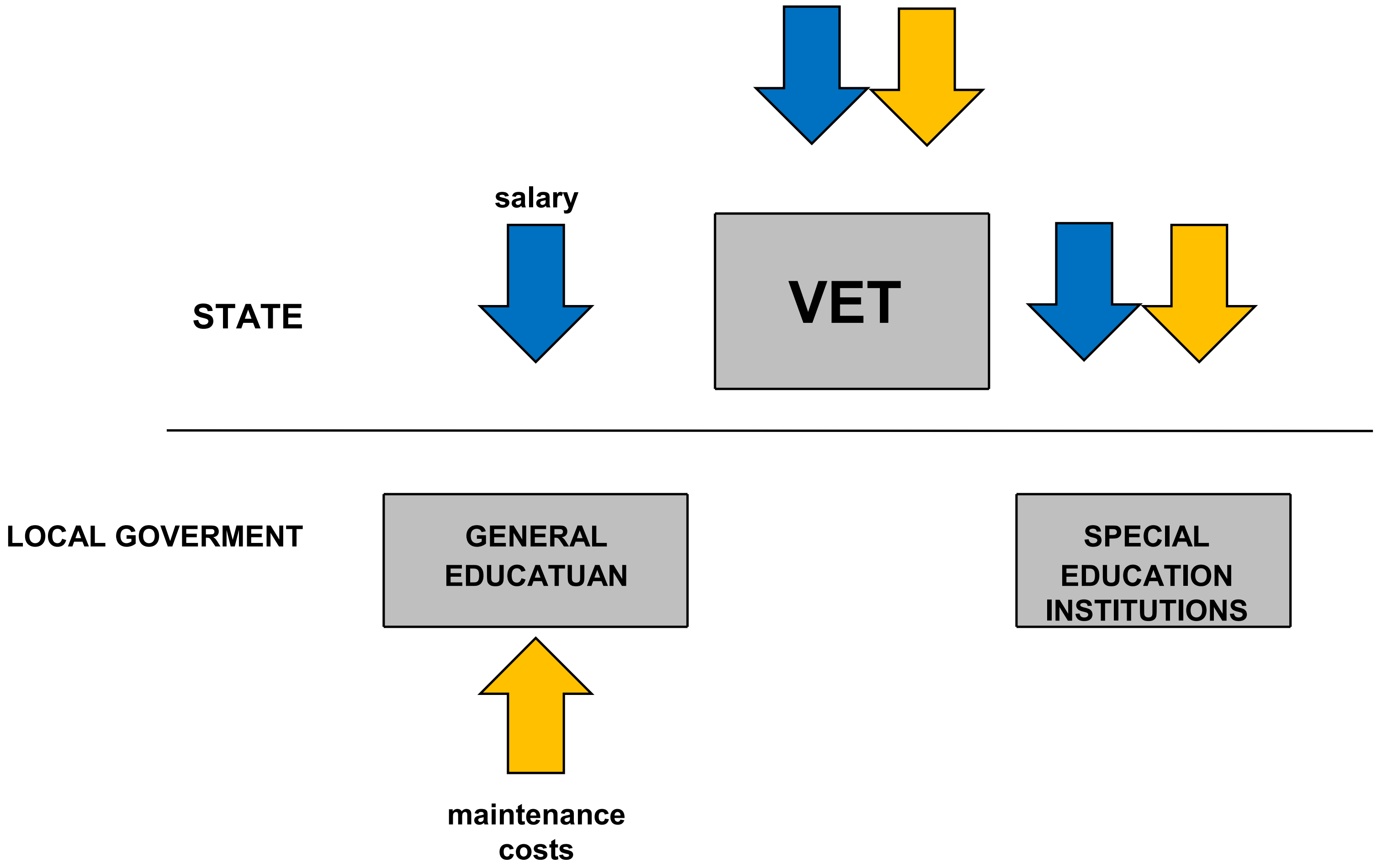
VET financing
in Latvia in times of change

Thessaloniki, 15 – 16 October 2009

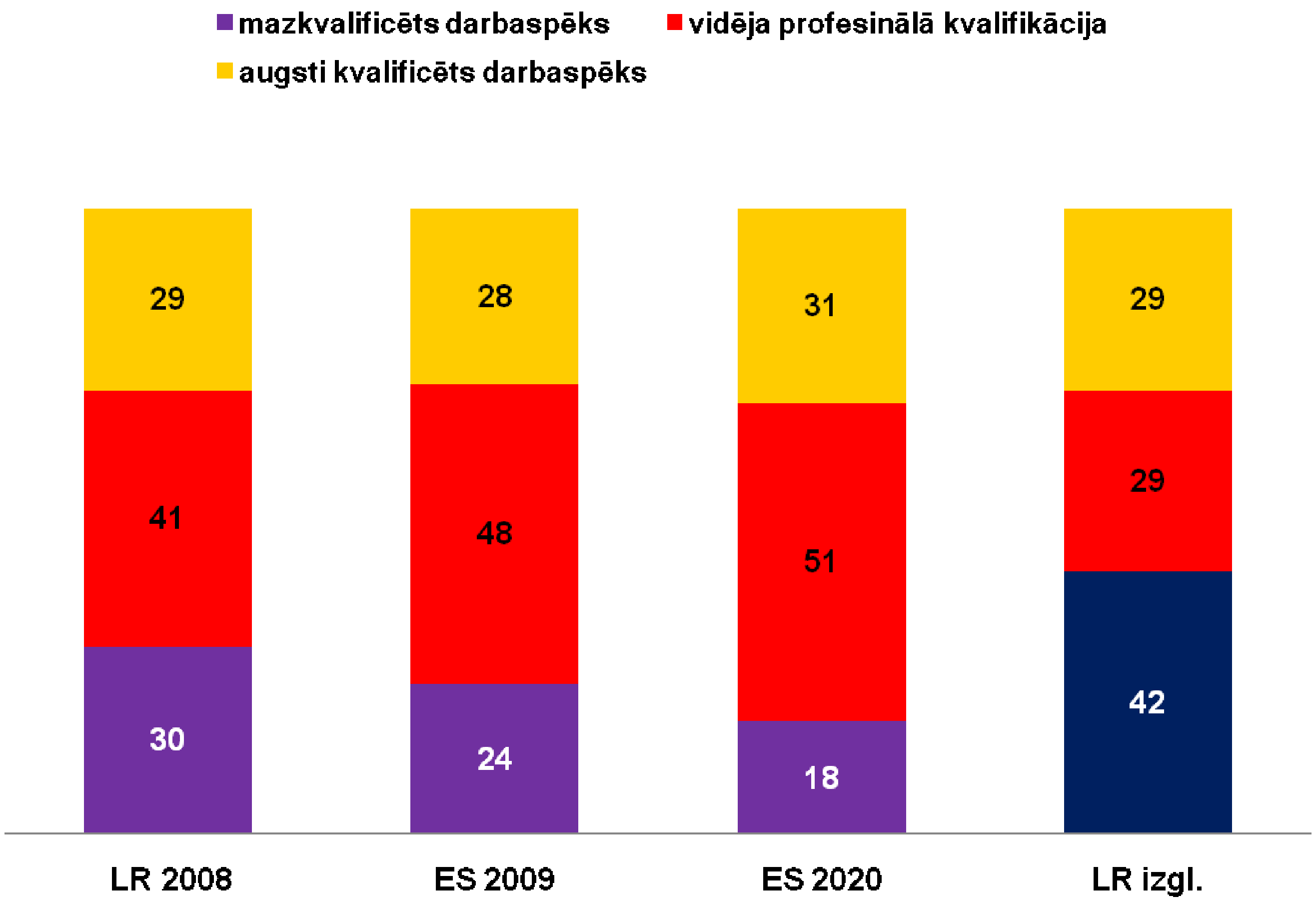
demographic trend



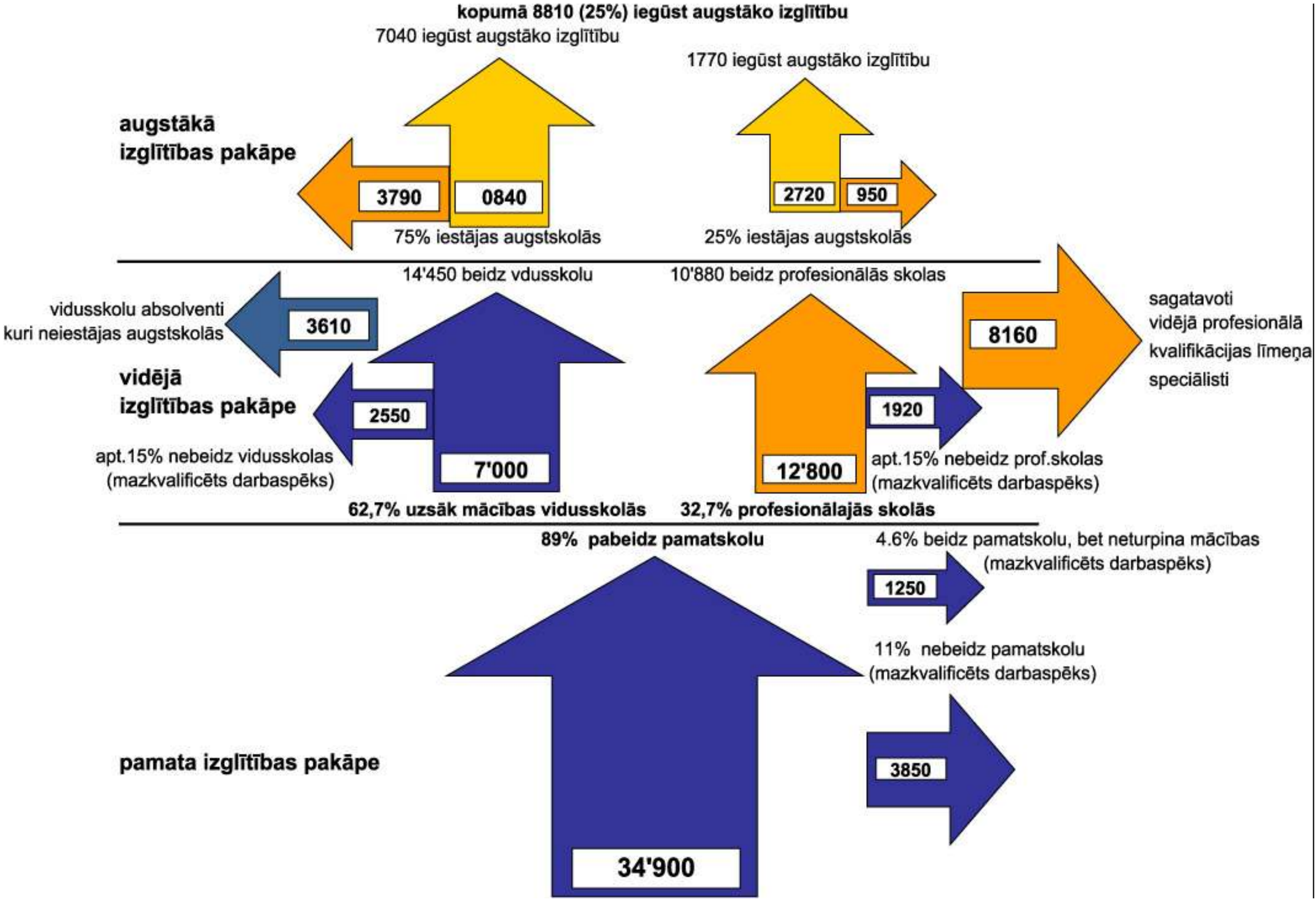
Financing mechanisms



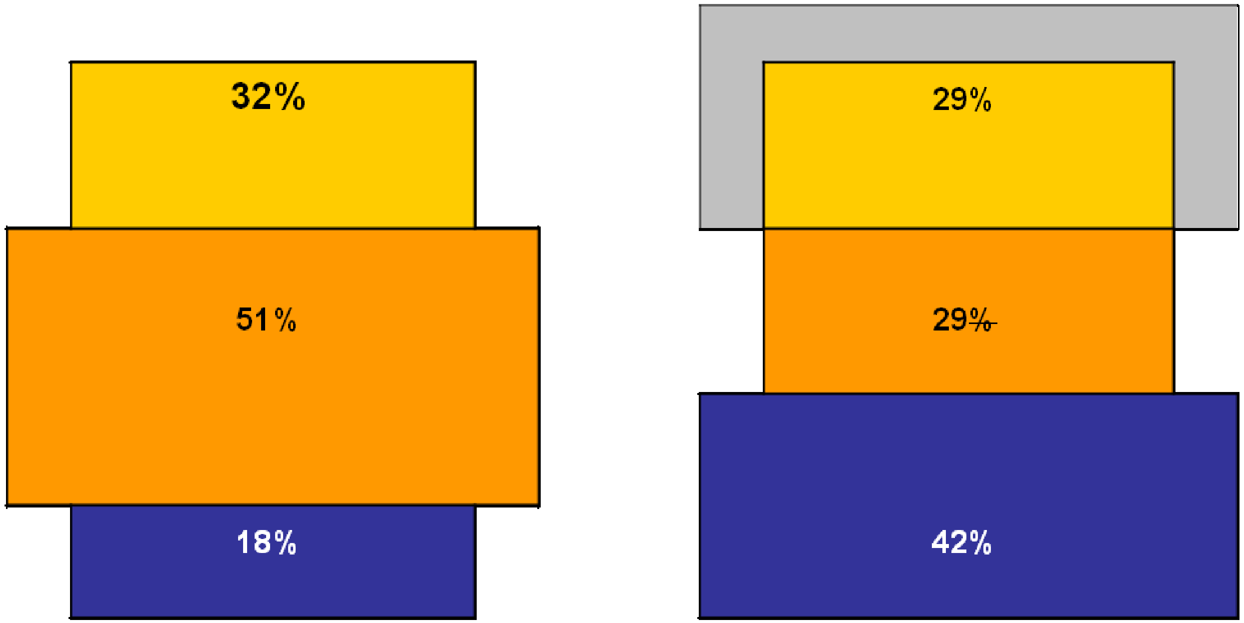
employment structure



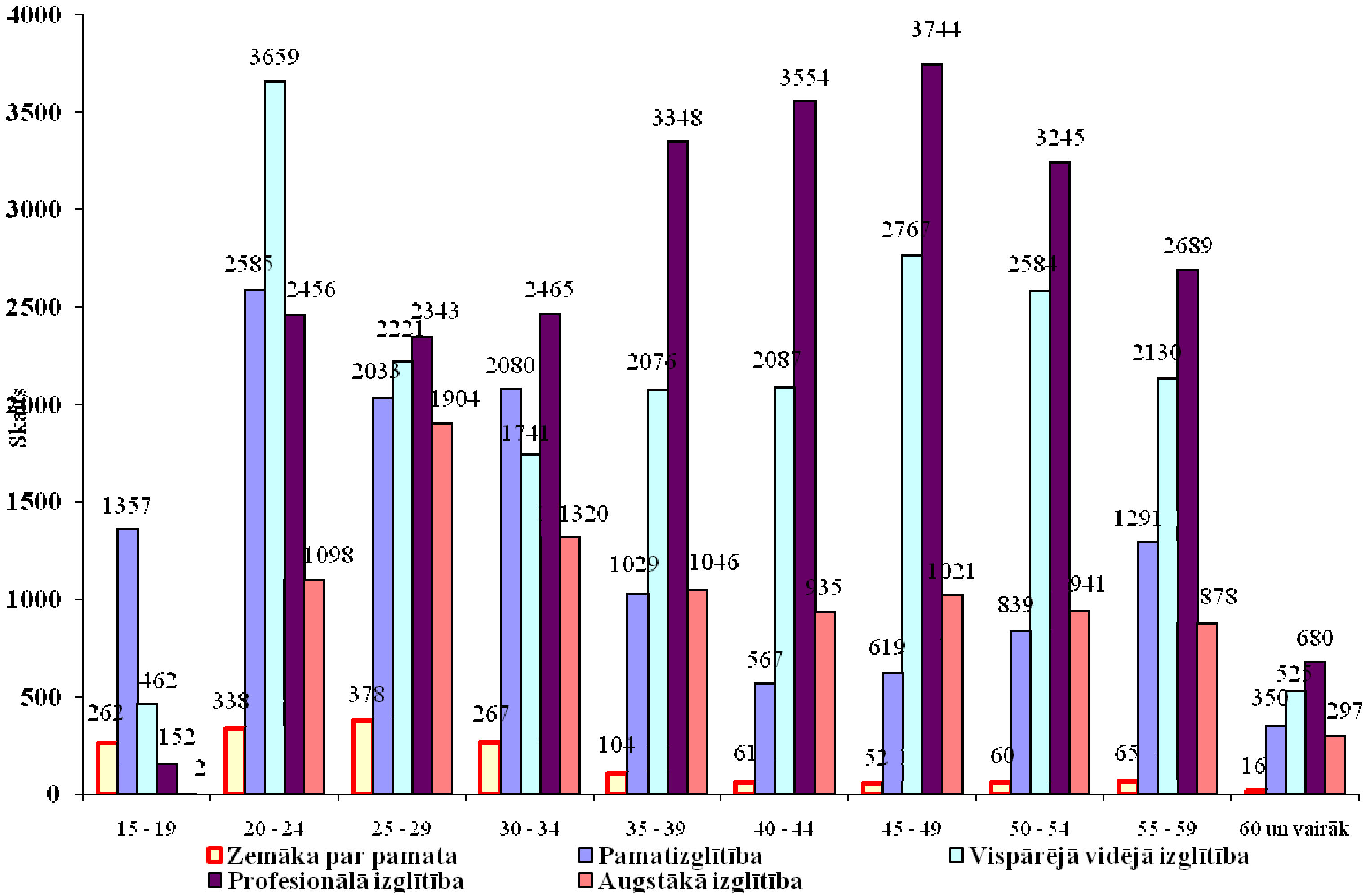
qualification structure of graduates



Employment and qualification structure



unemployment rate



IZGLĪTĪBAS UN ZINĀTNES MINISTRIJA

Vocational Education

- The number of registered unemployed, who are 20-30 years old with a general basic or secondary education, is rapidly increasing
- Only 30% of basic education school leavers go on to vocational education institutions
- As a result of repeated “linear” state budget cuts the average funding per 1 vocational education institution student has become less than for a primary education student (including teachers’ salaries and maintenance costs!)

Vocational Education

- The estimated required number of workers with mid-level qualifications will not be trained. A low qualified labour force will increase production costs and will decrease competitiveness of Latvian enterprises
- On secondary education level the number of vocational education students will decrease under 30%
- Labour market needs will not be met, the number of unemployed will increase (especially youth unemployment) and, accordingly, social budget expenditure and social tension will increase

Vocational Education

Sector policy tasks

- To use the limited financial resources for education sectors providing a bigger return to the development of human resources
- To restructure the education system in a way that the qualification structure of graduates corresponds to the employment structure
- To train the number of workers needed for the labour market
- Each year to enrol approx. 9000-10 000 students in vocational education schools.

Vocational Education

Sector policy tasks

- It is essential to considerably increase the quality of vocational basic and college education. To achieve equal quality of education at the secondary level (in both general and vocational education)
- To ensure a possibility for secondary education graduates, who do not enrol in university level studies, to access 1-year vocational education programmes (with the help of EU Structural Funds)

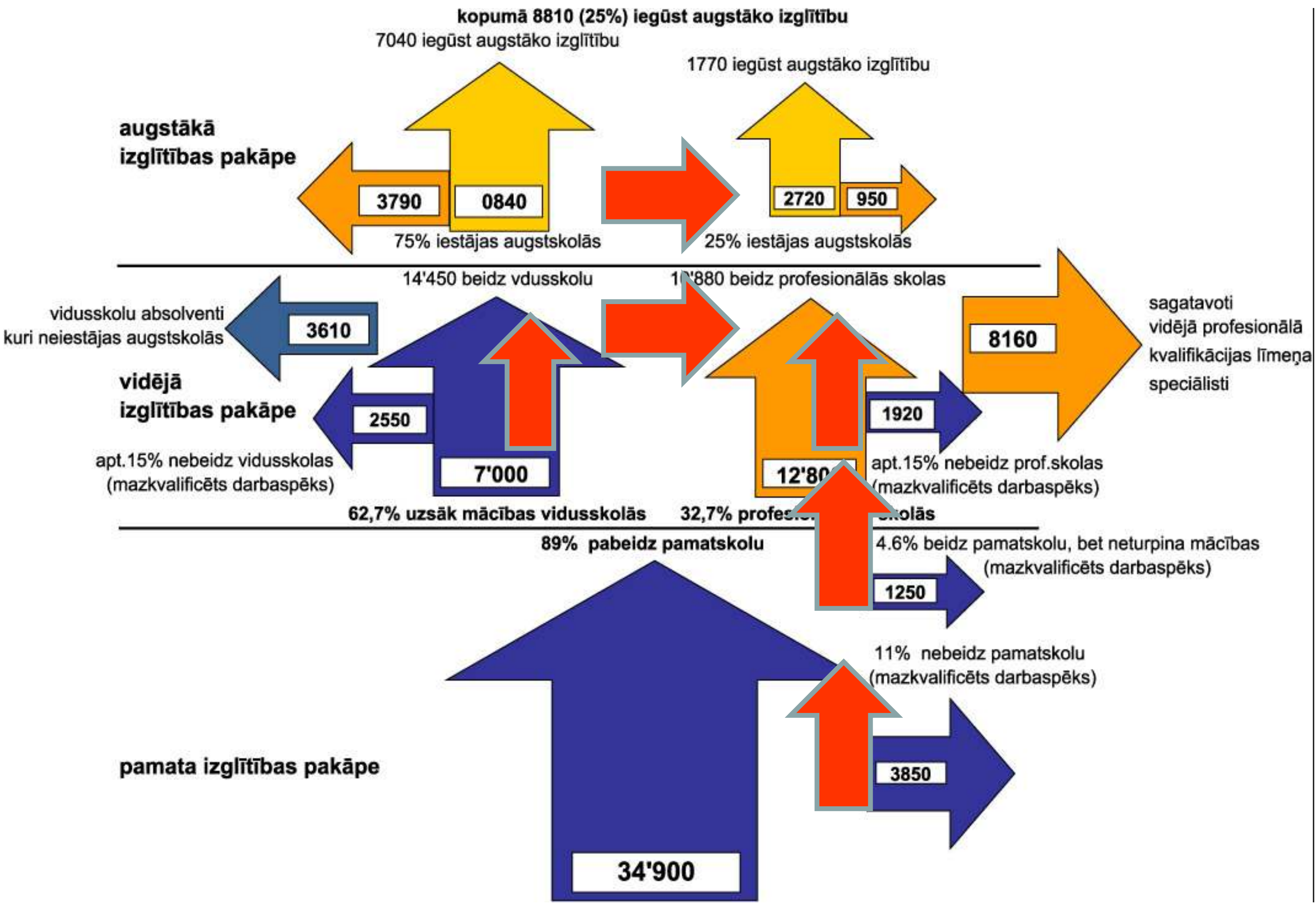
IZGLĪTĪBAS un ZINĀTNES MINISTRIJA

Vocational Education

Sector policy tasks

- To gradually increase the proportion of vocational to general study at secondary education level to 50:50
- To ensure appropriate state budget funding by maintaining at least the current 30% - 70% distribution in 2010
- To ensure unified financing principles where “money follows students”, to prevent fragmentation of the budget, to provide teachers’ salaries from one earmarked subsidy

VET financing mechanisms/instruments



VET financing mechanisms/instruments

- Offer to local governments to take over regional VET schools
- To ensure unified financing principles where “money follows students”, to prevent fragmentation of the budget, to provide teachers’ salaries from one earmarked subsidy
- Primary vocational education programs
- General education programs with vocational component
- Stipendies & voucher systems (with the help of EU Structural Funds)
- To ensure a possibility for secondary education graduates, who do not enrol in university level studies, to access 1-year vocational education programmes (with the help of EU Structural Funds)

Thank you for your attention !

Jānis Gaigals
Director of the Department of
Vocational education and general Education
Latvian Ministry of Education and Science

15.10.2009.

Incentives for initial and continuous VET learners in Estonia

Andres Pung

Thessaloniki, 15.10.2009

Haridus- ja Teadusministeerium

Initial VET

- 28 300 IVET students in Estonia
- 27 300 of them are studing on study places financed by the state
- Stipend for good study results – for 50% of students
- Transportation allocation – 2 trips per month are covered
- Loans for students after upper-secondary education
- Free school lunch for students after basic school

Haridus- ja Teadusministeerium

Initial VET (2)

- New initiative – 20% of stipend money can be delivered to the students who need the financial support
- It is the reaction to the current economic situation and gives VET colleges a possibility to support students in a poor financial situation
- 80% of stipend money will be delivered as earlier for good study results
- Change to the Act was made in september 2009

Incentives for adult learners – study leave

- In 01.07.2009 a new Employment Contracts Act was legitimized
- The main change – if earlier the study leave was only allowed in case of distance, evening or part time studies, then now it is also granted for full time students
- The amendment also affects the number of calendar days for study leave and payments for these days

Haridus- ja Teadusministeerium

Incentives for adult learners – study leave (2)

- An employee has the right to receive 30 calendar days of study leave per year
- In case of formal and work-related training an employee must retain the average salary for 20 calendar days
- For people participating in popular adult education, study leave is unpaid
- For graduation from formal education the new law establishes the possibility to receive 15 additional days with minimum salary

Tax deduction for individuals

- Tax deduction allows individuals to deduct the cost of training from their income tax payment
- Tax deduction is eligible for all individuals who have an income and who have paid for their own training or for training of close relatives
- Tax deduction is possible by these training courses that have been provided either by state educational institutions or private institutions that have been granted a training permit by the MoER

Continuous training and retraining courses (CVET)

- A shared responsibility between 3 ministries:
  - Ministry of Economy and Communications is responsible for training of employees in companies, whose training is cofinanced by state by application of companies
  - Ministry of Social Affairs is responsible for unemployed and those in riskgroups
  - Ministry of Education and Research is responsible for individuals who themselves want to improve their competitiveness and whose training is financed via training institutions

CVET (2)

- Since autumn 2007 MoER has trained individuals by ESF project “Continuous training for working adults” - over 24 000 adults used over 60 million kroons for this purpose. Now a new ESF program has been introduced.
- MoSA and Estonian Unemployment Insurance Fund selects trainers and courses by public procurement for training unemployed people but their ability to double or triple the amount of courses in current labour market situation is not satisfactory

Haridus- ja Teadusministeerium

The results of CVET in last years

- Participation rate in lifelong learning in Estonia (by Eurostat):
  - 2005 – 5,9%
  - 2006 – 6,5%
  - 2007 – 7,0%
  - 2008 – 9,8% (EU average - 9,6%)
  - 2010 first half – 10,8%
- The number of adult CVET learners in VET colleges is already overcoming the number of initial students

New initiative - vouchers

- Ministry of Economics and Communications and Foundation Enterprise Estonia initiated a voucher system since June 2009 for small-sized (up to 9 people) enterprises and sole proprietors, who can apply to have their training reimbursed up to 100% in the sum no more than 15 000 kroons (950 EUR) once a year. The training providers have to be approved by the ministry.

New initiative – vouchers (2)

- Ministry of Social Affairs is introducing a voucher system for unemployed people. Just now the pilot phase of this project (within ESF scheme) begins. A voucher in the sum no more than 15 000 kroons is focused to unemployed people with medium and higher qualifications, who need more individualized training that they cannot get in organized courses for unemployed people.

Haridus- ja Teadusministeerium

THANK YOU FOR YOUR ATTENTION!

Haridus- ja Teadusministeerium

SIGNIFICANCE OF TRAINING COSTS FOR EMPLOYERS AND EMPLOYEES

Ovidiu Mantaluta
Institute for Educational Sciences
Romania

Cultural background in schools and public institutions

- Bureaucratic emphasis in educational system
- Power orientation in local administration
- Cultural split between vocational school and highschool (survey made on national sample by the Institute of Educational sciences)
- Difficult market orientation of the initial training institutions

The main obstacles, which Romania faces in its effort to adopt an integrated and coherent lifelong learning strategy, are:

- the existence of a historical delay with regard to the provisions of the Lisbon Strategy, doubled by the insufficient development of a lifelong learning culture;
- the lack of a systemic and coherent debate involving ministries, public institutions, civil society and businesses in the development, implementation and monitoring of lifelong learning policies;
- the lack of global approaches in lifelong learning policies, which should consider the whole of an individual learning and training path and include in a unique vision both pre-school education, compulsory education and initial training, and the continuing adult education and training;
- the gap, sometimes a significant one, between legal provisions on lifelong learning and their regional and local implementation;
- lack of correspondence between the priorities of the education policy documents and the financial resources allotted to their attainment;
- insufficient commitment of the responsible actors in the development and implementation of human resources development policies.
- (UNESCO National Report 2008)

FACILITIES

- In order to increase employment opportunities of the jobseekers, the National Agency for Employment provides, free of charge, from the **Unemployment Insurance Fund (UIF)**, vocational training services for the unemployed persons or for other categories of beneficiaries.

FACILITIES

- In order to prevent unemployment, NAE can support from **Unemployment Insurance Fund** 50% of vocational training costs for 20% of the employees. The criteria for the selection of the benefiting enterprises are stipulated by the law.

Deductions of 50% training expenses for the employers

- **Low rate of access for the facility**
- **Companies received reluctantly the condition to keep the employee s for 3 years after the training**

Year	Number of persons
2005	2065
2006	2660
2007	2800
2008	2610
	Data source: National Employment Agency

Legal provisions for partnership in initital training

- Law no 729/19 July 2007, and Ministerial Order of MoEs no.1702/06.08.2007 about the framework convention for practice modules of IVET students has not produces budget consequences
- -supporting travel and meals for trainees
- -supporting training costs, up to 5% training costs of the companies / lump sums in school budgets (NA)
- Big companies use to support the expenses from their own budgets

An overview of tax incentives for legal entities to promote VET in the EU with special reference to Lithuania

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Presentation plan

- Introduction;
- Overview of tax incentives to promote VET in the EU;
- Lithuanian experience in using tax deductions for legal entities;
- Conclusions.

Introduction

Main types of tax incentives for legal entities

- Tax treatment of revenues:
  - Reducing or eliminating a difference between what the purchasers of services pay, and what their providers receive as income.
    - Examples: tax relief on value-added taxes.
- Tax treatment of expenditure:
  - Deduction of certain amounts of expenditure from taxable income or giving a tax credit against such spending.
    - Examples: corporate income or payroll tax deduction, tax credit.

- The study "Sharing the costs of VET. An analysis of schemes in the newer EU Member States" focused on tax deductions and tax credits on corporate income taxes:

  - Tax deduction (or allowance) is the amount deducted from the gross income to arrive at taxable income;

  - Tax credit is the amount deducted from tax due.

Overview of tax incentives to promote VET in the EU

Number of countries applying tax incentives

- Tax incentives are applied in many EU countries.
- In the EU12 tax deductions are more popular than tax credits.
- 1999-2004 BE, FR, IT and NL cancelled some incentives.

	BG	CZ	EE	CY	LV	LT	HU	MT	PL	RO	SI	SK	Total number
Tax deductions	X	X	X	X*	X	X					X		**7**
Tax credits	X						X						**2**

* No data was provided.
Source: CEDEFOP study "Sharing the costs of VET. An analysis of schemes in the newer EU Member States", 2009.

	AT	BE	DE	DK	ES	FI	FR	GR	IE	IT	LU	NL	PT	SE	UK	Total number
Tax deductions	X		X			X			X	X		X				**6**
Tax credits	X				X		X				X	X				**5**

Source: CEDEFOP study "Using tax incentives to promote education and training", 2009.

Main characteristics of tax incentives in the EU12 (1)

- Eligibility requirements:
  - Tax deductions: type of costs (support mostly direct) and type of learning content (mostly firm-/sector-specific);
  - Tax credits: limit target groups or type of learning programmes (certified or any).

- Preferential treatment – none except BG:
  - Tax deductions: employers carrying out manufacturing in regions with high unemployment, hiring unemployed and/or disabled people, agricultural manufacturers;
  - Tax credits: potentially employed.

Main characteristics of tax incentives in the EU12 (2)

- Monitoring and evaluation:
  - Only 1/7 countries (HU) collect data and prepare monitoring reports;
  - Only 2/7 countries evaluate (BG evaluates both deductions and credits, SI – only deductions). Reports are not available;
  - Monitoring and evaluation is practically non-existent in the EU15 countries as well.

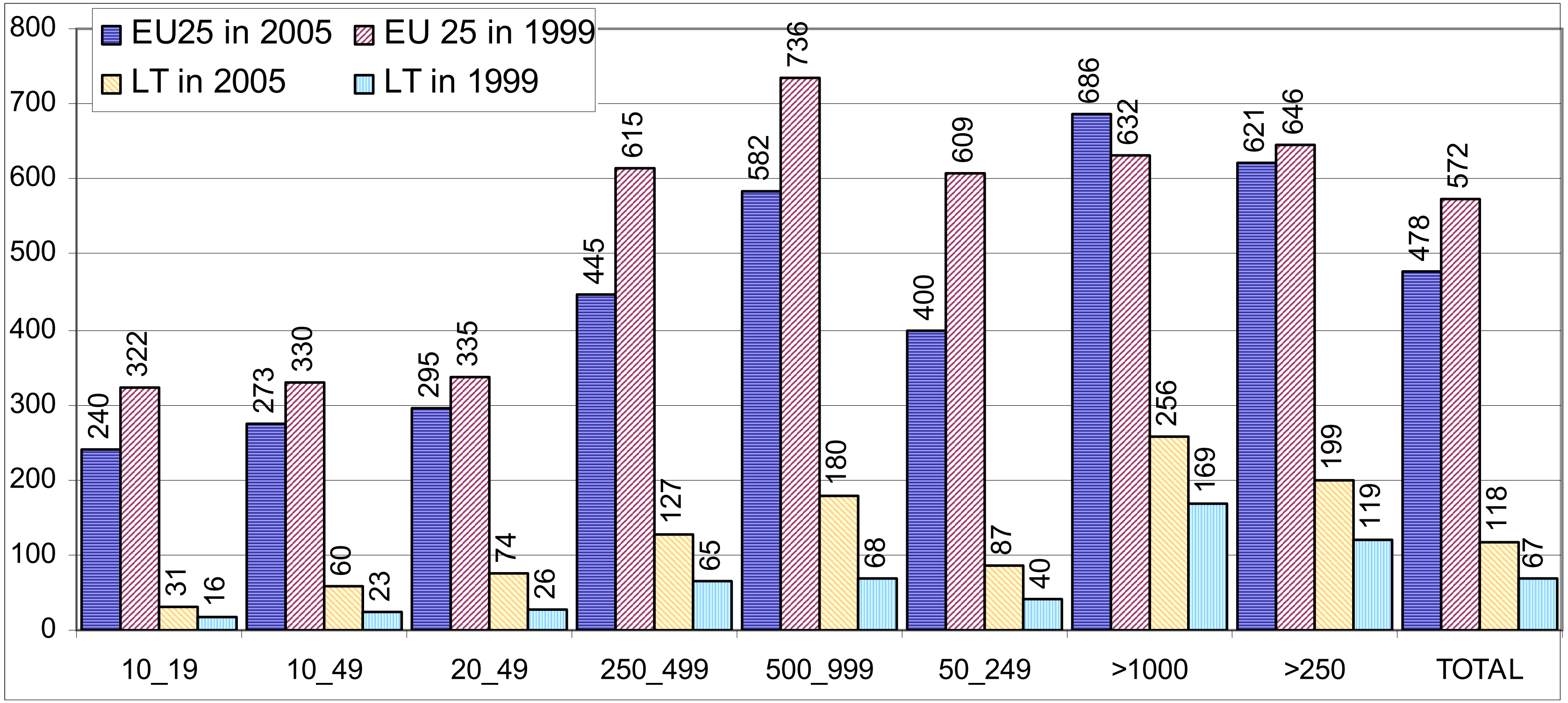
- Beneficiary guidance and information campaigns:
  - Tax deductions: 4/6 (CZ, EE, LT and LV) provide guidance;
  - Tax credits: 1/2 (HU) provides guidance and organizes campaigns.

- Plans to change/introduce tax incentives:
  - Tax deductions: EE expands them to IVET in 2009/10; LT simplified the procedure for IVET of current employees in 2008 (see next slides);
  - Tax credits: IE considers introduction of tax credits;
  - GR also considers introduction of tax incentives (type unknown).

Lithuanian experience in using tax deductions for legal entities

General context

- LT enterprises doubled spending on CVET (measuring the cost of CVT courses per employee in PPS) between 1999 and 2005 (Continuing Vocational Training Surveys 2 and 3):



General context

- Lithuania, compared to other EU12 countries, scores low according to many indicators on CVET (CVTS3):

Indicator	LT score	Rank among EU12	EU12 average	EU27 score
Percentage of employees (all enterprises) participating in CVT courses	**15**	**10-12**	27.7	33
Training enterprises as % of all enterprises (any type of training)	**46**	**7-8**	50.3	60
Cost of CVT courses as % of total labour cost (all enterprises)	**1.2**	**9**	1.5	1.6
Cost of CVT courses per participant, in PPS	**808**	**7**	922.3	1403
Number of hours in CVT courses per participant (without CY and MT)	**25**	**8**	28.6	28

Lithuanian experience in using tax deductions for legal entities

General context

- Type of obstacles reported as the most important by sex, age groups and highest level of education attained (Adult Education Survey 2007):

Type of obstacle	**Training was too expensive or respondent could not afford it**		Respondent did not have time because of family responsibilities		Training conflicted with the work schedule	
geo	EU27	LT	EU27	LT	EU27	LT
F	**16.7**	**32.5**	31.8	19.1	14.0	18.3
M	**13.4**	**24.9**	12*	10.1	30.3	37.8
Y25_34	**20.7**	**32.7**	25.3	22.0	19.3	23.9
Y35_54	**14.5**	**26.8**	22.6	9.2*	24.0	30.5
Y55_64	**8***	**27.0**	16.7	21.1	18.4	9.5*
ISCED0_2	**11.7***	**17.4**	24.1	21.8	16.0	24.9
ISCED3_4	**18.8**	**34.0**	20.0	15.2	21.6	23.7
ISCED5_6	**13.6**	**20.8**	24.2	14.2	29.3	33.3
TOTAL	**15.1**	**29.3**	22.4	15.3	21.7	26.4

*Other obstacles (in case of 55-64 year olds in LT the most important other obstacle is health or age).

Lithuanian experience in using tax deductions for legal entities

- LT applies only corporate income tax deductions. Tax credits are not applied.

- Corporate income tax deductions are differentiated between:
  - Initial and continuing VET;
  - Current employees and potential/future employees.

- Tax deductions applied to short-term CVET training courses for employees:
    - Possible as early as 1995;
    - Detailed legal regulation from 2002;
    - Detailed official commentary clarifying the procedure in 2004.
- Entities can deduct 100% of these costs from taxable profits.
- Only applicable to courses related to present professional activity of the person and necessary to earning entity’s income.

Lithuanian experience in using tax deductions for legal entities

Tax treatment of expenditure of enterprises on *IVET*

- Tax deductions are applied to IVET since 2005. Until 2008 they were treated as long-term intangible assets, which could be included into entity's costs over 4 year amortisation period.

- Since April 2008 difference between existing and future employees was introduced:
  - Payments for non-employees may be attributed to long-term intangible assets and amortised over 4 years if person starts to work for the entity;
  - Payments for current employees may be deducted from the taxable profit over the tax period.

- Education sponsored by employer has to be necessary to earning entity's income.

Lithuanian experience in using tax deductions for legal entities

Major strengths

- Tax deductions applicable to all types of VET and even to potential employees.

- Official commentary (and free consultations) provided by the tax authorities to explain legal provisions.

- Gradual improvement of regulation of tax incentives, making them clearer and more comprehensive:
  - For example: simplification of tax treatment of payments for IVET courses of current employees (reduce risk and accounting burden).

Lithuanian experience in using tax deductions for legal entities

Major weaknesses

- Legal entities are still improperly informed about opportunities (lack of information about existence and use of incentives, ambiguities regarding what and how costs can be deducted and complex accounting).

- Due to complex accounting and risk employers are not encouraged to invest in education of their *future/potential* employees.

- Unequal access opportunities for small and large enterprises (different profits/costs ratios and administrative/accounting abilities) lead to potentially high deadweight effects...

- ...which are not exactly known as authorities neither monitor nor evaluate the use of tax incentive.

Overall conclusions

- Useful provisions in legal acts do not automatically transform into smooth implementation. It takes time and resources to:
  - Co-ordinate between tax and education authorities;
  - Prepare proper and timely official commentaries;
  - Launch information campaigns on introduction;
  - Provide constant support.
- Tax incentives should be better targeted and combined with other financing mechanisms to achieve a more balanced impact.

Thank you for your attention!

VIEŠOSIOS POLITIKOS IR VADYBOS INSTITUTAS
PUBLIC POLICY AND MANAGEMENT INSTITUTE

ESF CO-FINANCING FOR VOCATIONAL TRAINING: GRANT SCHEMES FOR TRAINING OF EMPLOYEES IN LITHUANIA

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Presentation plan

1. Grant schemes for the training of employees under 2004 – 2006 SPD

2. Evaluation of the grant schemes:

    1. Positive experience
    2. Shortcomings
    3. Challenges for the new programming period

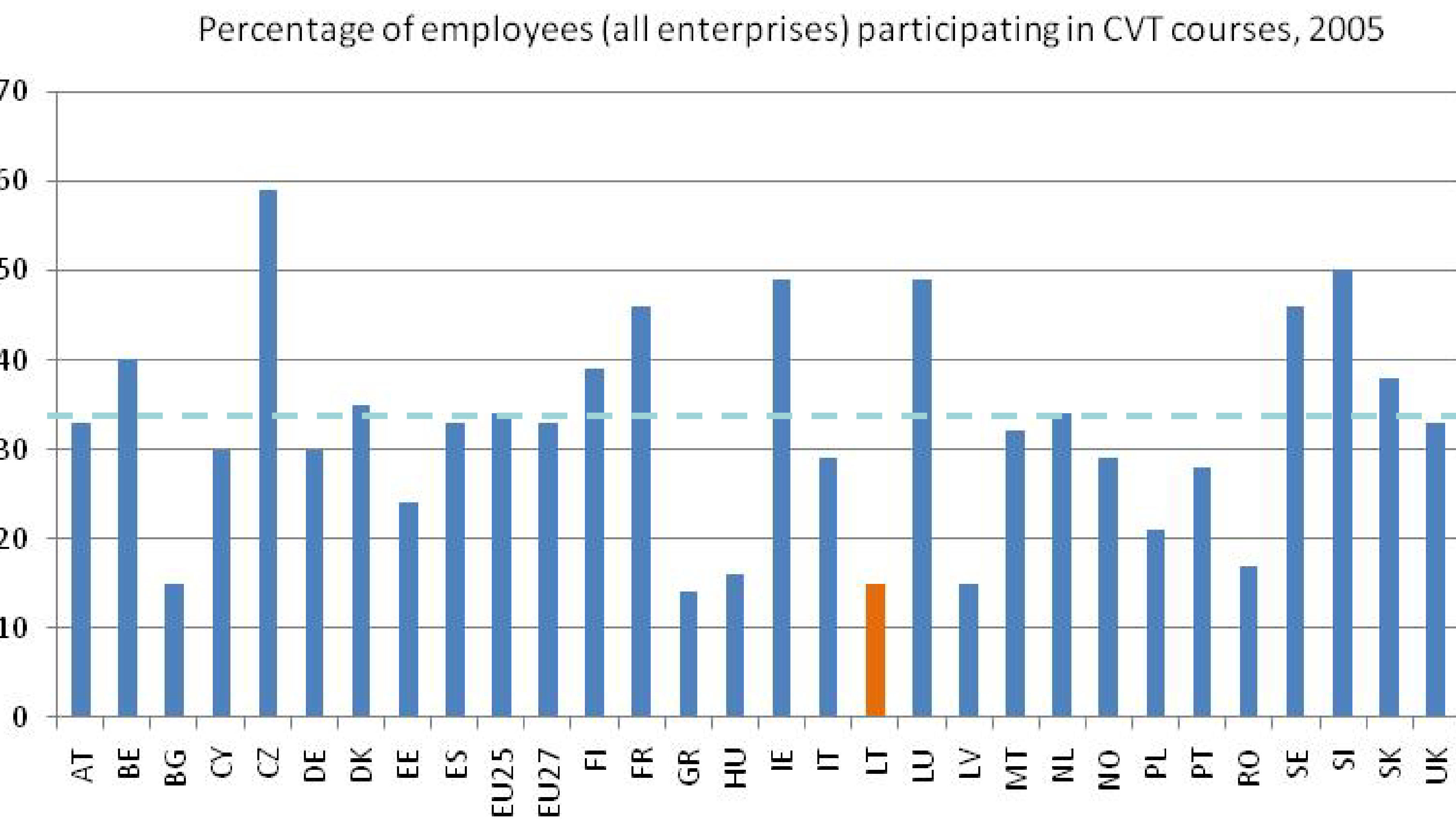
3. Assessment of the 2007 - 2013 programming period

Grant schemes for the training of employees

Introduction

- Financial source: Grants provided for the training of employees under SPD 2004 – 2006 measure:
  - 2.2 “Development of Labour Force Competencies and the Ability to adapt to changes”
- Aim of the programme: to improve labour productivity and competitiveness of economy by stimulating investment of organisations into training of their employees.
- Total public funding: 66.290.000 € (the greatest single source of public support to CVT between 2004 and 2008).

he rationale for public nvestment



ource: Eurostat CVTS 3

Grant schemes for the training of employees

Intervention logic

- Broadly formulated multiple objectives (for example: *to raise the qualification and knowledge level of employed population*);
- Multiple target groups of beneficiaries:
  - Employees of private sector companies;
  - Civil servants;
  - Employees of public service providers.
  - Priority to the groups less participating in CVT *(Employees of SMEs, socially disadvantaged employees, employees working in regions, which are undergoing substantial economic restructuring)*

Grant schemes for the training of employees

Intervention logic

- Grant applicants:
  - Private sector employers;
  - Public employers;
  - Employers' associations;
  - Establishments for education, VET, science and studies, nongovernmental organizations(for IT literacy projects only)
- Training content and training providers chosen by project promoters;
- Prioritised training content: general training (e.g. IT literacy, languages)

Grant schemes for the training of employees

Financing mechanism

- Rate of assistance for public sector employers 75 –100 %;
- Rate of assistance for private sector employers:

	Large enterprises	SME’s
General training	60 %	80 %
Training of socially disadvantaged employees	+10 %	+10 %
Specific training	35 %	45 %
Training of socially disadvantaged employees	+10 %	+10 %

Physical Performance

- Total number of projects financed under the measure 245;
- Total number of people trained 143.965 (by 15/03/2008)
- Total number of employees of private sector enterprises trained 61.530
- Number of private sector employers that received grant for employees training – 426 (by 2008)
- Volume of private investment 21.640.987 €

Positive experience

Employees

- High levels of satisfaction with training both employees and employers
- New skills and skills improvement
- Training transfer
- Improvement of quality of work
- Positive impact to the workplace quality of trainees in terms of job satisfaction

Enterprises

- Improved competitiveness, 74%
- Improved quality of goods and services, 67%
- Implemented innovations (of products or services (60%), technological (48%) or managerial (52%))
- Reduction of costs as a result of training, (43 % of private sector enterprises)
- Noticeable impact on productivity levels

Improvement of skills

Employees	Agree	Somewhat agree	Disagree
Gained new skills	66 %	26 %	8 %
Improved existing skills	66 %	29 %	6 %
Obtained qualification that didn’t have before	32 %	37 %	31 %
Employers	**Agree**	**Somewhat agree**	**Disagree**
Gained or improved skills of employees matche my expectations	38 %	60 %	2 %

Training transfer

Employers	Most of the training participants	Some of the training participants	Haven't used yet
Do training participants use their training at work?	68 %	31 %	1 %
Employees	**Straight after training in my work, I have need and possibilities**	**After some time, if I get possibility to use training**	**I believe, I'm not going to use my training**
When are you going to use newly learned skills on the job?	76 %	22 %	3 %

Improvement of work quality

Positive experience

Sustainability

Positive effects of training on learning motivation of employees (86 % of trainees agreed or strongly agreed that they have a better appreciation of the value of learning after training)

Positive attitudes of employers to more accurate training planning (training strategy linked to analysed training needs, linking training and strategic objectives of organisation) (62 %)

Positive attitudes of employers towards further training (98%)

Positive effect of publicity of training measures among enterprises that did not participate in the programme

Shortcomings

Structural assistance mostly used for the training of groups mostly participating in training under market conditions, lack of take up by small enterprises, less qualified and elderly employees;

Insufficient quality of training planning resulting in insufficient relevance for improvement of professional qualifications of employees and achievement of strategic objectives of enterprises;

Deadweight effects (reduced rate of private spending on training, dependence on structural support, replacement effect.)

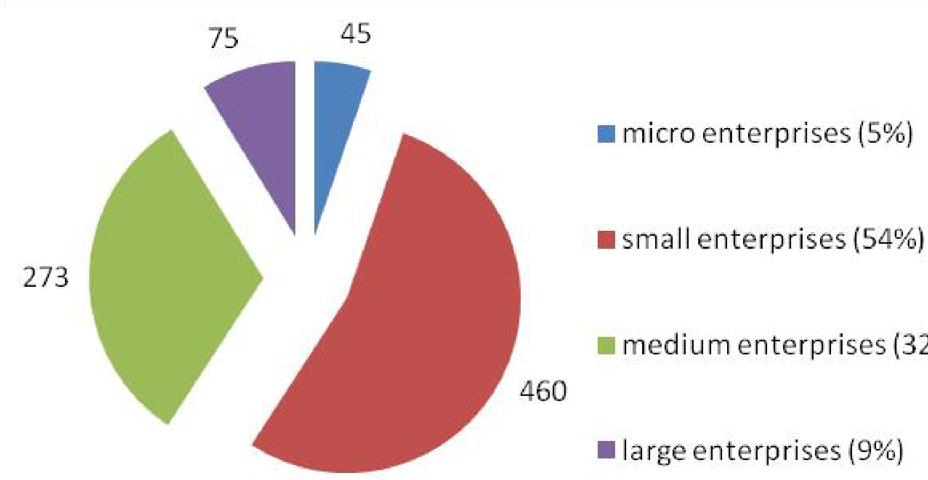
Challenges for the new programming period

- To develop consistent and effective intervention logic;
- To address the major training inequalities in the country (especially small and micro enterprises, older and low-skilled workers);
- To promote better quality of training planning on the level of enterprises;
- To require higher employers' contribution to training of their employees (lower deadweight effects and higher independence from SF support);
- To avoid the distortion of competition through concentrating on sectorial training needs and working through employers' associations and partnerships;
- To promote more attention to sustainability of training on the level of enterprises.

2007 – 2013 programming period

Assessment of improvements

- Separated measures for training of employees in public and private sectors, civil service;
- Improvements due to the grant schemes for private employers:
  - Priority to the projects of sectorial employers' associations;
  - Priority to the small enterprises (different rate of assistance to small and medium enterprises);
  - Priority to the professional qualifications;
  - Requirements for better justification for training based on training needs assessment;
- Lower and more differentiated rate of assistance;
- Better balance of assistance due to size of the enterprises



Sourse:

THANK YOU FOR YOUR ATTENTION!

Co-Funded Training Aid in MALTA

Operational Programme II – Cohesion Policy 2007-2013
Empowering People for More Jobs and a Better Quality of Life
Programme part-financed by the European Union
European Social Fund (ESF)
Co-financing rate: 85% EU Funds; 15% National Funds
Investing in your future

Malta

Malta

- Population : 414,000
- Area: $316km^2$
- Density: $1,300/km^2$
- First Settled: 5200BC
- Education : Free University and Vocational Education plus students receive a stipend

Co Funded Training Aid in Malta

- **October 2008**
- Business Promotion Act (BPA)
- Training Subsidy Scheme

- **October 2009**
- Training Aid Framework (ESF co-funded)
- Training Subsidy Scheme (ESF co-funded)
- Strategic Educational Pathways Scholarships (ESF co-funded)
- Legal Notice 243/09 re Tax Credits
- Rapid reaction training with employees in risk of redundancy

Business Promotion Act

- Did not make positive discrimination in favour of small organisations: i.e. it offered 60% for General Training and 35% for Specific Training same like TAF for Medium but offers an additional 10% for Small organisations
- General Training: 80%
- Specific Training: 45%

REPLACED BY TRAINING AID FRAMEWORK

Major Differences

- **BPA**

Beneficiaries needed to be in an emerging manufacturing and software development industry, and had to be approved

Beneficiaries on part-time employment needed to work for 10hrs/week

- **TAF (ESF Co-funded)**

All non-public entities (including self-employed) not directly involved in the agriculture or fisheries sector

Beneficiaries on part-time employment need to work for 20hrs/week

Minor Differences

- **BPA**
- Depreciation: 5%
- Minor expenses for Training Material
- Consultancy 25% refund with a capping of around €1,165

- **TAF (ESF funded)**
- Depreciation: 0%
- Expenses for Training Material : None
- Consultancy 50% refund with a capping of €2,500

Training Aid Framework

based on Commission Regulation (EC) No 800/2008 declaring categories of State Aid

2009 – 2013

Operational Programme II – Cohesion Policy 2007-2013
Empowering People for More Jobs and a Better Quality of Life
Aid Scheme part-financed by the European Union
European Social Fund (ESF)
Co-financing: EU Funds, National Funds, and Private Funds
Investing in your future

Training Aid Framework Overview

- Potential funding: Cohesion Policy 2007-13 – OP II - European Social Fund
- Applicant organisation: Employment and Training Corporation
- State Aid regulation applicable: Training Aid Block Exemption
- Target group: Undertakings
- Duration: 5 years – 2008-2013
- Total budget envisaged: € **9,863,154** VAT inclusive

  € 8,850,000 - Grants

The Training Aid Framework is intended to:

- promote access to training of persons actively participating in the Maltese Labour Market.
- increase and/or improve the skills of persons employed
- enable undertakings to become more competitive through the adaptation of skills and knowledge.

Potential beneficiaries must meet all eligibility criteria:

a) **Complete documentation**

b) **Falls within the definition of undertaking**

c) **Project implemented within / for the direct benefit of the eligible territory**

d) **The training objectives are in line with the needs of the undertaking**

e) **Training programme relevant to the training needs of the trainee**

f) **Training Programme needs to deliver the desired learning outcomes**

g) **Trainers need to be qualified and/or experienced in subject matter to be taught**

h) **The trainee needs to be employed with the undertaking**

i) **The aid granted to one undertaking for a single calendar will have a capping of €250,000**

The Trainer must:

- Be either a graduate and ideally have a “Train the Trainer’s” Certificates;

  or

- have an aggregate of at least two years’ work experience in the subject/area for which training is being provided, **and** must have successfully completed a “Train the Trainers’ programme or equivalent.

If the Trainer is not a Maltese citizen, the employer is to abide with the conditions and or regulations applicable.

The <u>Training Programme:</u>

Is an activity initiated by an employer to provide knowledge, skills and competence that will increase the performance/employability of the trained employee.

<u>Type of Training</u> (General and or Specific)

classified by the employer as one of the following:

- **Internal – One-to-One or Classroom**
- **External – One-to-One, Classroom or Distance**

Training Aid Framework   Training activities covered by Aid

The <u>Categories of Training</u>:

- **<u>General Training</u> – training involving tuition which is not applicable only or principally to the employee's present or future position in the assisted undertaking, but which provides skills that are largely transferable to other firms or fields of work and thereby substantially improve the employability of the employee.**
- **<u>Specific Training</u> – shall mean training involving tuition directly and principally applicable to the employee's present or future position in the assisted undertaking and providing skills which are not or only to a limited extent transferable to other firms or fields of work.**
- **Training can be delivered either on-the-job and or off-the-job, i.e. at a training institution**.

Training Aid Framework — Training Aid Intensity

Enterprise Size	Training	
	Specific	General
Large No of workers exceeds 250	25%	60%
Medium No of workers not exceeding 250 and Turnover not exceeding EUR 50m and / or Balance Sheet Total not exceeding EUR 43m	35%	70%
Small No of workers fewer than 50 and Turnover and / or Balance Sheet Total not exceeding EUR 10m	45%	80%

Training Aid Framework — Eligible Costs

	Eligibility of Training Costs	Reimbursement Rates
A	Trainer's Fees and/or Costs External Trainer In-House Trainer	100% of rate charged 100% of hourly wage cost
B	Trainer's/Employee's Travel Expenses	100%
C	Cost of Consultancy Services with Regard to the Training Programme	50% of costs incurred to a maximum of €2,500
D	The Personnel Costs Relating to the Employee Such costs relating to the employee must not exceed the total cost referred to A to C.	100% of hourly wage cost

VAT is not an eligible cost..

A. <u>The Trainer's personnel costs</u> - wages or fees paid for the delivery of training.

<u>Trainers</u>	<u>Personnel Cost</u>
• External trainer (not employed by the employer applying for the training aid)	• the full rate charged by the trainer.
• In-house trainer, (an employee of the employer applying for the training aid.)	• the full hourly wage cost.

In both instances costs will be calculated at a pro-rata basis depending on the number of trainees that are being claimed for.

B. The trainer's and trainee's <u>travel expenses</u>

If training involve overseas travel to and from Malta or vice versa (airline tickets only - economy class).

C. Cost of <u>consultancy services</u> with regard to the training

50% (up to a maximum of €2,500) of the costs incurred for consultancy services related to the training needs analysis, programme design and evaluation of training.

The consultant shall not be engaged with the employer claiming Aid and must be qualified in the area for which consultancy is being sought.

D. The personnel costs relating to the employee

Wages paid to the trainees, including National Insurance Contributions paid by the employer.

- **Covering the duration of Training**
- **Not applicable for training not delivered during the employee's normal working hours**

Additional Conditions for the Payment of Aid:

- A maximum of €4,000 per trainee per annum
- Training Programmes which lead to an NVQ Level 5 or higher may receive a maximum grant of €10,000 per trainee per annum
- The total Training Aid claimable by any one undertaking will be capped at €250,000 per undertaking per year, non-transferable.

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Operational Programme II – Cohesion Policy 2007-2013
Empowering People for More Jobs and a Better Quality of Life
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Investing in your future

Training Subsidy Scheme

- A sub-section of ESF co-funded Employability Programme
- Eligible to all organisations employing ten or less
- The applicant has to be the individual employee
- Capping of €2,500 per annum per individual on any number of programmes

Operational Programme II – Cohesion Policy 2007-2013
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Investing in your future

Training Subsidy Scheme

- Scheme is demand driven
- Individuals must apply before commencement of training programme
- Training programme has to be related to employment or justified
- Training programme has to be approved as a general training

Operational Programme II – Cohesion Policy 2007-2013
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Investing in your future

Strategic Educational Pathways Scholarships (STEPS) ESF 1.25

STEPS scheme supports:

- 12-36 month full or part-time Masters courses (EQF Level 7)
- Distance learning for Masters
- 36-48 months fulltime Doctorates (EQF Level 8)

Operational Programme II – Cohesion Policy 2007-2013
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Investing in your future

Strategic Educational Pathways Scholarships (STEPS)

- Any individual resident in Malta or EU/EEA national working in Malta may apply
- Must be graduate of at least an upper second class standard
- Applications open twice a year

Strategic Educational Pathways Scholarships (STEPS)

Part-time /Distance Learning

- Masters

Full time Basis

- Masters
- Doctorates

Strategic Educational Pathways Scholarships (STEPS) Priority Areas

- Capacity Building in Education System
- Skills Mismatches for expanding economic sectors
- Research & Innovation in Science and Technology
- Information & Communication Technology

Strategic Educational Pathways Scholarships (STEPS) Aid Intensity

- Distance Learning Masters : €7,000 total
- Part-time Masters : €7,000 total
- Full-time Masters Non Science: €6,000 / annum
- Full-time Masters ICT: €13,000 / annum
- Full-time Doctoral Non Science: €8,500 / annum
- Full-time Doctoral Science & Tech: €22,000 / annum

- Scholars an additional €2,500 / annum

THANK YOU

Joseph Galea

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Supporting Companies in Financing CVET : Czech Example

Věra Czesaná

National Observatory of Employment and Training
National Training Fund

Národní vzdělávací fond

15th October 2009

NÁRODNÍ OBSERVATOŘ NVF ČESKÁ REPUBLIKA

Overall picture

- Quite strict **Labour Code** as concerning minimal requirements for training - the employer is obliged to train employees:

  - to ensure their health and safety at work

  - to ensure that employees who enter employment without a qualification get initial (on-the-job) training

  - to provide on-the-job training to an employee who transfers to a new business unit or a new type of job/working method

  - as concerning professional training - employers only <u>can</u> provide it (in this case – additional financial incentives are important)
- In some industries, training and qualification for **certain professions** are **regulated by laws or decrees** (healthcare, education, electrical engineering, transport...) – periodicity and level of training is stipulated
- **No special fund** aiming at supporting companies in financing training
- **Co-financing** schemes

Two main type of support from the central level

I. Subsidy schemes

(a) co-financed from the State budget

(b) co-financed from ESF

II. Tax incentives (deductions)

Subsidy schemes financed from the State budget

I. Investment Incentives

- piloted in the period 1998 -1999
- since 2000 based on the law on Investment incentives, implemented by Czechinvest agency
- investors who meet the criteria stipulated in the law obtain also subsidy for training (35% of the total training costs), higher subsidy for training of handicapped
- criteria changed: - lowering of initial investment limit (from 14 to 4 mil.EUR), - subsidy redirection from manufacturing to progressive technologies

II. Programme for Supporting Technological Centres and High-tech Services Development

- 2002 – 2008 period, Ministry of Industry and Trade is responsible, implemented by Czechinvest agency
- grants for investment projects, including subsidy for training (35% of the total training costs)
- only defined sectors were eligible, limit for the initial investment was low (10 mil. CZK (cca € 400,000).

Subsidy schemes financed from the State budget

III. Programme for Supporting New Jobs Creation in Regions most Stricken by Unemployment

- Ministry of Labour and Social Affairs is responsible
- training can also be funded as a part of job creation
- targeted mainly to SMEs in manufacturing industry
- the limit for the initial investment is low (10 mil. CZK (cca € 400,000 and 10 employees respectively).
- the subsidy differs according to the unemployment rate in individual regions

Evaluation

Programmes were not directly aimed at training support – but at:

- attracting foreign investors
- decreasing unemployment
- enhancing economic level in depressed regions

As investment incentives programmes were criticised that especially large companies profited from them, their eligibility criteria were tuned-up towards SMEs and more qualified activities.

Training component was important, however we can assume that there was quite a large share of death weight.

ESF co-financed grants

Programmes funded from EU structural funds are:

co-financed by

(a) state budget (cca 15-17%)

(b) employers (expert estimation: 0%-cca 40%)

- SMEs and non-profit institutions co-finance 0% or low percentage, often "de minimis" rule is applied;
- higher co-financing is rarely prescribed, just to large companies

Period 2004-2006

Operational Programme Human Resources Development

Priority usable for training in companies:

Adaptability and entrepreneurship (Priority 4)

- The companies could apply for funding of projects aimed at increasing their and their employees' adaptability to economic and technological changes.
- Also a specific training in selected sectors (industry, turism) was supported.

The most frequent activity for which the grant was applied was

- vocational training (over 80 %),
- training ensured by the employers,
- implementation of quality management systems,
- modern methods of training.

Period 2007 – 2013 (a)

Operational Programme Human Resources and Employment

Within two priorities, companies may apply for grant for projects aiming at:

- improving employees’ professional or vocational skills or key competences
- creating company training HRD programmes and strategies

Period 2007 – 2013 (b)

Global Grant EDUCA

supports training in companies from selected sectors (NACE)

The aim:
 to improve companies' competitiveness

The eligible activities:

- at least 80% of specific training - professional and vocational training:
  - training of key competences enhancing the chances to retain a job in the company,
  - specific training for a concrete job position,
  - creation of training programmes for employees,
  - training of company trainers;
- at maximum 20 % of general training - languages, ICT, soft skills....

Range of funding: 500 000 - 8 000 000 Kč (€ 20,000 – 320,000)
Providing: ex post

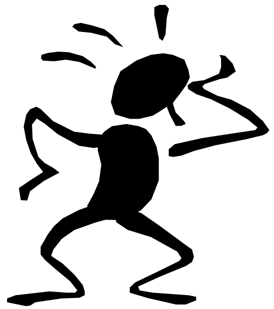
ESF grant schemes - Evaluation

The major benefits

- the target groups (employers, employees and entrepreneurs) received training or support that they otherwise wouldn’t be able to afford
- besides training itself, the employers have opportunity to create HRD systems, to obtain guidance etc. – the overall environment in companies is becoming more „training-friendly“

Major drawbacks:

- complicated administrative procedure
- a bit unclear rules in the beginning of the programming period - they were gradually clarified.



Response to crisis (a)

Two subsidy schemes launched in response to the financial crisis (under responsibility of Ministry of Labour and Social Affairs)

„De minimis“ rule can be applied, i.e. the subsidy can cover 100% of costs in many cases

1. „Get into training“

- for companies who have to scale down their operations (company does not have work for employees, employees at risk of losing their job), applications are selected by Labour Offices
- subsidies for transferable skills courses and for wages of participating employees and travel costs (limits for individual types of costs)
- favours SMEs

No. of employees	subsidy
> 250	60 %
50-249	70 %
< 50	80 %

Response to crisis (b)

2. „Training is a chance“

- focused on improving the general or vocational knowledge and skills of both employees and employers; projects selected by Ministry of Labour and Social Affairs
- supports the design and implementation of training courses, training in-house lecturers and trainers, implementation of human resources management and development schemes, etc. and the wage compensation of trained employees
- also favours SMEs

No. of employees	specific education and training	general education
> 250	25 %	60 %
50-249	35 %	70 %
< 50	45 %	80 %

Response to crisis (c)

Evaluation

- official evaluation so far not available
- quite clear and simple scheme
- high interest on the part of employers

Tax incentives

The training costs and wages of trained employees are a part of overall business costs for taxation purposes in the case of "qualification deepening" (deepening or maintaining existing qualification without changing its level)

In the case of
"qualification upgrading" (studies to reach higher or new qualification level/degree) only since July 2009 the employer can count the wages of employees during their studies as overall business costs

Recently also the costs of accredited courses were exempted from VAT.

Evaluation

- Only weak incentives

- Neglectable impact on the behaviour of the employers in providing or enabling training/studying of their employees

Conclusions I

- **Legislation** is quite strict as concerning safety, introductory or statutory training only. In other cases, the provision of training depends fully on employer decision → system of financial incentives is necessary
- **No special fund** aiming at supporting companies in financing training
- **Tax incentives** are very weak
- **Grant subsidies** co-financed from the state budget or from ESF play a positive role (companies developed very well their ability to use the funds)

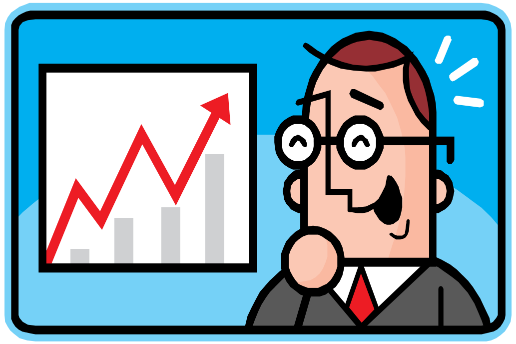
HOWEVER:

- There are many grant programmes – different rules
- To apply for a grant is complicated, additional administration costs are needed; evaluation is not very comprehensive
- Grants are provided for the limited period only ⟶ companies could not plan their training activities for a long time period

Conclusions II

According to our empirical data - training in companies depends especially on

- Economic situation
- Innovation introduction
- Shortages in labour market



Economic crisis – possible consequences

LIFE LONG LEARNING STRATEGY – drafting a comprehensive system of VET financing including of taxation law amendments – BUT it is threatened by the financial crisis and state budget cuttings

THANK YOU FOR YOUR ATTENTION

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THE HUMAN RESOURCE DEVELOPMENT FUND IN CYPRUS –
RECENT DEVELOPMENTS AND EFFECTS OF THE ECONOMIC CRISIS

George Panayides

HRDA
Human Resource Development Authority of Cyprus

Investing in People!

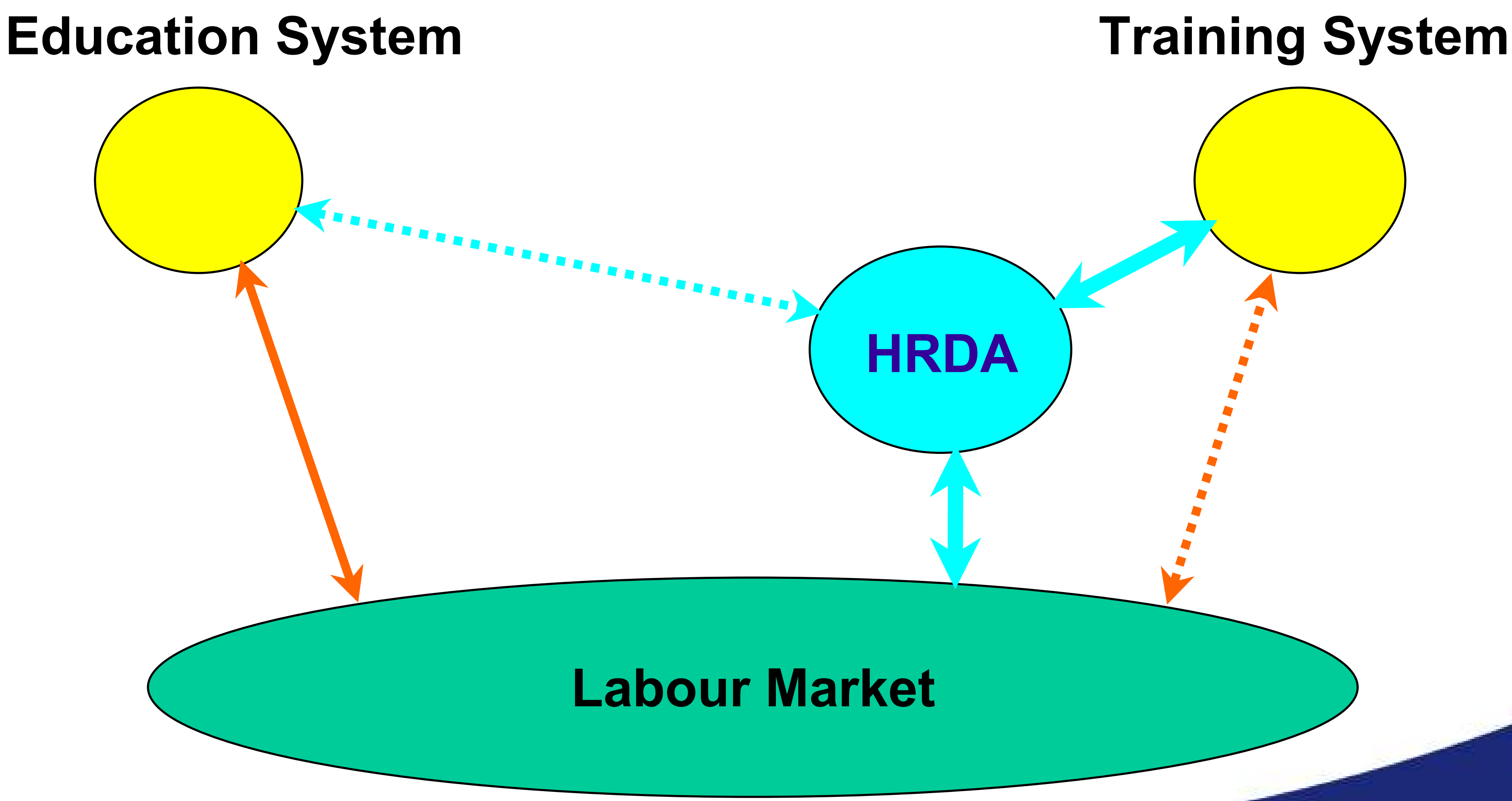
CONTENT OF PRESENTATION

1. CYPRUS – SOME KEY FIGURES
2. THE HUMAN RESOURCE DEVELOPMENT AUTHORITY / FUND
3. MAIN ACTIVITIES
4. CONTRIBUTION TO MINIMISE THE EFFECTS OF THE ECONOMIC CRISIS
5. STRENGTHS AND SHORTCOMINGS
6. FUTURE DIRECTIONS

CYPRUS – SOME KEY FIGURES (2008)

Population	**758.300**
Employment rate (15-64)	**73,6%**
Employment rate (Women)	**62,9%**
Employment rate (55-64)	**54,8%**
Unemployment rate	**3,7%**
Unemployment rate (15-24)	**9,0%**
Unemployment rate (Women)	**4,2%**
Employment in Tertiary Sector	**72,7%**
Early School Leavers (18-24)	**14,0%**
Participation in Education and Training (25-64)	**8,5%**

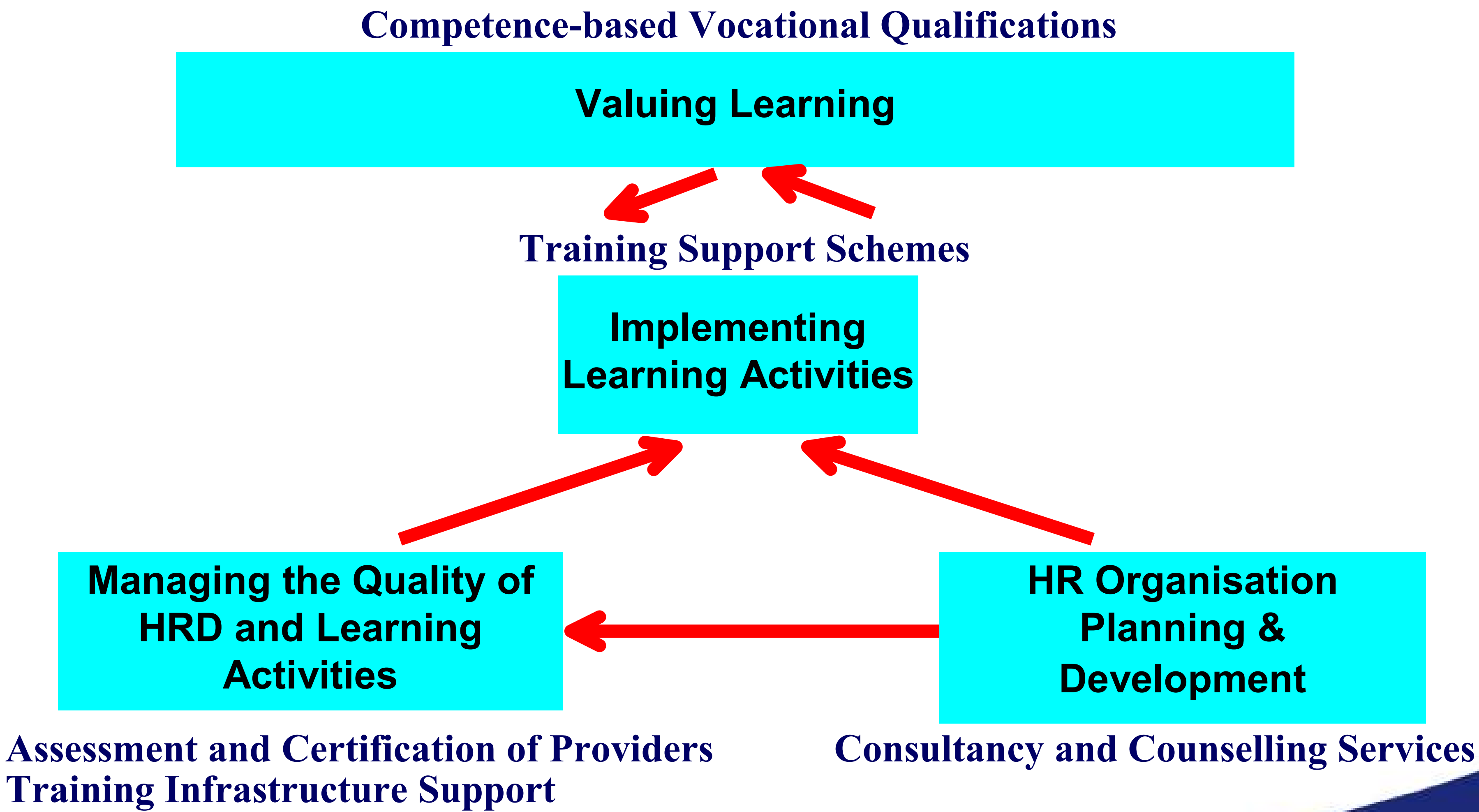
OVERVIEW OF THE VET SYSTEM



THE HUMAN RESOURCE DEVELOPMENT FUND

- 1974 INDUSTRIAL TRAINING LAW
- AMENDED TO 1999 HUMAN RESOURCE DEVELOPMENT LAW
- CONTRIBUTIONS BY ALL EMPLOYERS EXCLUDING THE GOVERNMENT AND THE SELF-EMPLOYED
- COLLECTED VIA SOCIAL INSURANCE MECHANISM
- 0,5% OF THE WAGEBILL (NOT MORE THAN 1%) WITH CEILING ON WAGE LEVEL (CURRENTLY €4.004 / MONTH)
- GRANTS TO EMPLOYERS FOR APPROVED TRAINING
- ALLOWANCES TO TRAINEES
- FINANCIAL ASSISTANCE TO ORGANISATIONS, ENTERPRISES AND INDIVIDUALS

HRDA´s FOUR PILLAR INITIATIVE



CONSULTANCY AND TRAINING SERVICES TO ENTERPRISES FOR PRODUCTIVITY IMPROVEMENT

- **OBJECTIVE**: **To improve the productivity of SMEs**
- **Beneficiaries: SMEs with 5-249 persons**
- **The project is undertaken by counsellors**
- **The support package comprises diagnosis, training of the owner/manager and a productivity improvement plan**
- **Subsidise the full cost of services**
- **FUNDING**: **85% co-financed by ESF**

COUNSELLING & TRAINING SERVICES FOR MICRO ENTERPRISES

- OBJECTIVE: **To improve the operation, efficiency and competitiveness of Micro enterprises through the development of their human resources, primarily the owner/manager.**

- **Beneficiaries: Micro enterprises with 1- 4 persons**
- **The project is undertaken by small business counsellors**
- **The support package comprises diagnosis, training of the owner/manager and the preparation of a business plan**
- **Subsidise the full cost of services**

- **FUNDING: 85% co-financed by ESF**

TRAINING INFRASTRUCTURE SUPPORT SCHEME

- **OBJECTIVE:** **To strengthen the training capabilities of enterprises and institutions in order for them to systematically meet training needs.**

- **Financial assistance for training equipment incl. ICTs, training spec/s and training of trainers.**
- **Enterprises submit a comprehensive proposal (incl. training implementation plan) to HRDA prior to implementation.**

- **FUNDING: Covers up to 45% of expenditure for enterprises and up to 30% for training institutions.**

ASSESSMENT AND CERTIFICATION OF TRAINING PROVIDERS

- **OBJECTIVE:** **To improve and safeguard the quality of training services that are provided with the support of the HRD Fund and to make the quality more transparent to potential users.**

- **System under development**
- **Certification of Trainers, Training centres and Training facilities**
- **Linkage with Training Infrastructure Support Scheme**

HRDA TRAINING SUPPORT SCHEMES

INITIAL TRAINING:

- **In-company courses**
- **Institution-based courses**
- **Industrial training of tertiary and secondary education students**
- **Training of tertiary education graduates**
- **Apprenticeship**
- **Training of the unemployed (ESF co-financing)**
- **Training of economically inactive women (ESF co-financing)**
- **New Emergency scheme for developing the skills of the unemployed**

CONTINUING TRAINING:

- **In-company courses**
- **Institution-based courses**
- **Training abroad**
- **New Emergency scheme supporting employment and training of the unemployed**

SOME INDICATORS ON HRDA TRAINING ACTIVITIES

	1983	1990	2008
TRAINING PARTICIPANTS	3.938	14.569	54.678
TRAINING EXPENSES (€)	750.076	4.373.123	14.613.799

COMPETENCE-BASED VOCATIONAL QUALIFICATIONS

- SETTING STANDARDS ACCEPTED BY INDUSTRY AND THE SOCIAL PARTNERS
- RECOGNISING KNOWLEDGE, SKILLS AND COMPETENCES
- VALUING ALL LEARNING INCLUDING PRIOR AND EXPERIENTIAL LEARNING
- TRANSPARENCY AND COMPARABILITY IN A EUROPEAN CONTEXT
- PROVIDING GUIDANCE FOR ADAPTING THE CONTENT OF VET PROGRAMMES
- ESF CO-FINANCING 85%

HRDA CONTRIBUTION TOWARDS MINIMISING THE EFFECTS OF THE ECONOMIC CRISIS ON THE CYPRUS LABOUR MARKET:

SPECIAL PREVENTION – ACTION PLAN

- **Introduced in February 2009**
- **In close cooperation with the Ministry of Labour and the social partners**
- **Regular review and enrichment for fast response**
- **Accompanied by strong publicity campaign**

SPECIAL PREVENTION – ACTION PLAN

3 POLICY INTERVENTIONS FOR A MORE COMPREHENSIVE APPROACH

A
Prevention of unemployment through training

B
Training to increase employability

C
Employment & training support

SPECIAL PREVENTION – ACTION PLAN

A. PREVENTION OF UNEMPLOYMENT THROUGH TRAINING

- **IN-COMPANY / ON-THE-JOB TRAINING FOR EMPLOYEES FACING THE RISK OF LAY-OFFS TO PREVENT UNEMPLOYMENT AND IMPROVE SKILLS**
  - **EMPHASIS ON TOURIST AND CONSTRUCTION SECTORS**
  - **SUBSIDIES FOR THE COST OF TRAINING INCLUDING EMPLOYEE WAGES FOR TIME ON TRAINING**
  - **LINKING TRAINING TO VOCATIONAL QUALIFICATIONS**

SPECIAL PREVENTION – ACTION PLAN

B. TRAINING TO INCREASE EMPLOYABILITY

- TRAINING FOR UPGRADING THE SKILLS OF THE UNEMPLOYED IN ORDER TO INCREASE THEIR EMPLOYABILITY
  - HORIZONTAL SKILLS – eg computer literacy, languages
  - SPECIALISED TECHNICAL SKILLS
  - FREE PARTICIPATION AND ALLOWANCE €8/HOUR
- ESF CO-FINANCED PROGRAMMES FOR TRAINING THE UNEMPLOYED AND ECONOMICALLY INACTIVE WOMEN
  - HORIZONTAL SKILLS AND TRAINING PLACEMENTS IN ENTERPRISES
  - FREE PARTICIPATION AND ALLOWANCE €8/HOUR
- ACCELERATED INITIAL TRAINING FOR NEWCOMERS AND THE UNEMPLOYED IN OCCUPATIONS WHICH ARE IN DEMAND
  - Eg PLUMBERS, REFRIGERATION TECHNICIANS, COOKS
  - FREE PARTICIPATION AND ALLOWANCE €200/WEEK

Human Resource Development Authority of Cyprus

HRDA

SPECIAL PREVENTION – ACTION PLAN

C. EMPLOYMENT AND TRAINING SUPPORT

- **JOB PLACEMENT AND TRAINING (6 – 12 months) OF UNEMPLOYED TERTIARY EDUCATION GRADUATES**
  - **TAILOR-MADE PROGRAMMES**
  - **SUBSIDY FOR THE COST OF TRAINING INCLUDING EMPLOYEE SALARY FOR TRAINING TIME**
- **JOB PLACEMENT AND TRAINING (3 – 6 months) OF UNEMPLOYED PERSONS TO FILL VACANCIES AND TO SUBSTITUTE LABOUR FROM NON-EU COUNTRIES**
  - **TAILOR-MADE PROGRAMMES**
  - **SUBSIDY FOR THE COST OF TRAINING INCLUDING EMPLOYEE WAGE FOR TRAINING TIME**

SPECIAL PREVENTION – ACTION PLAN

JANUARY – AUGUST 2009 RESULTS

- **4.000 EMPLOYEES WHO FACED THE RISK OF LAY-OFFS WERE KEPT AND TRAINED BY EMPLOYERS**
- **650 UNEMPLOYED PERSONS WERE TRAINED IN EMPLOYABLE SKILLS**
- **5 NEW INITIAL TRAINING PROGRAMMES IN TECHNICAL OCCUPATIONS COMMENCED**
- **1OO NEW UNIVERSITY GRADUATES WERE EMPLOYED AND TRAINED ON THE JOB**

CRUCIAL ROLE OF THE SOCIAL PARTNERS

- **The Social Partners are actively involved in all the initiatives.**
- **Employers' and workers' organisations are directly involved in policy and strategy formulation through their representation on HRDA's Board of Directors.**
- **Responsibility and maturity regularly leads to consensus**
- **In direct partnership, they also implement training activities that satisfy specialised needs, within the framework set by HRDA.**
- **Courses aim to develop the skills and knowledge of their members in new areas.**

+ STRENGTHS / SUCCESS FACTORS +

- Development of a thriving HRD market due to the incentives of the HRD Fund
- Multiple Schemes for effectively meeting multiple target groups and needs
- Stronger incentives (e.g. higher aid intensity) and tailor-made Schemes for underrepresented groups
- The quality management role of the HRD Fund
- Complementary and mutually supportive Schemes providing comprehensive package support
- Cultivating a training conscience in enterprises and individuals
- The active and committed involvement of the Social Partners
- The supportive contribution of systematic research

- SHORTCOMINGS -

- **Lower participation of micro and small enterprises and disadvantaged population groups**
- **Non-participation of the self-employed as trainees**
- **Bureaucratic demands that may discourage participation**
- **Some cases of deadweight effect for the larger enterprises**
- **Some risk of fraud**

FUTURE DIRECTIONS

- SYSTEM OF VOCATIONAL QUALIFICATIONS AS PART OF A NATIONAL QUALIFICATIONS FRAMEWORK
- SYSTEM OF CERTIFICATION OF TRAINING PROVIDERS
- ESF CO-FINANCED PROGRAMMES (2007-2013) AND OTHER INITIATIVES FOR MORE AND BETTER ACCESS TO UNDERREPRESENTED GROUPS
- MORE TARGETED ACTIONS FOR PRODUCTIVITY IMPROVEMENT
- MORE SYSTEMATIC RESEARCH AND DEVELOPMENT TO FEED CONTINUOUS EFFORTS FOR IMPROVED PERFORMANCE

CONTACT DETAILS

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Thank you for your attention!

THE HUMAN RESOURCE DEVELOPMENT AUTHORITY OF CYPRUS

The Human Resource Development Fund in Cyprus – Recent Developments and Effects of the Economic Crisis

(A presentation by Mr. George Panayides at Cedefop's conference
'Sharing the costs of training in the newer EU Member States', Thessaloniki, 15–16 October 2009)

Abstract

Within the context of the objectives of this conference and building on the findings of CEDEFOP´s study *Sharing the costs of vocational education and training. An analysis of schemes in the newer EU Member States*, the presentation highlights the key features of the Human Resource Development Fund in Cyprus, with an emphasis on recent developments and particularly its contribution toward minimising the effects of the world economic crisis on the Cyprus labour market. The multi-sector fund and compulsory contributions through a levy system (0,5% on payroll) that was introduced back in the 1970s, provided the foundations on which to build, in the following years, a human resource development system for effectively meeting the priority training needs of enterprises from all sectors of the economy and individuals. However, for the system to be both efficient and equitable, the basic mechanism needed to be fortified and complemented by the active involvement of the social partners, the balanced positioning between national and EU policy on the one hand (macro) and the actual needs of enterprises and individuals on the other (micro), the vision to aim for a wider role in human resources development than vocational training in isolation, regular monitoring, evaluation and feedback and the ability to flexibly reengineer or enrich systems, policies and procedures. For meeting the new challenges posed by the economic crisis in 2009, the Human Resource Development Authority in close cooperation with the Ministry of Labour and the social partners put forward a Special Prevention – Action Plan, comprising a comprehensive set of measures (a) to prevent unemployment through in-company training, (b) to provide the unemployed with employable skills and (c) to promote the employment and on-the-job training of the unemployed.

Keywords: Cyprus, Human Resource Development Fund/Authority, Recent Developments, Economic Crisis

THE HUMAN RESOURCE DEVELOPMENT AUTHORITY OF CYPRUS

The Human Resource Development Fund in Cyprus – Recent Developments and Effects of the Economic Crisis

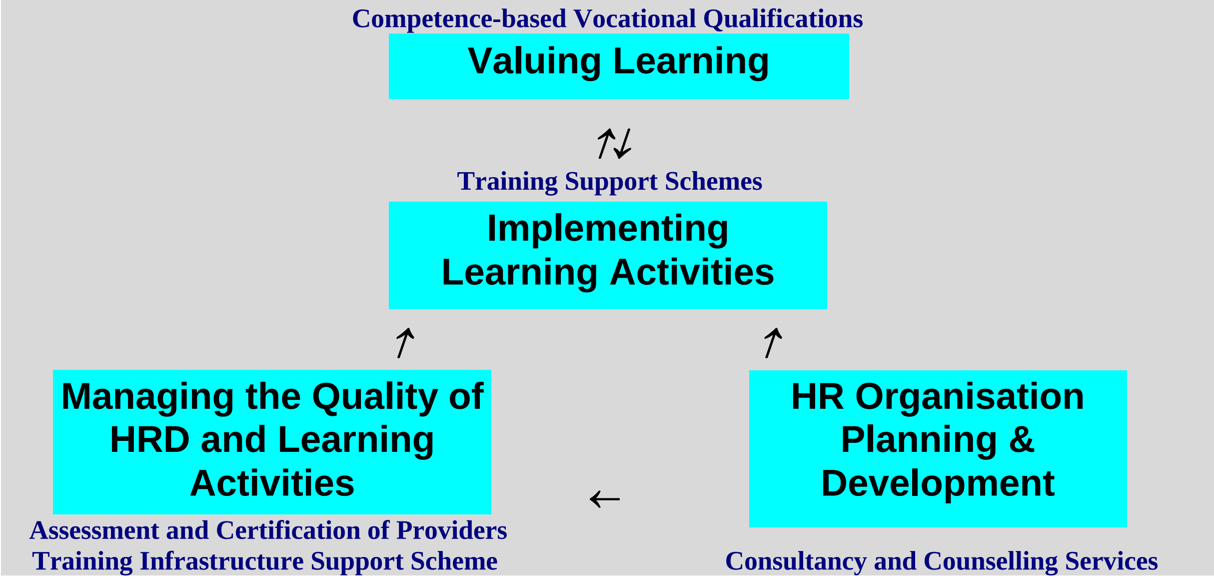
(A presentation by Mr. George Panayides at Cedefop's conference
'Sharing the costs of training in the newer EU Member States', Thessaloniki, 15–16 October 2009)

In Cyprus, the evolution of the skill development system involving both formal and non-formal vocational education and training was a gradual process that responded to economic and social conditions.

A key institutional development in non-formal vocational training and human resources development was the establishment in 1979 of the Human Resource Development Authority (then named the Industrial Training Authority) - a semi-government organisation with a tripartite Board of Directors, and the Human Resource Development Fund. The legal framework provided for compulsory contributions by employers, excluding the government, at a rate that can reach up to 1% of the wage bill. The rate was set at 0,5%. The Authority was vested with the responsibility of providing subsidies to employers, allowances to trainees and other financial support in order to promote its objectives. The establishment of the Authority gave a significant impulse to human resources development on the island and, importantly, created the conditions for a structured, continuous and fully committed involvement of the Social Partners in the Vocational Training System.

Following a period of limited systematic vocational training provision in the 1960s and 1970s, in the early 1980s, investment in human resources in Cyprus was given a major boost with the establishment and contribution of the HRDA. The functioning of the multi-sector Human Resource Development Fund (then the Industrial Training Fund) through compulsory contributions was recognised early to have laid a good solid foundation on which though much more needed to be built to achieve important goals, such as cultivating a training conscience, increasing numbers of trainees, achieving quality in training provision and bringing into the picture the key efficiency and equity dimensions. The Authority, as the competent national agency for human resources development, has since developed a comprehensive policy that encourages and supports the design and implementation of training activities satisfying company and individual needs via its numerous ***Training Support Schemes.*** The experience gained until the early 1990s showed that this support needed to expand in a multitude of schemes to cater for a corresponding multitude of different training needs and target population groups. In addition to this support, small and medium enterprises needed advice and guidance to solve their human resource management and other organisational problems, as well as support to develop internally their capability to manage training and create the necessary learning infrastructure. In response to these needs, after consultations with the Social Partners, HRDA introduced in 1995 two new schemes, the ***HR Consultancy Services Scheme*** and the ***Training Infrastructure Support Scheme***. With these schemes, it was able to launch the first three pillars of an initiative aiming to offer a complete package of support to enterprises, integrating technical and financial assistance for HR consultancy services, for developing a learning infrastructure and in-house training capabilities for implementing learning activities. The last few years, the attention has turned to establishing, and linking into the overall framework, a fourth vital pillar, the ***Competence-based System of Vocational Qualifications*** which recognises, registers and makes transparent the value of training and other learning. Also, in the direction of improving the quality of training provision and making the quality aspect more recognisable by users, work is now under way to establish a ***System for the Assessment and Certification of Training providers***.

HRDA's FOUR-PILLAR INITIATIVE



The approach was developed in accordance with HRDA's stated mission, to create the necessary prerequisites for the systematic training and development of the island's human resources, at all levels and in all sectors, in order to meet the economy's needs, within the socio-economic policies of the country. In fulfilling this mission, the Authority cooperates primarily with the Ministry of Labour and Social Insurance, the Ministry of Education and Culture, the Planning Bureau and, very importantly, the Social Partners.

Based on the experiences gained in the first two decades, and taking into consideration the local and international changes in training and human resources development, a new law, enacted in 1999, provided for the expansion of HRDA's area of competence and range of activities so as to better reflect its wider role in human resources development rather than vocational training in isolation. New provisions covered the areas of vocational qualifications, research and development and international cooperation.

Today, in view of international developments and full membership of Cyprus in the European Union, human resources development commands a prominent position in national policy priorities as a powerful means of enabling the country to face up to the challenges of the knowledge economy as well as to meet employment goals. Also, with the influence of EU strategic objectives and the guidance provided by the European Social Fund, now more attention is significantly directed to the equity dimension of training support measures, working with a bigger focus on social cohesion goals.

A brief description of the main schemes follows:

(i) ***Consultancy/Counselling Services Schemes:*** For about 12 years, HRDA was running the Consultancy Services to SMEs Scheme. SMEs employing 5-249 persons received external expertise to help them to draw up and implement organisational, business and training plans for the development of their employees. Funding was available after the successful implementation of agreed proposals and covered up to 50% of consultancy costs. The initiative had an important contribution mainly in the direction of better organisation and higher training take up. The Scheme is now being replaced with a new Scheme, which will steer counselling and training support in the direction of productivity improvements in SMEs. In addition, the pressing support needs of micro enterprises employing 1 – 4 persons, one of the typically most underrepresented groups in the beneficiaries of the Human Resource Development Fund, led to the introduction of a tailor-made Scheme to provide these enterprises with specialised counselling and training services. In both Schemes, the full cost of these services is covered by the HRDA (15%) and the European Social Fund (85%), under the "de minimis" Regulation for State Aid.

(ii) ***Training Infrastructure Support Scheme:*** In an effort to encourage the modernisation and qualitative improvement of training infrastructure, under this Scheme, enterprises and training institutions receive financial assistance to develop new or improve their existing training infrastructure. This may cover training equipment including ICTs and e-learning applications, development of training specifications and training of trainers. Funding covers up to 45% of enterprise costs and up to 30% of training institution costs. The grants are provided under the "de minimis" Regulation.

(iii) ***System for the Assessment and Certification of Training Providers:*** Any Training Fund that provides grants for subsidizing the cost of training will not achieve its objectives unless the quality of the subsidized training and its impact on participating enterprises and individuals is safeguarded. In this direction, it was recognized that the existing procedures and the quality criteria concerning trainers, training institutions and facilities needed to be replaced by a systematic and transparent mechanism of assessment and certification of trainers, training centres and training facilities. The project is under development. It is envisaged that the Training Infrastructure Support Scheme will join forces with the Certification System to lead to a higher standard of training providers.

(iv) ***Training Support Schemes:*** Through a multitude of Training Schemes that were gradually introduced in order to cater for a corresponding multitude of training needs and target population groups, HRDA promotes training activities organised by enterprises and training institutions that satisfy learning needs arising from technological, market, organisational and other needs. The initiatives support:

- *Initial Training Courses:* In-company and institution-based courses, courses for the unemployed, economically inactive women, practical training of tertiary and secondary vocational education students, training of new tertiary education graduates and apprenticeship training.
- *Continuing Training Courses:* In-company and institution-based courses, high priority courses and training abroad.

Emphasis is given to in-company training activities, which constitute about 65% of the learning activities financed by HRDA. They are often more flexible and more efficient, as they are designed to meet company specific learning needs. Institution-based courses are also important particularly to serve the needs of small businesses and their employees. For every type of course, HRDA sets quality and priority criteria. Eligible for funding are all companies in all sectors of the economy. Funding covers up to 80% (for small enterprises), 70% (for medium enterprises) or 60% (for large companies) of enterprise's training costs. The Schemes have recently been revised taking into consideration the results of an ex post evaluation of their impact and also the provisions of the new General Block Exemption Regulation for State Aid (August 2008).

EU membership and access to the ESF created the opportunity to use this instrument for encouraging the participation in training of underrepresented groups and was seen as a valuable complementary mechanism to already existing Schemes. The projects, which are co financed by HRDA and ESF, provide opportunities for training and placement for work experience to the unemployed and economically inactive women.

(vi) ***Competence-based System of Vocational Qualifications:*** The introduction of a System of Vocational Qualifications based on standards of competence is the Authority's major medium-term strategic objective. The system provides a common reference for valuing learning, provides guidance for the required standard and content of VET programmes and offers multiple benefits to individuals, enterprises, society and the economy. It improves the recognition of knowledge, qualifications and skills on the labour market and it also facilitates workforce mobility and business competitiveness.

HRDA, in close co-operation with the government and the social partners is working for the development of such a system taking into consideration local conditions as well as developments in the European Union, particularly with regard to the European Qualifications Framework.

HRDA´s contribution towards minimizing the effects of the world economic crisis on the labour market in Cyprus

In view of the world economic recession and with the aim of minimising its effects on the local labour market, HRDA, in close partnership with the Ministry of Labour and Social Insurance, put forward in February 2009 a **special Prevention-Action Plan**, comprising the following measures under the three policy axes of **Prevention of unemployment, Improving employability and Employment and training**:

<u>Prevention of unemployment</u>

- In-company/On-the-job training programmes for employees who are faced with the risk of lay-offs, as a preventive measure against unemployment, at the same time helping them to achieve vocational qualifications.

<u>Improving employability</u>

- Training programmes for upgrading the skills of unemployed persons in order to improve their employability, in accordance with identified needs in the labour market.

- Training programmes co-financed by ESF and HRDA for improving the employability of unemployed persons and economically inactive women.

- Accelerated initial training programmes for newcomers and other unemployed persons in occupations which are in demand.

Employment and Training

- Job placement and training of unemployed tertiary education graduates.
- Job placement and training of unemployed Cypriots and other EU nationals to fill vacancies and/or to replace labour from third countries.

These measures are supported by a targeted promotional campaign utilising all mass communication media. A brief account of these measures is given below:

Measure 1: In-company/On-the-job training programmes

Under this measure HRDA helps employers to retain their employees instead of laying them off, by utilizing their idle time through training. In particular, HRDA helps employers to design and implement training programmes that meet their specific needs and subsidises the eligible costs of the employers, including wages of the participants for the duration of training.

The promotion of these in-house training programmes has been suitably adjusted to focus on the sectors of the economy, which are mostly affected by the economic recession and where the possibility of employee lay-offs is imminent. Such sectors are Hotel and Catering, Retail Trade and Construction. HRDA explained to employers how they could link training programmes to the achievement of vocational qualifications through the System of Vocational Qualifications that HRDA is implementing.

Measure 2: Training programmes for upgrading the skills of unemployed persons

In partnership with the Public Employment Service, the Cyprus Productivity Centre and the Higher Hotel Institute, HRDA organises upgrading training programmes for unemployed persons, as from May 2009. These programmes cover important horizontal skills, which will help people to return to productive employment. They are offered free of charge to unemployed persons. Such skills are for example information technology (IT) skills, languages and health and safety issues. In addition, under this scheme, a variety of technical training programmes are offered to unemployed persons, giving them the opportunity to enrich existing skills or be retrained and qualify for jobs which demand these skills (examples are training programmes in the maintenance of hotel electromechanical equipment, specialized welding and specialised cuisine skills). For the duration of these programmes participants are entitled to a training allowance of €8 per hour from the HRDA. The partnership will continue to implement programmes in the following months, using the regular information supplied by the PES and taking into consideration the market needs and the interest by unemployed persons for the programmes.

Measure: Projects co-financed by the ESF and the HRDA

In parallel with the above measures, HRDA is currently preparing the implementation of the projects to be co-financed by the ESF and HRDA in the programming period 2007-2013. The projects for the improvement of the employability of the unemployed and economically inactive women, are expected to have an important contribution towards the efforts against the effects of economic slowdown on unemployment. Work is now underway for the implementation of training programmes and work experience programmes.

Measure: Accelerated initial training of newcomers and other unemployed persons

HRDA organises accelerated initial training courses, which aim at giving theoretical and practical training in occupations which are currently in demand. These courses are offered free of charge to persons who want to embark on a career in such occupations. The participants on the programmes receive a training allowance of €200 per week from HRDA. Examples of such programmes are for the following occupations: Plumbers, Builders, Refrigeration and Air-conditioning Technicians, Electricians, Aluminium Technicians and Cooks. These programmes have a duration of 16 to 24 weeks.

Measure 5: Job placement and training of unemployed tertiary education graduates

This measure aims at strengthening the management capacity of enterprises through the employment and training of young tertiary education graduates. The measure offers incentives to enterprises to provide employment, practical training and work experience to graduates. HRDA provides subsidies to employers for the delivery of in-house training programmes to young graduates (6 or 12 months duration). The in-house training of graduates is enhanced by the participation in other training courses, aiming at specialising and fulfilling their knowledge.

Measure 6: Job placement and training of unemployed Cypriots and EU nationals to fill vacancies and/or replace labour from third countries

This new measure was introduced in October 2009. It provides incentives to employers in the form of subsidy and guidance for the employment and individualized training of unemployed persons, in order to fill vacancies or to replace labour from non-EU countries with Cypriot or other EU nationals. The Scheme also promotes the job placement of persons who previously participated in other training programmes. For each unemployed person who is recruited, a practical on-the-job training programme is designed, with a duration of 3 or 6 months. The subsidy reaches up to 80% of the cost of training including wages and contributions.

HRDA will continue to work in close partnership with the Ministry of Labour and Social Insurance, in monitoring developments in the labour market and swiftly meeting the needs as they arise with an emphasis on prevention to the highest possible degree.

Partnerships

Working together in partnerships is essential for putting lifelong learning into practice at both national and local levels. To this end, the various initiatives support and encourage partnerships between public and private agencies and NGOs, training and consultancy organisations, and enterprises for aligning training provision with the needs of the economy, enterprises and individuals and for a more efficient use of available resources.

The **Social Partners** are actively involved and work in partnership with the Authority. Employers' and workers' organisations that are represented on HRDA's Board of Directors are consulted on all major issues; they participate actively in the formulation of strategy and bring HRDA's initiatives to the attention of their members. They also participate in the implementation of training activities for their members within the framework and priorities set by HRDA.

Strengths and weaknesses

HRDA initiatives have been paramount for developing a thriving training and human resources development services market in Cyprus. Today, there are numerous training and HR counselling providers, while only a handful of public training institutes existed during the 1970s before the Authority's establishment. More than 10% of the economically active population participate annually in training programmes with the Authority's financial support. More that 6.000 enterprises, from all economic sectors, benefit from the initiatives annually.

The most important strengths and success factors of the Human Resource Development Fund are seen primarily in the following:

- The development of a thriving human resources development market catering for a wide spectrum of training and counselling needs.
- The multiplicity of policy instruments (Schemes) that correspond to multiple target groups with differentiated needs.
- The prioritisation of provision through stronger incentives (such as higher aid intensity) and the introduction of specialised Schemes in favour of underrepresented groups such as, micro and small enterprises, economically inactive women and the unemployed, improving performance in the equity dimension.
- A strong quality management role through the use of qualitative criteria for funding training programmes and the linking with the System of assessment and certification of training providers on the one hand and the System of vocational qualifications on the other.
- The complementary and mutually supportive nature of the different Schemes offering a package of support to enterprises and individuals.
- The cultivation of a training and human resources development conscience in enterprises and individuals.
- The active and committed involvement of the social partners at all levels, strategic and operational.
- The supportive contribution of research activity helping to bridge the distance between EU and national policy directions (macro) and the actual needs of enterprises and individuals (micro).

On the other hand, the most important shortcomings are seen in the following:

- The lower participation of micro and small enterprises and disadvantaged population groups including persons with no or low qualifications.
- Bureaucratic demands, especially in association with compliance with State Aid Regulations and audit and control requirements, which sometimes discourage participation.
- Some cases of deadweight effect, particularly for some large enterprises, which are well organized to manage the human resources development function.

- Risk of some fraudulent activity by prospective beneficiaries with a view to receive non-eligible grant.

Sustainability

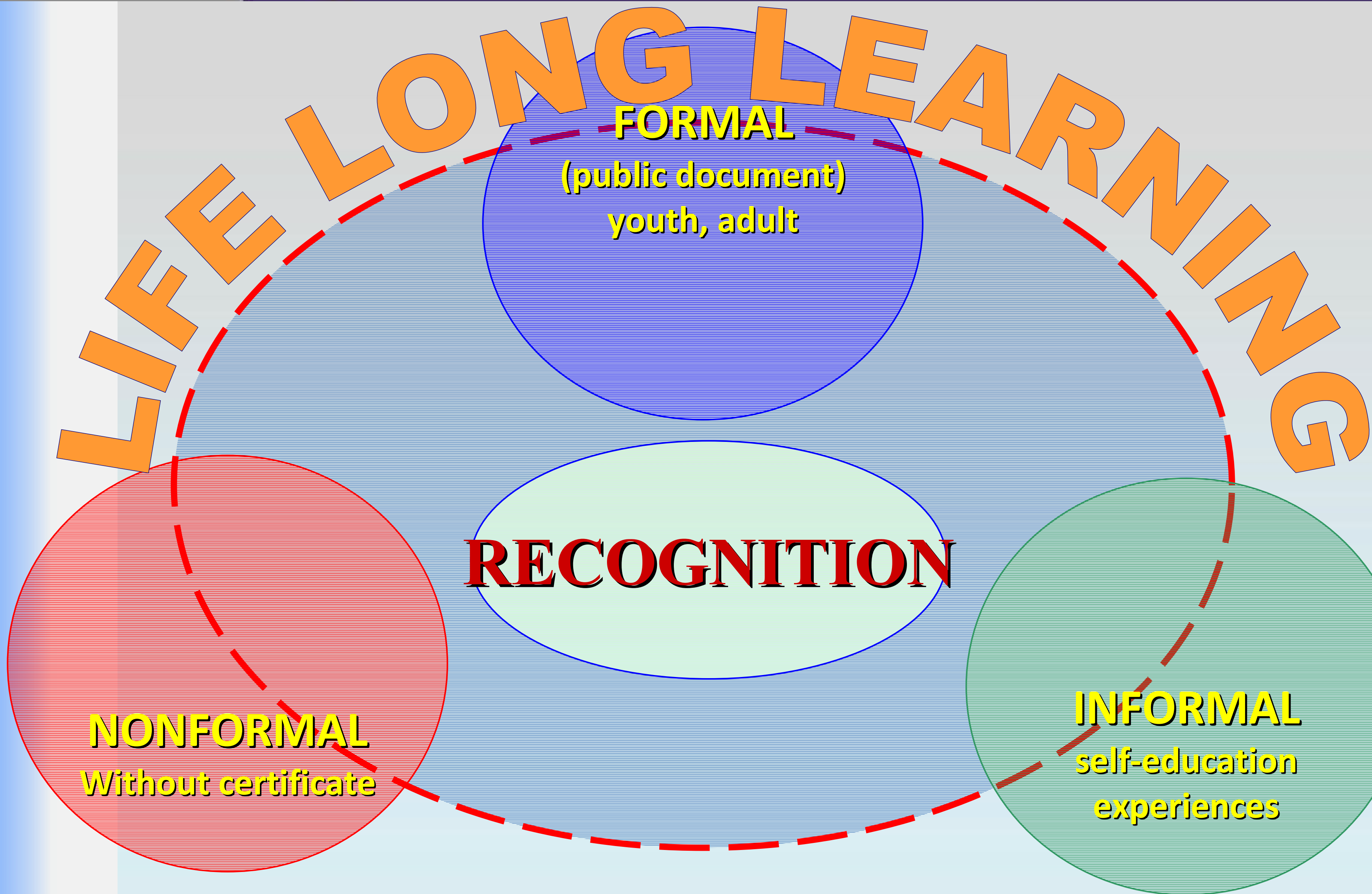
HRDA will continue to further enhance the provision of quality learning, and to boost business competitiveness through human resources development. In this direction, the Authority's strategic plan for 2007-2013 includes measures for improving responsiveness to the changing needs of the economy, such as the conduct of specific research studies and surveys to facilitate the formulation of training and HR development strategies, the improvement of the quality of training delivery and assessment mechanisms, the wider use of ICTs in learning and the further improvement of access of people at risk and other underrepresented groups to vocational training. To this end, the HRDA continues to use the opportunities offered by the European Social Fund in the programming period 2007-2013 contributing to wider employment and social cohesion targets. Also it will focus its attention on the strategic goals of developing further the Systems of vocational qualifications and certification of training providers, which will play a central role in the vocational training system in the years to come.

12 October 2009

GP/

Sharing the costs and responsibility in VET in Slovenia

Mag. Janja Meglič
Branko Kumer


LIFE LONG LEARNING
FORMAL
(public document)
youth, adult
RECOGNITION
NONFORMAL
Without certificate
INFORMAL
self-education
experiences

Provision of financial resources

- Public (*budgetary*) resources
  - For youth
  - Public fund for HR
- Employers for training places
- Employer’s funds
- Own financial resources
- European social fund

Public (budgetary) resources finance

- youth
  - process of education (salaries of employees, equipment, facilities, economic operations)
  - partial funding of housing for young people in student homes
  - scholarships for socially deprived families
  - scholarships for talented students
  - help for students with special needs
  - one hot meal a day for each student
  - health and social security for a period of practical training in companies
- adults
  - co-financing of school fees
  - payment for the organizer of adult education in public institutions

Employers for training places

employers provide practical training for which they offer:

•an equipped training place(*verified*)

•a mentor (*trained with additional skills in the field of pedagogy*)

•mentor training

•a financial award, according to the collective agreement and a meal

•provide scholarship (*optional)*

Craft funds

- 30 years ago (until *2008 29 funds*) *in collective agreement*
- *From obligatory payroll to voluntary (per capita)*
- *Support training and scholarship for employees*
- *Increase level of education and support continuous updating of knowledge and competences*

Own financial resources

- **Many adult citizens pay fees for formal and nonformal education and training (opportunity for repayment)**

ESF

- Encourage the employed and unemployed persons to educate, to increase the level of education and to eliminate structural imbalances in the labour market,
- Encourage employers to provide practical training for young people,
- Co-funding training for mentors (*since 2010*)

THANK YOU FOR YOUR ATTENTION

Training fund in Poland – its effectiveness and future prospects

Lukasz Arendt
Department of Economic Policy
University of Lodz, Poland

Training Fund and its history

- Introduced in the act on employment promotion and labour market institutions, passed on 20th April 2004
- Effect of the joint effort of the government and social partners (employers' associations and trade unions) within the framework of the Phare 2000 project „National System of Vocational Training
- Major changes in regulations introduced in February 2009

Training fund – characteristics

- Training fund is a voluntary instrument encouraging employers to upgrade their and employees' skills.
- It may be created by one or more employers.
- All regulations regarding training fund at the company level are comprised in the training fund statute or in the company's collective labour agreement.

Training fund – characteristics

- Employers who created training fund are obliged to allocate for it at least 0.25% of the company's wages fund
- Training fund resources can be spent only on the basis of agreement between the employer and an employee sent to the training course
- Employers who set-up training fund may apply for financial support from the Labour Fund

Financial support from the Labour Fund

Old regulations	New regulations (since Feb 2009)
Reimbursement of up to **50% costs** of special training for **employees** threatened to be laid off due to redundancy. Reimbursement cannot exceed the average salary. Employee **must be employed** after training in line with acquired skills for at least 12 months.	• Reimbursement of up to **50%** of training costs, not exceeding average monthly salary, for **employees and employers aged up to 45** • Reimbursement of up to **80%** of training costs, not exceeding 300% of the average monthly salary, for **employees and employers 45 +**

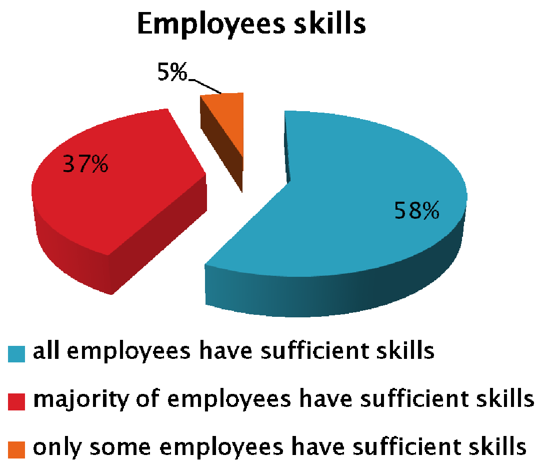
Financial support from the Labour Fund

Old regulations	New regulations (since Feb 2009)
•Reimbursement of training costs for employees on a paid training leave for more than **22 working days** up to **80%** of the average monthly salary	
•Reimbursement of the salary of an unemployed person involved in a job rotation programme, who replaces an employee on a training leave (up to 40% of the average monthly salary)	

Effectiveness of the training fund – research study

- Research carried out in 2006 within the framework of the project co-funded from ESF
- 380 face to face interviews (PAPI) with employers from different type of companies
- 10 in-depth interviews (IDI) with employers who created training fund
- 1 Focus group interview (FGI) with the representatives of trade unions and employers' organisations

Effectiveness of the training fund – research results



Effectiveness of the training fund – research results

- **22,1%** employers were familiar with legal regulations regarding training fund, while **55.8%** declared total lack of knowledge on this matter
- **57.4%** were of the opinion, that training fund should exist/is needed
- In the analysed sample 49 companies had training budget but only **16** had created training fund (**4.2%** of the sample)

Training fund in companies

- Main reason for setting up training fund: **employees' training needs**
- Companies allocated to training fund **more** than 0.25% of company's wage fund (up to 3%)
- **None** of the companies applied for reimbursement from the Labour Fund
- Most companies **appreciated** effects of lifelong learning schemes financed from the training fund

Effectiveness of the training fund – concluding remarks

- Training fund is **too rarely used** to be an effective tool for improving employees' skills in companies
- The way employers **perceive** employees' skills level makes them unaware of existing skills deficits in companies
- **Duality** of the economy and labour market – large corporations vs. SMEs
- Recommendation – make **training fund obligatory** for large companies and introduce special regulations for SMEs

Financial support from the Labour Fund – new anticrisis regulation as a catalyst for change

- Available to companies in temporary financial problems (to the end of 2011)
- Reimbursement of up to **80%** of training costs, not exceeding 300% of the average monthly salary, for all employees in case of:
  - Training lasting up to 6 months
  - Post-graduate university studies lasting up to 12 months

Thank you for your attention

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Training fund in Poland -
its effectiveness and future prospects

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Cedefop's conference 'Sharing the costs of training in the newer EU Member States'

Thessaloniki 15-16 October 2009

Abstract

The goal of the paper is to present the history of training fund in Poland, its legal aspects and main outcomes of the research project carried out in 2006 which aim was to assess the effectiveness of the training fund. The paper describes changes in legal regulations concerning the training fund, the research methods applied in the project and its results, focusing on: employers' assessment of employees' skills, employers' awareness of training fund regulations, and training fund usage. It points out, why training fund is not a popular tool used for improving employees' skills and also submits some recommendations resulting from data analysis.

Keywords: training fund, Labour Fund, vocational education and training

Training fund in Poland - its effectiveness and future prospects

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Cedefop's conference 'Sharing the costs of training in the newer EU Member States'

Thessaloniki, 15-16 October 2009

Introduction

Resolving the problem of mismatch between skills demand and supply is of a great importance for the development of the Polish economy. Unfortunately, educational system is neither fully efficient, nor flexible. Moreover, school curricula are not adjusted to the current and future labour market needs. At the same time lifelong learning schemes are not adequately developed (Kryńska, 2008). In this context vocational education and training, especially on the job training, plays a key role in matching skills. Training fund, introduced into Polish legal system in 2004, is one of the tools supposed to serve this goal. After two years, in 2006 a research project was launched to assess the usage and effectiveness of training fund in Polish companies. The outcomes of the project served as a starting point of changes in legal regulations, implemented in order to make training fund more popular in Polish companies.

Training fund – its history and legal aspects

Training fund is a legal instrument created in order to encourage companies to upgrade employees' and, what should be emphasized, employers' skills within lifelong learning schemes. It was introduced in Poland in 2004 in the Act on employment promotion and labour market institutions[1]. Its implementation into Polish legal framework was an effect of joint effort of the government and social partners: employers' associations and trade unions. Up to now there has been one major amendment regarding creation and usage of the training fund, being in force since February 2009. Its goal was to reduce bureaucracy and to widen access to financial support by increasing the level of reimbursement of training costs covered by the Labour Fund.

Training fund in Poland is voluntary. In can be created by one or more employers. All regulations regarding training fund at the company level are comprised in the company's collective labour agreement or in the training fund statute, if company does not have a collective labour agreement. It should be stressed, that training funds in Poland are created and managed solely by employers, who take decisions regarding the scope and directions of employees and employers' training.

[1] Journal of Laws of 2004 No 99, item 1001.

Once a training fund is created, a company is obliged to levy at least 0.25% of the company's payroll (levy percentage is defined in the company's collective labour agreement or in the training fund statute). Training fund may be also supported from other resources. Resources collected in the training fund may be spent for educational activities of the employer or his employees. However, spending resources on employee training is possible only on the basis of an agreement between the employer and the employee directed to the training.

To make training fund more attractive for companies, thus more widely used by Polish enterprises, there is an important economic incentive – companies with training fund may apply for financial support from the Labour Fund. In the initial, regulation (i. e. this of 2004), there were two options for companies with training fund to receive reimbursement from the Labour Fund:

(a) companies whose employees were threatened to be laid off due to redundancy were entitled to demand a reimbursement of up to 50% costs of the special training of each employee (not exceeding the average salary). However, the condition was that the trained employee had to be employed after training in line with acquired skills for at least 12 months;

(b) companies that sent an employee for a training for more than 22 working days, granted him a paid training leave, and for this period would employed an unemployed person directed by local labour office were entitled to demand a reimbursement of training costs of up to 80% of the average monthly salary. At the same time the company might received reimbursement of the salary of the unemployed person involved in a job rotation programme, who replaced the employee on a training leave, up to 40% of the average monthly salary.

In fact, the possibility of receiving reimbursement from the Labour Fund is the only rationale for creating a training fund by an employer. The Labour Fund is one of so called "State funds for a defined goal". It is governed by the Ministry of Labour and Social Policy. It was introduced in 1990, now is regulated in the Act on employment promotion and labour market institutions. Its aim is to temper the results of unemployment, to promote employment and to make people more active on the labour market. Resources collected within the Labour Fund are spent on active labour market policies (including training), as well as on passive measures (like unemployment benefits). The Act on employment promotion and labour market institutions defines more than 50 ways of spending Labour Fund money.

The main Labour Fund sources are: state budget subsidies, EU funds, Labour Fund's loans and investments interests, and obligatory levies from companies. From the point of view of this paper the most interesting source are companies' levies. A levy is paid, with some exemptions, by all employers for each employee whose salary is higher than a minimal wage (1276 PLN in 2009), and also by the self-employed. The levy in 2009 amounted 2.45% of the basic sum.[2] From the point of view of companies, the Labour Fund levy is another kind of tax burden, as not many companies, especially private ones, may benefit from programmes co-

[2] A basic sum is calculated according to the legal regulations concerning social insurance. It constitutes a base to calculate an disability and retirement insurance Premium.

financed by the Labour Fund. That is why co-funding employees' and employers' training from the Labour Fund in companies having training fund may be seen as a way of retrieving part of money paid on the Labour Fund. As a result, it seems to be a good incentive for companies to create training fund.

The last amendments regarding training fund introduced in the Act on employment promotion and labour market institutions, being in force since February 2009, made changes in the first option (the second option has not been changed and is still available), making it even more attractive for employers. It has focused on raising investments in older workers' skills. Since February 2009, employer may apply for:

(a) reimbursement of up to 50% of training costs, not exceeding average monthly salary per employee, for employees and employers aged up to 45;

(b) reimbursement of up to 80% of training costs, not exceeding 300% of the average monthly salary per employee, for employees and employers aged 45 +.

Simultaneously, these changes have reduced the bureaucratic burden put on an employer, connected with procedures of receiving reimbursement.

The introduction of these changes was preceded by the research study carried out in 2006 on effectiveness of the training fund in Poland.

Project results – discussion

In 2006 the Ministry of Labour and Social Policy launched a project co-funded from European Social Fund. The aim of the project was to conduct a complex analysis of the training fund usage in Polish companies and to assess the effectiveness of the training fund, two years after its introduction. The project was carried out by the Institute of Labour and Social Studies[3]. It used many desk and field research methods. Within the field research, the following techniques were applied:

(a) 380 face-to-face interviews with employers from different types of companies;

(b) 10 in-depth interviews (IDI) with employers who created training fund;

(c) 1 Focus group interview (FGI) with the representatives of trade unions and employers' organisations.

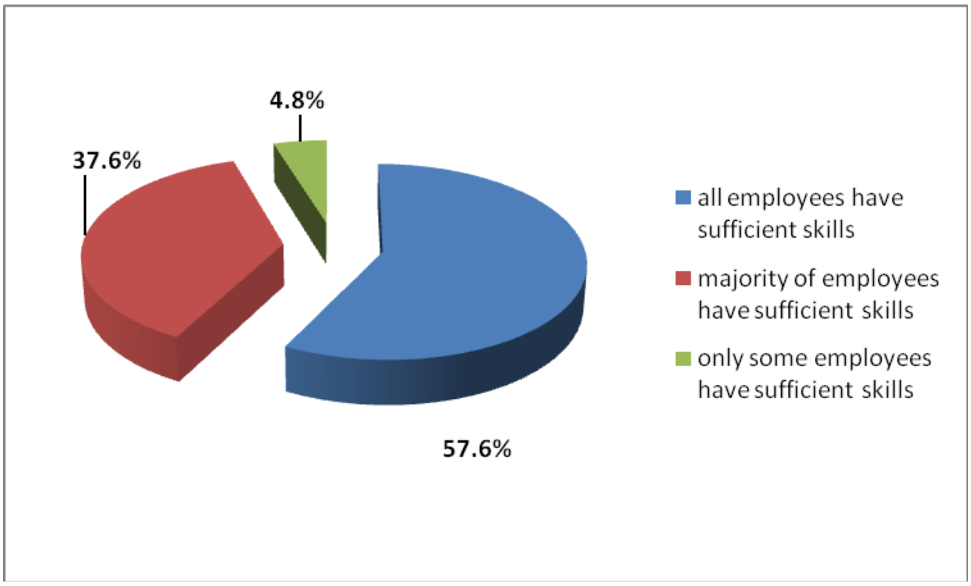
Face-to-face interviews analysed many areas of company's operation focusing mainly on investing in employees' skills, managing human resources and the usage of training fund. The starting point of the analysis was the assessment of quality of human resources in companies, as it is the main determinant of training activity in enterprises. The results of the survey revealed, that employers had their employees' skills in high regard (Figure 1.). Most (57.6%) employers stated, that that all members of their staff were sufficiently skilled to perform their professional duties, while according to 37.6% respondents majority of staff were sufficiently

[3] Project no. DWF_1.1._8A-2005 in the framework of the Sectoral Operation Programme – Human Resources Development co funded from European Social Fund.

qualified. Summing up, about 95% of surveyed employers perceived the quality of human resources as high enough from the point of view of company needs, when only 5% assessed employees' skills as inadequate (Kukulak-Dolata, 2008). The highest deficits regarded technical (engineering) knowledge, professional experience, creativity, ability to make decisions, and work commitment.

It should be stressed, that these results are not an outlier. The results of other research studies point, that, on average, Polish employers, especially from small and medium-sized enterprises (SMEs), do not see major skills deficits among their staff (Arendt, 2009; Kryńska, 2007). In consequence Polish entrepreneurs do not put a lot of attention to upgrading employees' skills and investing in their training, while in other countries - eg. Spain, Portugal - although the perception of skills deficits is similar, they are more aware of importance of up-skilling (Arendt, 2007).

Figure 1. Employers perception of employees' skills



Source: calculations based on Kukulak-Dolata, 2008

Many surveyed companies (45%) do not have any human resources' development plan. There is a huge gap in this regard between large companies and micro enterprises: in the first group 24% do not have HR development plan, while among micro enterprises only 20.3% prepare this kind of strategy. The main reason for not having HR development plan is the lack of such a need among employers (Kukulak-Dolata, 2008). As a result, many training activities are taken on *ad hoc* basis, without pre-assessment of skills needs, and in many cases without training evaluation. Training in SMEs is provided usually at the end of year, when enterprises have cumulated some resources and are willing to spend it within this year because of taxation issues (Lisek-Michalska and Daniłowicz, 2007).

It is worth noticing, that although more than a half of the surveyed companies declared the preparation of HR development plan, only 49 had separated resources for training and only 16 companies (4.2% of the sample) had a training fund created in line with regulations of the Act on employment promotion and labour market institutions (Kukulak-Dolata and Sobocka-Szczapa, 2008).

A detailed analysis of empirical data has led to many interesting conclusions. Firstly, it appeared, that after two years since training fund was introduced 55.8% of surveyed employers did not have any knowledge regarding legal regulations on the training fund, while only 22.1% were familiar with them. At the same time, majority of employers were of the opinion, that training fund is needed in companies (Kukulak-Dolata and Sobocka-Szczapa, 2008). Comparing these results to the number of enterprises having HR development plan and training fund we may conclude that Polish employers are keen on declarations regarding the creation of training fund but when it comes to taking an action, their willingness drops rapidly.

Secondly, the survey revealed, that enterprises that created training fund were mostly large, public companies. The main reason for setting up training fund were employees' training needs. Companies allocated more than 0.25% of firm's payroll to training fund; in two cases it was even 3%. Training fund resources were usually spent on training courses for employees, however there were few examples of covering costs of graduate studies and post graduate studies. Interestingly, none of the companies applied for reimbursement from the Labour Fund (Kukulak-Dolata and Sobocka-Szczapa, 2008). It may point that financial incentives and support from external sources to attract training activities in companies are of secondary importance, while the primary one is the awareness of skills deficits and understanding of the role of human capital in company's development.

Thirdly, most companies using training fund appreciated effects of lifelong learning schemes financed from its resources. This positive experience made them decide to use the training fund in the following 12 months to cover training costs of 464 employees (approximately 8% of staff employed in these 16 companies) (Kukulak-Dolata and Sobocka-Szczapa, 2008).

The project's outcomes fuelled discussion on making the training fund obligatory for companies. In fact one of the project's recommendations was to make training fund obligatory for large companies and to introduce special regulations for small and medium-sized enterprises as far as creation and usage of the training fund is concerned. Nevertheless, the possession of training fund in Poland is still voluntary. Other recommendations were as follows:

(a) to broaden the availability of information about training fund to employers;

(b) to introduce more financial incentives for using training fund;

(c) to make legal regulations more transparent;

(d) to simplify procedures of creating and using training fund.

Some of these recommendations were taken into account while introducing changes in legal regulations regarding training fund, especially the last one from February 2009.

Summary – conclusions

The research project showed, that training fund in Poland is too rarely used to be an effective tool for improving employees' and employers' skills. The reasons why training fund is not popular among companies are of more general nature; they are not only connected with the training fund itself.

One of the main problem in terms of inducing training activities in Polish companies is connected with duality of the economy as a whole, and also labour market duality. Large corporations are highly productive, use modern technologies, have HR departments that conduct HR policy with separated training budgets etc. Contrary, SMEs are not able to take advantage of new technologies and initiate new productivity revolution. They are on the wrong side of digital divide, with low productivity, relatively low-skilled human resources, not investing in employees training and usually without coherent concept of HR policy (Arendt 2009, Kryńska, 2007). While large corporations are more and more knowledge-driven, small and medium-sized enterprises are still in the resource-driven world (Wielicki and Arendt, 2009). This duality has a profound impact on the labour market, with segmentation processes leading to labour market duality (Berger and Piore, 1980). The primary labour market (large corporations) offers better job opportunities with better prospects of career development, stable employment and training opportunities. It attracts highly skilled employees. The secondary labour market (SMEs) offers lower salaries, unstable employment, limited career opportunities (Kryńska 1996; Loveridge and Mok, 1979).

The problem is that companies operating in the secondary labour market face biggest problems regarding skills deficits but are unaware of it, thus do not put effort either to train employees or to create and use training fund as a tool of improving company's human capital. At the same time, large corporations, facing much less problems with employees' skills deficits, are aware of the need of continuous investment in human capital and use many HR tools, including training fund.

The main conclusion stemming from the discussion presented in the paper is following: as long as small and medium-sized enterprises in Poland are unable to assess the real level of employees' skills and their skills deficits, they will not be interested in making any effort regarding training schemes. It is a matter of awareness and knowledge, not a lack of willingness. This is one of the main reason why training fund is not a popular tool among Polish companies, especially SMEs.

However, paradoxically, the world economic crisis may have positive impact on changing the attitudes and making the training fund more popular among companies. As a part of anti-crisis package Polish government introduced some measures that may be helpful in raising awareness of training fund and its usage. The new regulations being in force since August 2009 offer better financial incentives (to the end of 2011) available for companies that are in temporary financial problems. According to these regulations, companies that have training fund may apply for reimbursement of up to 80% of training costs (per person) from the Labour Fund, not exceeding 300% of the average monthly salary, for all employees, in case of:

(a) a training lasting up to 6 months;

(b) post-graduate university studies lasting up to 12 months.

In fact, these new higher financial incentives are not so much important as the fact, that employers looking for support will find information about training fund.

This may be a real catalyst for change in awareness and attitudes towards sharing costs of employees' training in Polish companies, especially small and medium-sized ones.

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- **How to ensure that micro enterprises have access to the Vocational Training Fund in Hungary**

- Thessaloniki, October 15th 2009.

Dual training in the system of Hungarian vocational training

Lessons learnt from European vocational training models

- **Training functions as a service: fulfilling the labour force requirements of a successful economy, providing career chances for the individual**
- **Goal of the training: train successful, efficient and competitive future employees with useful knowledge and competencies on the labour market:**
- **Main motivation for the enterprices: high-level training of the prospective employees, resulting in long-lasting benefits for both parties**
- **Having immediately applicable workforce is of a great value**
- **School: school-based practice will prepare for and support the on-the-job training**

Characteristics of the current situation in vocational training

- Devaluation of the social prestige of becoming skilled worker
- Sharp decrease of the number and proportion of vocational trainees
- Segregation of vocational training as a type of school within secondary education

Problems

- Lack of basic competences among trainees
- No interest in learning
- Low achievement
- Rejection of manual labour

Ways of solution and trends of development

- Raising the prestige of value-creating manual work to be included it into the National strategic plans and implementation

- The importance and popularisation of workmanship should become part of public talk

- To ease the transfer into the world of work vocational training should be started already in the 9th grade

- It is desirable to raise the proportion of vocational trainees from the current 23% to about 30%.

Joining work and practical training should be made general practice

Motivation and training readiness should be developed among companies carrying out practical training

In raising the employment rate practical training should play a key role. (successful and attractive practical training can bring back drop-outs and under-educated groups into the world of work,

Apprentice contract

- In Hungary, in order to improve this situation the government and the economy strongly support the enhancement of the system of the apprentice-contract. The apprentice-contract is concluded by and between the economic operator and the apprentice, practical training is mainly done on the shopfloor, within the framework of the so-called dual training system.

Dual training

Joint execution of vocational training tasks :

- Vocational theory: in school

- Practical training: at work

The institutional system of apprentice contracts

- Work and vocational training jointly– socializing for work
- Practical training based on work experience – feeling of success
- Making vocational training more attractive : in the fields where trainees are most talented
- Facilitating transfer into the world of work
- Raising the social prestige of manual work

The institutional system of apprentice contracts

- Social status, financial independence,
- Inclusion of 44 thousand apprentices in the employment and social security systems
- Yearly cc. 7 billion HUF paid out to the apprentices

Advantages of on-the-job practical training

From the view point of the young apprentice:

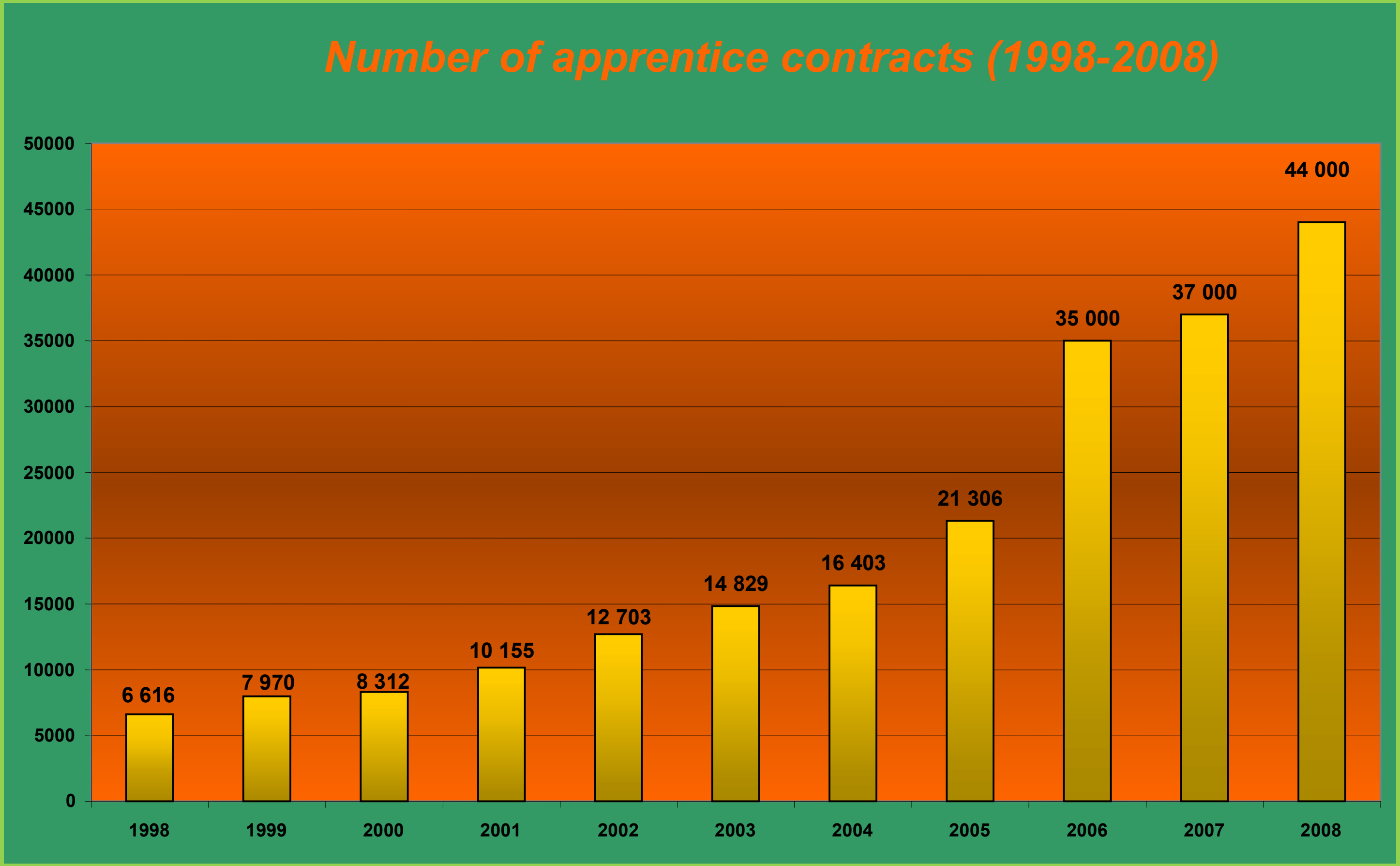
- Higher job possibilities in the profession
- Practice-oriented quality training
- Apprentice contract: Work contract and salary
- Social status and financial independence

Advantages of on-the-job practical training

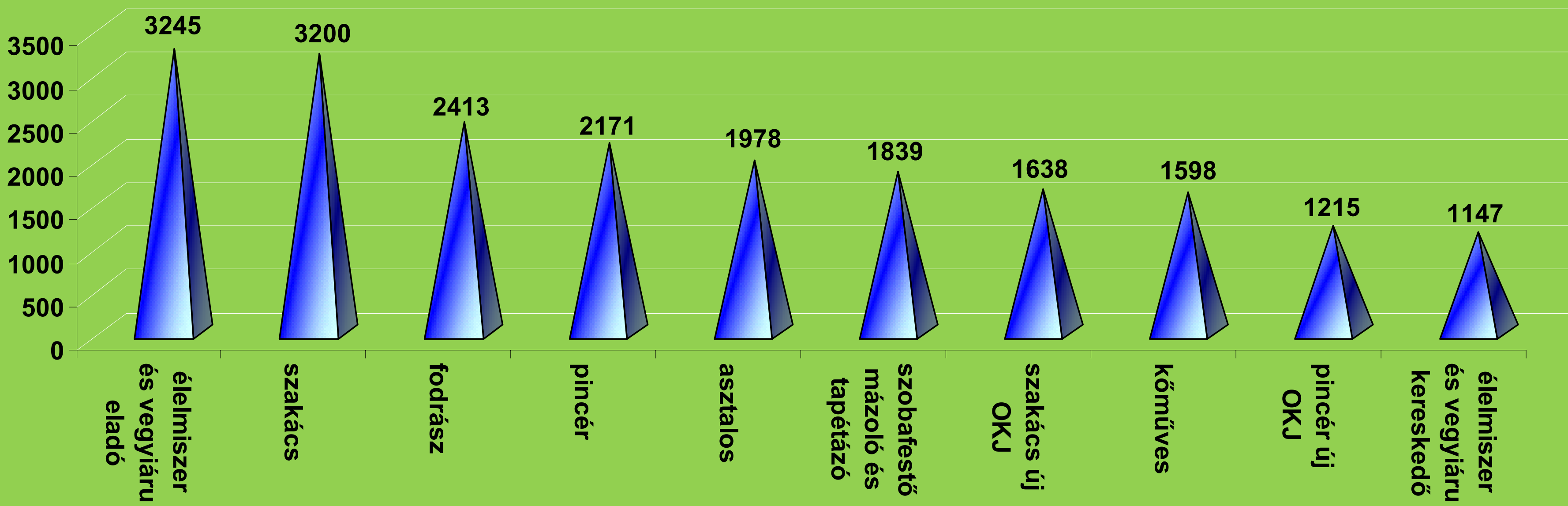
From the view point of the company:

- Improving the competitiveness of the company
- Improving the level and quality of staff
- Adequate training for the competence requirements of the company
- Saving on the expences of the pre-work training
- Minimalizing failure in the actual employment

On-the-job practical training



Apprentice contracts by professions



Forrás: MKIK

Vocational Training Fund

- In Hungary the enterprises having at least one employee are subject to pay an obligatory contribution into a Vocational Training Fund. The existence of such Fund is useful for the enterprises, because many tasks related to vocational training, and practical training can be financed from this Fund. The enterprises pay 1,5 % of their gross salary payments into this Fund on an annual basis.

Application of the Vocational Training Contribution for companies carrying out practical training 1.

20% revenue to be paid into the Labour Market Fund

Eligible items from the contribution as from July 9 2009:

- Apprentice grants up to 20% of minimal wages
- Compulsory benefits for the trainees
- Social security and medical service
- Expences of organizing multi-level exams
- Administrative costs per apprentice 15 thousand HUF
- Fees of contracted trainers

Application of the Vocational Training Contribution for companies carrying out practical training 2.

- Maintenance of training equipment (50% of total expences)
- Material cost (10% of minimal wages/apprentice, in rare professions 30%/apprentice)

- The Tender

Tender for the purchase of training equipment for micro enterprices employing 1-10 staff and providing practical training to be financed by the Vocational Training Fund on the initiative of **IPOSZ**

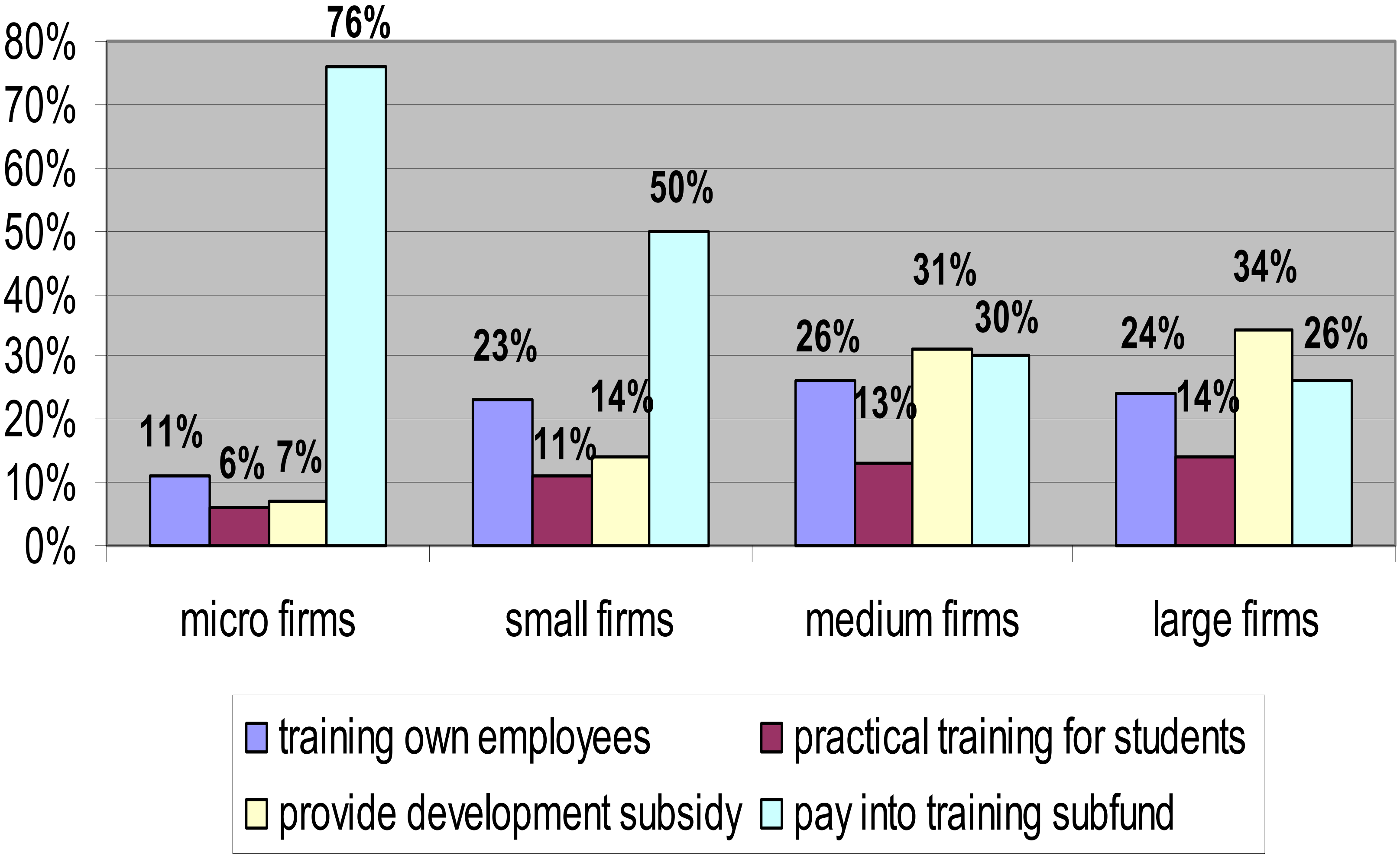
Background of the tender

- The practical training of vocational trainees in the dual training takes place at factories, companies, enterprices. Currently the micro enterprices employing 1-10 staff still play an important part in the practical training.

Background of the tender

- The micro enterprises should be motivated to perform practical training, and at the same time a social propaganda promoting the craftmen’s and service providers’ career and training among the younger generation has to be carried out, since in many trades serious lack of skilled workers starts to emerge.

How VET contribution was spent in 2008?



Background of the tender

- One of the major problems is that the criteria of the calls for tender which support vocational training is difficult to access for the micro enterprises employing less than 10 people. Usually the lower amounts level of such tenders are high and it is too difficult to apply for them since these tenders require significant pre-financing.

Background of the tender

- In addition to this, all the small and medium-sized enterprises are invited to the tender at the same time, therefore, on awarding them, the bigger ones are in a more advantageous position, and on calling for the tender the characteristics of the micro enterprises are left out of consideration.

Background of the tender

- Micro enterprices providing dual practical training had previously not received any support, so IPOSZ suggested a project as early as 1999 which was approved by the National Council of Vocational Training. This project provided **100 million HUF** (400.000 euro) for the micro enterprices employing 1-10 staff to purchase training equipment. Only the VAT is paid by the enterprices as self-contribution. The precondition of subsidy was that the enterprice should have at least one apprentice.

The realization of the tender

- The winning bidders could purchase equipments up to the amount of 1 million HUF / ca. EUR 4300/ for the training of mainly handicraft trades.

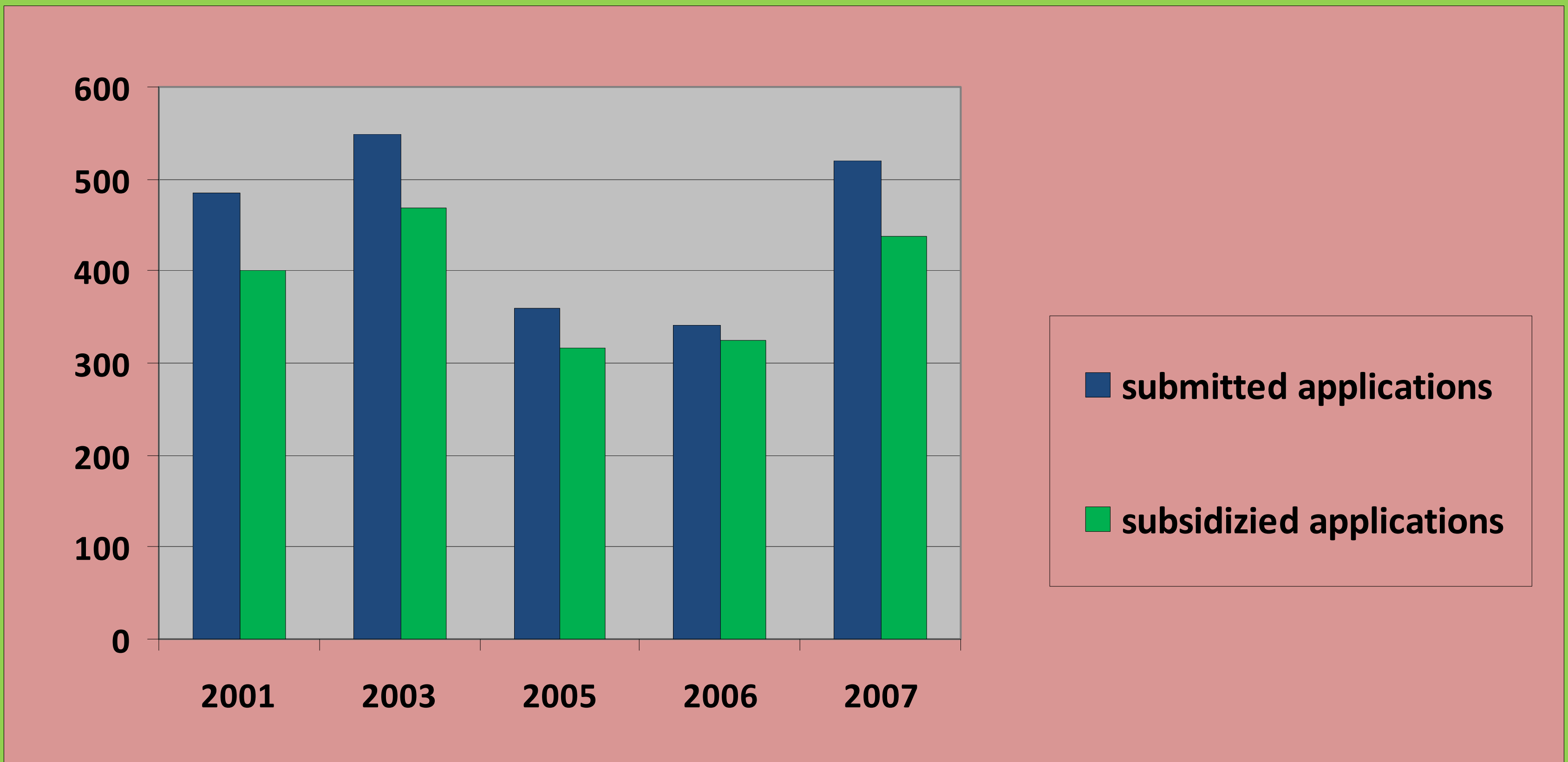
- What's more, the enterprises are also granted a 50% advance from the subsidy.

The realization of the tender

- The tender was completed in a short term. This was partly due to the involvement of IPOSZ and the regional craftsmen’s corporations.
  - 1 national centre did the coordination and information activities
  - 19 county assocations helped in filling in the tender documentation and informed those interested
  - 241 local craftsmen’s corporations informed the interested micro enterprices

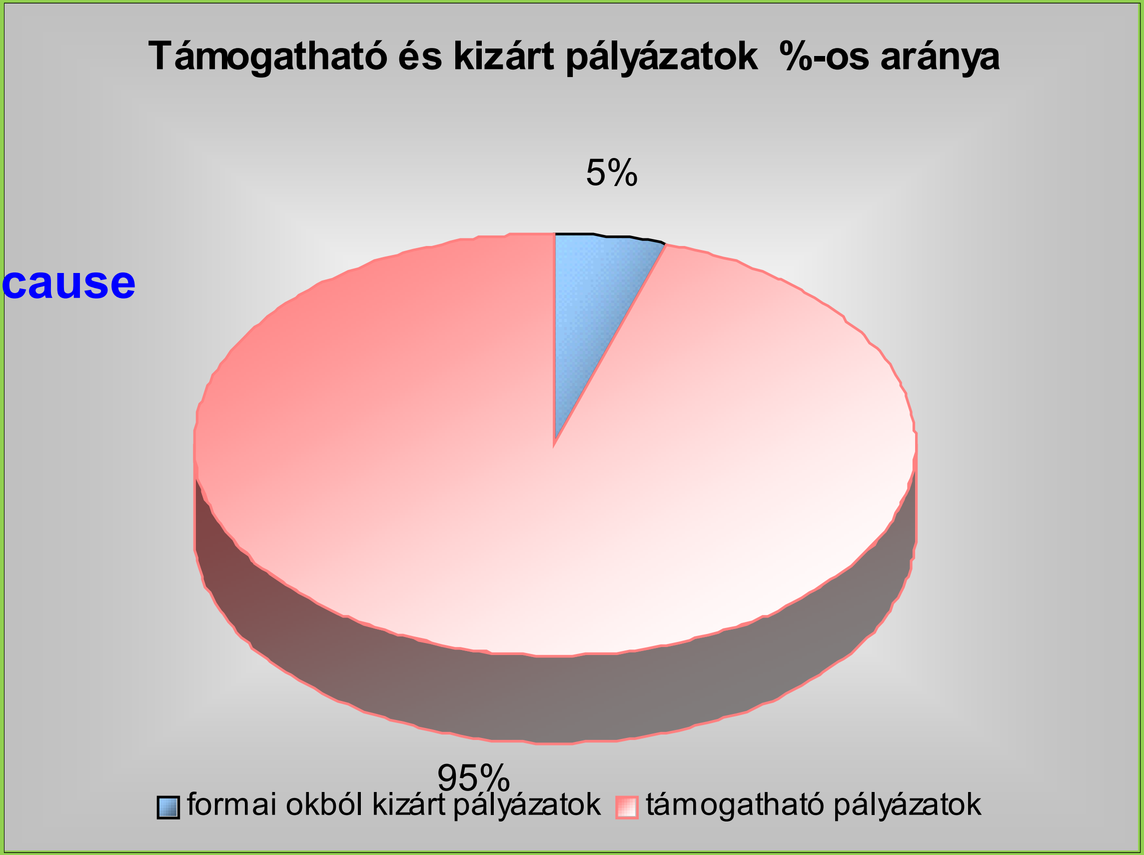
Results of the tender in figures

submitted and subsidizied applications

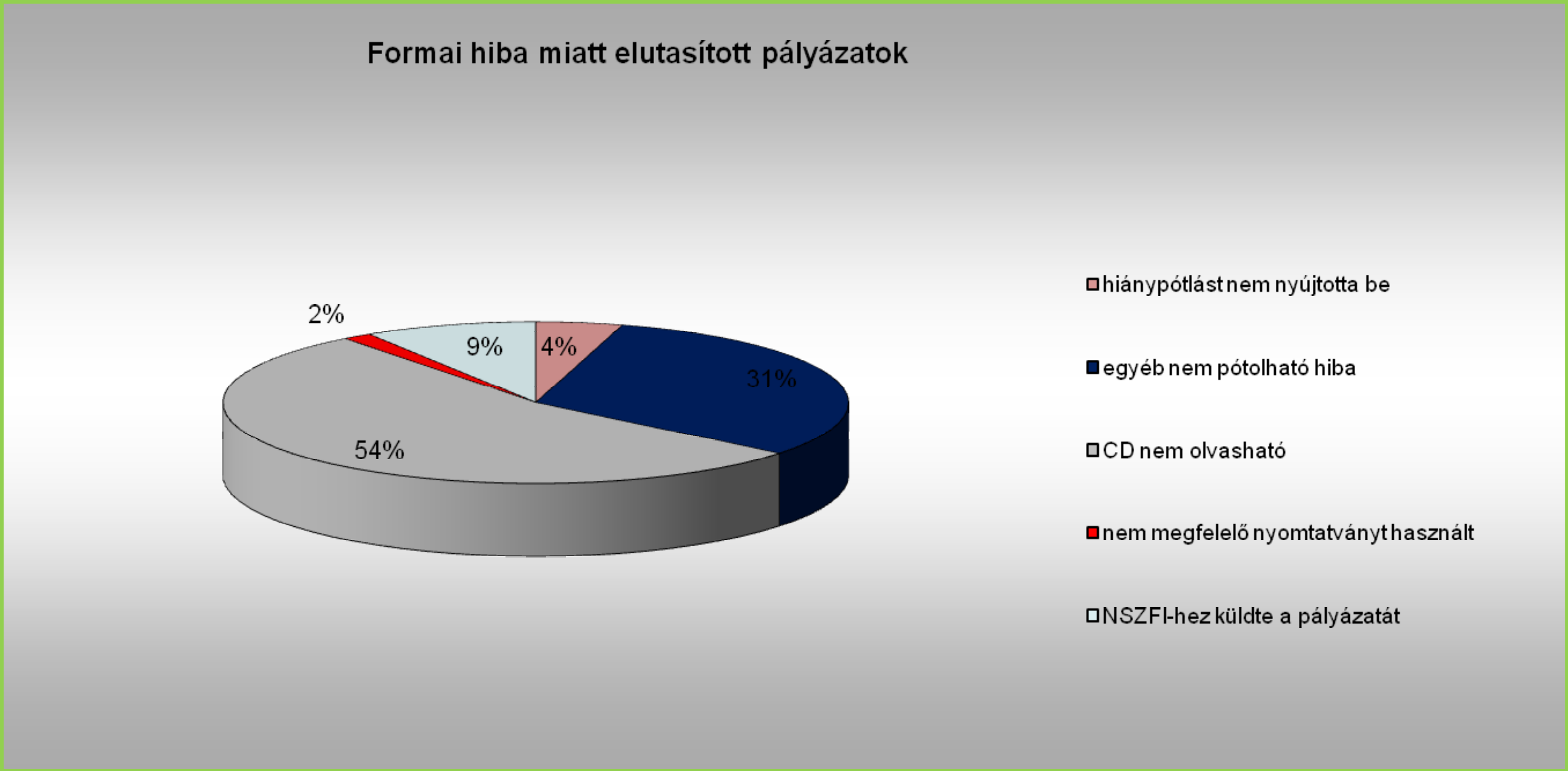


Proportion of subsidizable and excluded applications in 2006

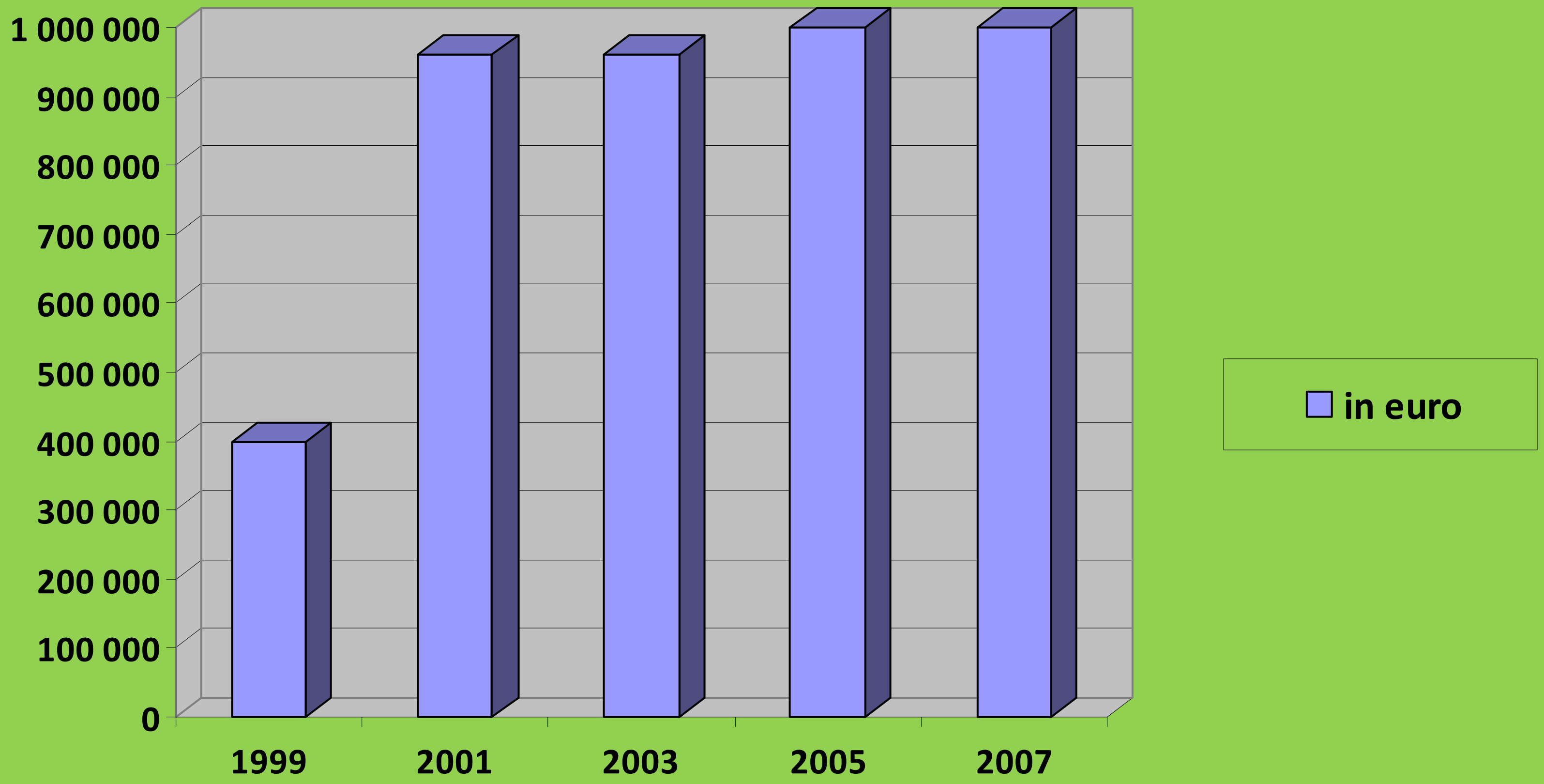
Only 5% of the applications were excluded because of formal errors



Applications rejected for formal errors in 2006



Available sum of subsidy



Summary

- During the last five times **2100 micro enterprises** could purchase equipments serving vocational training in the amount of HUF 1 billion 327 million / ca. EUR 5,5 million/

Summary

- **This was the first time when such a call for tender directly targeting the micro enterprises, considering their possibilities, and relying upon the participation of the professional organizations comprising them, and IPOSZ's national network had been published.**

Summary

- We hope, that both in Hungary and Europe more and more calls for tender are going to be published not only in the field of vocational training / e.g. safety at work place, technological innovation, environment protection, energy development, IT and communication development, etc./ **directly targeting the micro enterprises employing less than 10 people, and this way they could really access the structural funds and the national development sources in a greater number. And this would have an effect on the solution of the ever increasing problems of employment.**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Working Group I: Incentives for individuals

Chair: Maria Hrabinska, Cedefop
Rapporteur: Jasper van Loo, Cedefop

Presentations:

Hungarian experience with student loans with reference to some other European countries
Edina Berlinger, Corvinus University of Budapest, Hungary

VET financing in Latvia in times of change
Jānis Gaigals, Director, Ministry of Education and Science, Department of Vocational and General Education, Latvia

Incentives for initial and continuing VET learners in Estonia
Andres Pung, Director, Ministry of Education and Research, Vocational and Adult Education Department, Estonia

Significance of training costs for Romanian employers and employees
Ovidiu Mantaluta, Institute for Educational Sciences, Romania

The objective of the working group was to uncover what types of individual incentives exist in the newer Member States, how effective, efficient and equitable these incentives are, which measures are most successful and how the economic crisis impacts on the operation and effectiveness of the measures.

The first contribution was a best practice experience from student loans in Hungary which covers university education and part of VET. It is based on an income contingent approach, where people pay back according to their financial capacities and it relies on private financing, implying no burden on state budgets. In terms of repayment rate, the scheme is very successful, with a rate of close to 100%. A core asset of the system is that it performs well also in times of crisis. In the second part of the presentation, the differences between university education and VET and the implications for student loaning systems were discussed. The financing approach has to be different, as the VET students are different borrowers than university students, and the differences in income perspectives. One of the main points arising in the discussion was the crucial role of trust in setting up student loaning systems, both for individuals and for the parties providing the funds.

The second presentation provided an account of VET financing in Latvia in the context of change. Several developments drive the need for systemic reform. Among those are demographic change, the way financing is organised, and gaps between what labour markets need and what the educational system provides. All in all, labour market needs cannot be met by the current educational system in the medium term. Several actions need to be taken. First is the restructuring of the system in terms of financing responsibilities at state and local level. Second is increasing quality. Some practical instruments that are applied are the creation of a one year vocational track for those leaving secondary education and VET for dropouts and stipends and voucher systems.

The third contribution went into IVET and CVET in Estonia. Some of the main incentives and recent developments were discussed. In the case of stipends, some of the reforms include also targeting those students that are not the best of the class but are in a poor financial situation. And new initiatives are being taken to bring back to schools those who left education in the last five years. In CVET, a new act on training leave provides good conditions for training and extra incentives for achieving a qualification. A very popular measure has been an ESF project targeted towards individuals who take the initiative to get training themselves. 24 000 people have been trained. The combination of all incentives seems to have a significant result. Lifelong learning participation has increased considerably in Estonia (from 5.9% in 2005 to 10,8% in the first half of 2009). Two other new initiatives concern vouchers. A voucher for employees in small enterprises and a voucher system for medium and higher skilled unemployed people.

In the last presentation, we learned from some of the successes and problems linked to the cost of training in Romania. A core problem is a low interest among enterprises. A very interesting insight that came to the table is that cultural backgrounds in schools and public institutions can have a tremendous impact on implementing a coherent lifelong learning strategy. Despite evidence that education and training can be very effective. An interesting statistic is that one year of extra education instead of dropping out doubles the employment chances. We also heard about a legal condition in a program targeted towards preventing unemployment had a low take up, just because companies were required to keep the trained employees for 3 years after training. Some other major issues discussed were the quality and the accountability in big scale training projects and the ways partnerships in IVET should be organised.

We see a variety of instruments, with different degree of success. Overall it is an encouraging picture. We have some indications on the impact of individual incentives, but we also need more work in terms of evaluation. That is not only a task of those directly involved, but also of the research community.

Working Group III: Obligations for companies

Chair: Loukas Zahilas, Cedefop
Rapporteur: Iñigo Isusi, IKEI, Spain

Presentations:

The Human Resource Development Fund in Cyprus: Recent developments and effects of the economic crisis
George Panayides, Director of Training Services, Human Resource Development Authority, Cyprus

Sharing the costs and responsibility in VET in Slovenia
Janja Meglič, Chamber of Crafts and Branko Kumer, Director, School Centre of Ptuj, Slovenia

Training fund in Poland - its effectiveness and future prospects
Łukasz Arendt, University of Łódź, Poland

How to ensure that micro enterprises have access to the Vocational Training Fund in Hungary
Tamás Rettich, Hungarian Association of Craftsman's Corporations (IPOSZ), Hungary

This working group was interested in analysing the role of companies in sharing the costs of training in the newer EU Member States through some specific compulsory measures, basically levies and training funds.

Before, a preliminary idea became clear in the discussion. Enterprises do a lot in terms of co-investing and co-financing training activities, even without paying levies, in the sense that they pay taxes (i.e. CIT) that finance, amongst other issues, public education and training expenditures.

Having said this, the working group did revise four examples of countries where enterprises (sometimes in collaboration with social partners) have decided to do an additional effort in devoting financial resources to co-finance training activities, basically through specific levies and training funds. These four interesting examples were the following ones:

- The Human Resource Development Fund in Cyprus,
- The so-called "Craft funds" in Slovenia,
- The so-called "Training Fund" in Poland and, finally,
- The Hungarian "Vocational Training Fund"

It is difficult to summarise all these interesting national experiences, as they differ from each other significantly. For instance:

- The Cypriot, Slovenian and Hungarian experiences are more than 35 years old, whereas the Polish example is quite recent in time (less than 5 years old).
- In terms of governance, the Cyprus experience responds to a tripartite model (social agents plus the Government), whereas the Slovenian model is a bipartite one (only run and managed by social partners) and the Polish example is an employer-led model.
- Concerning the nature of the training levies, in Cyprus and Hungary, the training levies are compulsory in nature, whereas in Poland and Slovenia the levies are voluntary ones (in the specific case of Slovenia, there has been a shift from a compulsory to a voluntary contribution).
- In Cyprus and Hungary, there is a one unique, national, multi-sectoral training fund, whereas in Slovenia there are 29 funds specialised in regions and/or sectors, and in the Polish case each enterprise may decide to establish its own training fund.

From the discussions it became clear that training funds play a very significant and positive role in all the analysed countries in a number of different ways:

- Training funds play an invaluable role in fostering and strengthening the cooperation and social dialogue between social partners, not only on the training domain but sometimes also in other areas (i.e. general employment policies, safety and health at work issues, etc).
- Training funds increase the existing awareness among employers and employees on the importance of training, stimulating them to participate and commit themselves in training activities and creating therefore a training impetus amongst enterprises and employees. In this sense, training funds increase also the quantitative resources devoted to training activities.
- Interestingly also, the “mutualisation” of all the financial resources in training funds (resources are put in common) allows the solving of several market failures usually present in training activities which result in training under-investments, such as the “poaching of skilled workers” risk or the reduced availability of training possibilities for some concrete groups, enlarging therefore the number of training beneficiaries.
- Finally, training funds’ activities may redound in a quantitative and qualitative improvement of the available training supply (see the example of Cyprus, for instance).

However, from the different presentations and discussions that were held in the working group, a number of challenges became evident:

- First, there was a clear preference - by everybody - for “compulsory” training levies vis-à-vis “voluntary” ones, as the latter often redound in reduced financing for existing training funds and subsequent financial difficulties and under provision of training supply for these training funds. However, sometimes enterprises see themselves as sufficiently “burdened” by existing taxes and social contributions, so they are not ready to accept additional “compulsory” obligations.
- In the discussion it became clear that, without any targeting approach, training funds tend to favour especially some groups and types of enterprises (i.e. highly skilled people, large enterprises, etc). This redounds in a need for targeting[1] for two main reasons:
    - On the one hand, and for equity reasons, those who benefit more are precisely those who need less external support
    - On the other hand, and for efficiency reasons, there are important risks of deadweight effects, in the sense that resources are being devoted to supporting some collectives that would do training in any case, so resources are not being devoted to those groups and types of enterprises (low skilled people, micro-enterprises, etc) who need these incentives for really “changing their minds” and do training that otherwise would never do.

Also, during the discussion, some ideas for effective ways of targeting emerged:

- First, it is a key to establish ad-hoc programmes and schemes for specific groups (such as low skilled people, young people, etc) as an effective way to assure that training activities benefit those which usually little benefit from training activities. In this sense, specific attention and assistance has to be provided to SMEs (specially the smallest ones), as they represent a high proportion of total employment but usually are scarcely involved in training activities due to a range of structural barriers.
- Second, its is of key importance to increase the existing awareness of the existence of specific training measures, as some groups (low skilled people, micro-enterprises) are not well aware of the existing possibilities. Thus, it is very important to ensure that employers and employees get well acquainted with the range of training related opportunities (including available schemes and instruments) offered by training funds to

[1] In this sense, the Cypriot example provides an interesting and useful experience of targeted approach

enterprises and workers. For this purpose, training funds have to increase the attention they pay to their own promotion, marketing activities.

- Third, ensure that the provided financial support is a real incentive for enterprises to participate in training activities, i.e. it adequately compensates the actual training expenses (not only direct but also indirect ones). Also, it is very important that grants and payments are received by enterprises on a reasonable time span, so in order to reduce financial difficulties for enterprises.
- Finally, limit and streamline existing administrative procedures for subsidy schemes while ensuring transparency. Burdensome procedures can restrain both employers and employees to make use of existing subsidies and financial arrangements (especially amongst SMEs).

Also, the presented national examples showed some interesting experiences in trying to cope with the current economic crisis. Examples included:

- Support activities for groups specially affected by economic crisis (e.g. unemployed people in Cyprus)
- Encouragement of additional training activities for the employed (e.g. in Hungary)
- Additional support for enterprises engaged in training (e.g. in Poland)

The message is clear, the current economic crisis will pass away (as previous ones), so those countries/enterprises/individuals who are currently preparing themselves for adapting to the future, they will be in a better position when the economy will recover again.

THE ROLE OF EUROPEAN FUNDS IN SUPPORTING TRAINING:

RESPONSE TO THE CRISIS

Viktorija Šmatko

Director, DG EMPL C/European Commission

16 October 2009

Thessaloniki, Greece

EU's response to the crisis

- 29 October 2008 - Communication of the Commission – action plan to address the financial crisis
- **26 November 2008 - the European Economic Recovery Plan**
- 16 December 2008 – 4 March 2009 - set of measures leading to the Communication of the Commission "Driving European Recovery"
- 19-20 March 2009 – recommendations of the European Council on economical and employment policies
- 7 May 2009 – EU summit in Prague – measures to address the consequences of crisis for employment in Europe
- 3 June 2009 - Communication of the Commission - "EU Shared Commitment for Employment"

European Economic Recovery Plan (EERP)

- Member States implemented EERP via National Economic Recovery Plans (NERPs):
  - Measures already put in place help to alleviate the adverse effect of the slump
  - State actions focus on:
    - Addressing labour markets needs
    - Supporting household income
    - Supporting business confidence and boosting investment
- NERPs are lacking ‘smart’ investment in R&D, innovation, clean technologies

National Economic Recovery Plans

- Main challenges and short-run rescue measures:
  - Fixing financial sector problems
  - Addressing risk of unemployment
  - Limiting prolongation of the crisis
  - Restoring confidence in public finance

- Long-term policies to be established:
  - Structural reforms
  - Improved public finances
  - Investment in R&D and green, knowledge economy
  - More consistency and better coordination of actions across EU

3 June 2009 Communication of the Commission "EU Shared Commitment for Employment"

« Skills are critically important for Europe's future growth and productivity, its capacity to adapt to change and create quality jobs; and the crisis now provides an opportunity to invest in skills via education and training.

Young people, given their lack of work experience and being at the early stages of skills development, are critically affected by the current crisis.

Skills matching and upgrading is essential in the short term, and it is also the best way to address structural changes and exploit new opportunities for sustainable jobs, such as the shift to a low-carbon economy, green jobs and the development of new technologies.

Training and retraining are essential to occupational/professional mobility in mid to longer term perspectives, as many people who lose their job now will not be able to get back into their old job, occupation, or industry after the crisis.

Indeed, the crisis may be an opportunity for people to change professional track and move into more promising occupations.

Moreover, in the long run, Member States will need to have a highly skilled and educated workforce to ensure that the EU continues to compete on the quality of its products and services »

3 June 2009 Communication of the Commission "EU Shared Commitment for Employment"

- **Three priorities of Communication:**
  - Maintaining employment, creating jobs and promoting mobility
  - Upgrading skills and matching labour market needs
  - Increasing access to employment
- Main financial instrument - European Social Fund (ESF)

Maintaining employment, creating jobs and promoting mobility

- ESF supports effective schemes developed by Member States to maintain viable employment and optimise the impact of temporary short-time working arrangements and training
- Member States, Social Partners, Commission (through ESF support) assist unemployed and young people in starting new business by providing start-up capital and business training
- Commission encourages an exchange of experiences between all stakeholders to develop the best practice catalogue
- Commission establishes practical Toolkit to facilitate anticipation and management of business restructuring
- Commission EURES network and the new on-line tool «match and map» serves as a tool to streamline mobility of workers

Upgrading skills and matching labour market needs

- ESF support to be used urgently by Member States:
  - To strengthen capacity in better matching skills demand and supply in sectors and industries most affected by the crisis
  - To anticipate and forecast future skills needs
- Commission proposes ESF support to be used:
  - To enrol 5 million young Europeans in a high quality apprenticeship in 2009 and 2010

Increasing access to employment

- Member States to use ESF significant resources to:
  - Improve the efficiency of national employment systems
  - Activate labour market policies
  - Help each unemployed person to find work as soon as possible
  - Provide incentives to establish new business or become self-employed
- Member States to intensify experience sharing between public employment services to:
  - Cope with recent increase in unemployment
  - Facilitate return of unemployed to work force within the first three months
- Commission proposes action for long-term unemployed:
  - Companies employing unemployed people to:
    - Be exonerated from social security contributions during the first 6 months
    - Pay reduced contributions thereafter

Examples of good practices:

- On-the-job training is increasingly recognised as a key tool for improving employability of employed workers
- Training opportunities and incentives have been expanded in most Member States facing the crisis:
  - AT, BG, EL, FI, FR, HU, PT, RO, SI, SE, UK
- RO introduced a 50% support for costs of continuous vocational training for both employees and unemployed
- DE established a new programme to support further vocational training for temporary workers, through a system of training vouchers
- PT expanded the provision of job training to beneficiaries of minimum income
- AT, PT, SE enhanced financial support for access to education

European Globalisation Adjustment Fund-EGF: General overview

- <u>What is the EGF?</u>
  - Instrument established by Reg. (EC) 1927/2006 and revised by Reg. (EC) 546/2009
  - A Community Fund (€ 500 Mo/year) co-financing <u>active labour market measures</u> aiming at re-integration into employment
- <u>What is the EGF for?</u>
  - Show solidarity with workers facing mass redundancies due to changing world trade patterns and global economic crisis
  - Contribute to the European competitiveness through improved skills and employability

EGF: General overview

- **How does the EGF work?**
  - Applicant?
    - Member State (s); (not companies or individuals)
  - Amount available?
    - € 500 Mo/year max
  - Co-financing rate?
    - Up to 65% (until 31.12.2011)
  - Co-funders?
    - Member States, regions, companies
  - Implementation period?
    - 24 months

EGF: Intervention criteria

- Art.2 of Reg. (EC) 1927/2006:
  - Serious economic disruption due to major structural changes in world trade patterns or the financial and economic crisis
  - A least 500 redundancies:
    - Over 4 months in a enterprise and its suppliers/downstream producers
    - Over 9 months in 1 or 2 contiguous NUTS II regions and a same NACE sector
  - Smaller cases eligible under exceptional circumstances or for small labour markets

EGF: Eligible Measures

- Art.3 of Reg. (EC) 1927/2006:

- The EGF only co-finances active labour market measures:
  - Training
  - Job-search assistance
  - Counselling and guidance
  - Employment and recruitment incentives
  - Mobility allowances
  - Micro-credit and Entrepreneurship promotion
  - …
- The EGF co-finances neither passive measures nor companies restructuring

EGF: General overview

- Affected Member States, sectors and workers
  - 30 applications from 14 Member States so far
  - Automotive, textiles, mobile phones, computer…
  - 35,400 workers assisted to find another job
- Amount of EGF contributions
  - More than € 70 Mo granted since 2007
  - Average contribution granted: +/- € 5.8 Mo

A comprehensive ESF and EGF approach for employment to boost economy

- The ESF and EGF and their measures to play a relevant role in difficult time of global crisis
- Keeping people in employment and upgrading their skills to boost the economy and help facing the crisis
- Investing in human capital, improving and modernising abilities and skills for a more competitive, knowledge-based society
- Nobody shall be left behind

New initiative: The Progress microfinance facility

- **Loans under € 25,000**
  - Micro-enterprises employing less than 10 people (91% of EU enterprises)
  - Unemployed or inactive people without access to traditional banking services to become self-employment
- **Main objective**
  - To increase access to micro-credit for: unemployed or at risk of losing the job; disadvantaged people, including new/first starters; self-employed to establish or further develop micro-enterprises active in social inclusion
- **Budget**
  - Financial contribution of € 100-150 million over 4 years (2010-2013)
  - 1% maximum for support measures
  - Re-investment within 6 years
  - Surpluses back to Community budget at the end of the Facility
- **Main products** under discussion with EIF:
  - guarantees and risk-sharing instruments
  - debt instruments
  - equity instruments

http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2009:0333:FIN:EN:PDF

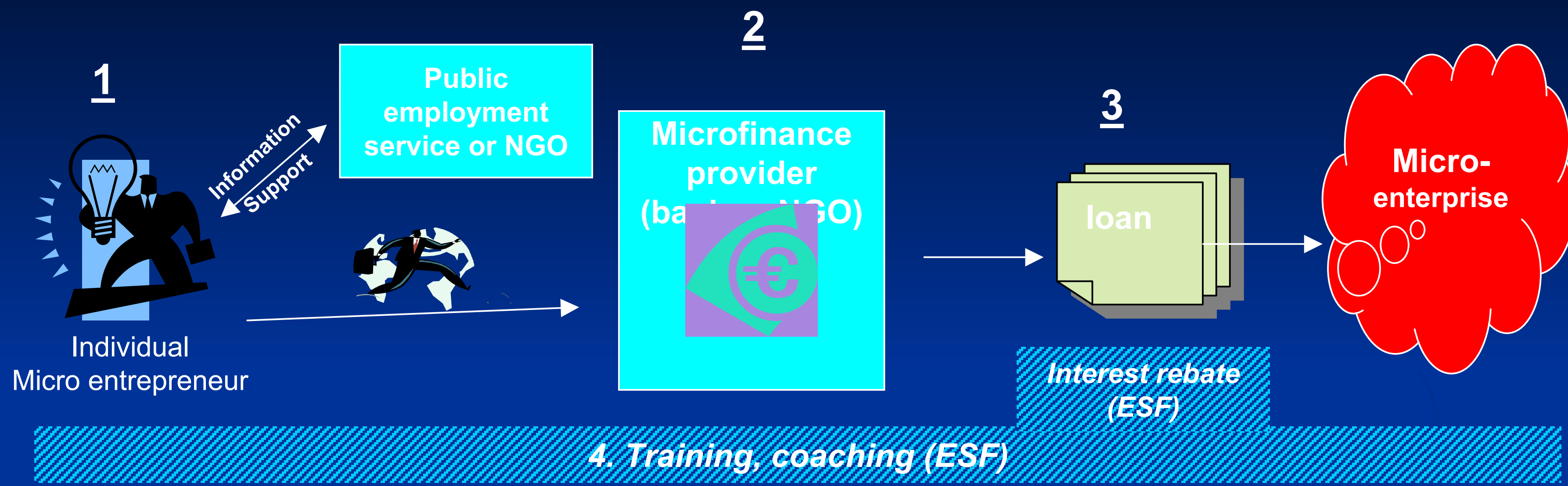
New initiative: The Progress microfinance facility

- **Indicative method of implementation**
  - Centralized, Decentralized/shared, Joint management international organizations (i.e. EIF together with DG ECFIN)
  - EIF will conclude agreements with micro-finance providers in Member States, under the conditions of mandate
  - No management burden on MS. Additionality with national scheme
- **Complimentarity**
  - CIP Microfinance window: focus on competitiveness and innovation
  - JASMINE: strengthening non-bank intermediaries
  - EIB pilot: EUR 20 million
  - JEREMIE: funding from ERDF/ESF funding
- **Commission's** management of support measures: communication, evaluation, monitoring, fraud prevention
  - Annual report to EC and EP starting in 2011
  - Ex-ante, interim and final evaluations
  - Effective checks, recovery of amounts unduly paid, proportional and dissuasive penalties in case of irregularities detected

ESF support to the Facility

- Mobilising and supporting Managing Authorities and Public Employment Services
- Providing loan interest-rate support
- Mentoring, training, coaching and capacity building for the individual entrepreneurs and founders of microenterprises
- Promoting exchange of good practices

How can the individual benefit from the Facility?



1 The unemployed or disadvantaged person is informed about the possibilities offered by the Facility through the public employment service or by NGOs. He/she is directed towards a micro-finance provider

2 The application is made to the microfinance provider (bank or NGO)

3 A contract is signed between the beneficiary and the provider. The individual can benefit from the interest rebate offered by the ESF

4 From the information phase until the actual running of the business the beneficiary is supported by the ESF through training and coaching, guidance and mentoring

Thank you for your attention!

DG EMPL website

http://ec.europa.eu/social/

European Investment Bank

The EIB Education Lending Paper: Implications for VET Finance

CEDEFOP

Thessaloniki, 15-16 October 2009

Albert Tuijnman

Structure of the Presentation

European Investment Bank

Purpose: to introduce the EIB, highlight aspects of the new education lending policy paper, review education lending portfolio, and discuss challenges for VET finance

Four parts:

- The EIB as a European institution
- Education Lending Policy Paper
- Education Lending Portfolio
- Challenges for VET Finance

1. Introducing the EIB

European Investment Bank

EIB: The EU long-term lending bank set up in 1958 by the Treaty of Rome

Shareholders: 27 EU Member States

Governance:

- Board of Governors – EU Finance Ministers
- Board of Directors – Member States & European Commission
- Management Committee – Executive body
- Audit Committee – independent, non-resident

1. Introducing the EIB

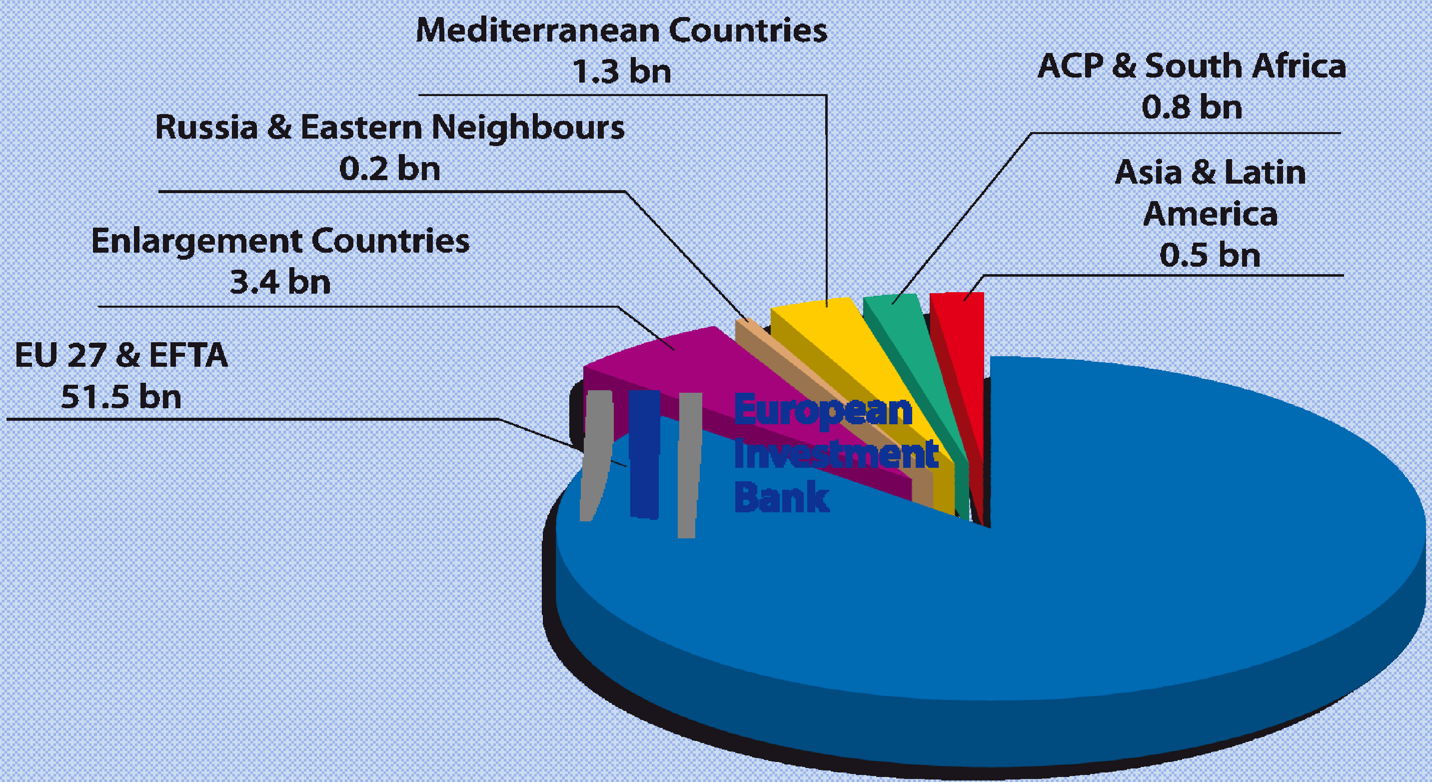
European
Investment
Bank

Priority lending objectives within the EU:

- Cohesion and convergence
- Small and medium-sized enterprises
- Environmental sustainability
- Trans-European networks
- Sustainable and secure energy
- <u>Knowledge economy</u>; 3 objectives:
  a) Research & Development
  b) Education & Training
  c) Information & Communication Technology

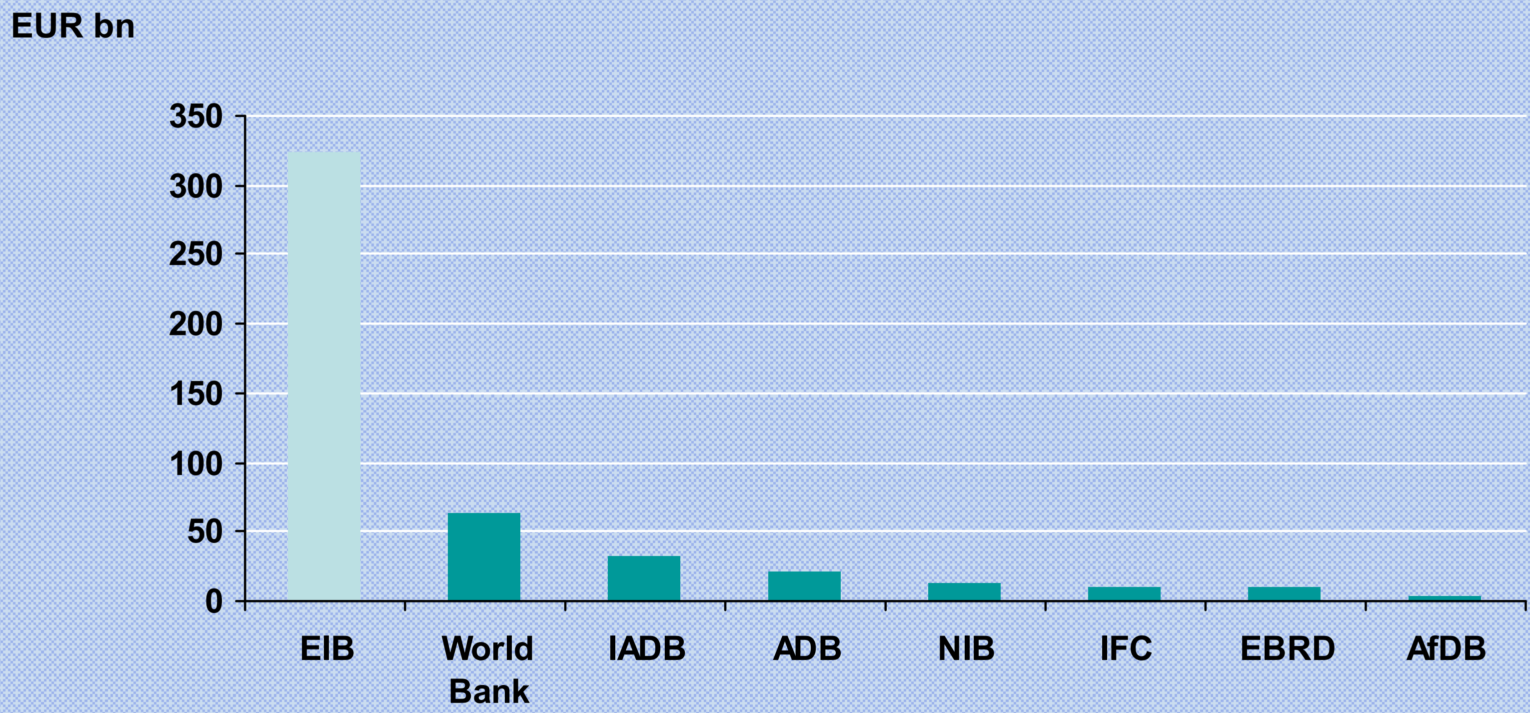
1. Introducing the EIB

Total lending in 2008 (57.7 EUR bn)



1. Introducing the EIB

Largest Supranational Lender



Loans outstanding (signed)

ADB, AfDB, EBRD, EIB, IADB, NIB: December 2007

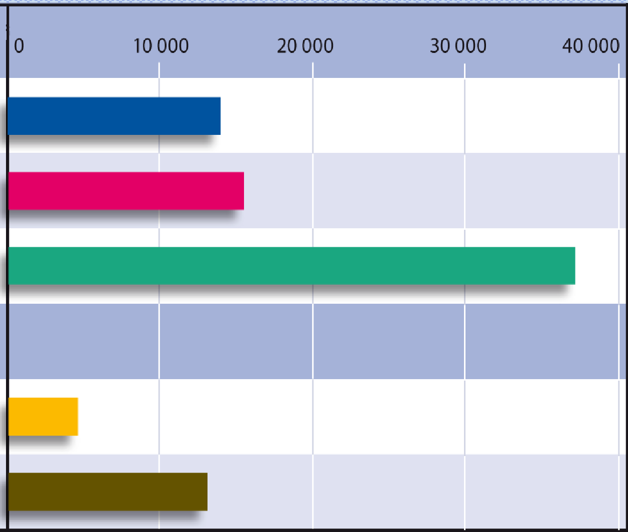
World Bank, IFC: June 2008

European Investment Bank

EIB Group contribution to the Lisbon Agenda

Loans signed: EUR 68.4bn since launch in 2000

EIB	EUR m
Information & Communication Technologies	14 028
Education & Training	15 421
Research & Development	37 216
EIF	
Venture Capital	4 754
Guarantees for SMEs	13 017



2. Education Lending Policy Paper

European Investment Bank

Education Lending Policy: Focus on Improving Skills and Enhancing Employability (Doc CA09/156 (May 2008)

- Reviews Community guidance for the education and training sector
- Traces EIB education lending since the 1960s
- Defines lifelong learning framework in the context of the Knowledge Triangle and Social Triangle
- Describes the “Quality Imperative”
- Reviews the EIB education lending portfolio
- Sets out methodological considerations in financing projects with intangible components
- Presents broad policy recommendations

2. Education Lending Policy Paper

European Investment Bank

Promoting co-operation in education and training:

- 1975: CEDEFOP
- 1976: Eurydice
- 1988: Erasmus Mundus student exchange
- 1995: Socrates teaching staff exchange
- 1997: Amsterdam European Council: EIB "… to examine its scope of intervention in the areas of education …" Start of Bank lending actions
- 1997-1999: Amsterdam Special Action Programme
- 2000-2010: Lisbon, KE, Human Capital

2. Education Lending Policy Paper

European Investment Bank

2002: EU objectives for education and training: (a) Improving quality and effectiveness; (b) Facilitating access; and (c) Opening up education and training systems to the wider world

Renewed Lisbon Strategy ("open method"):

- Common education benchmarks and indicators
- Common higher education area
- Common research area
- Common qualifications framework
- Common e-Learning programme
- Common lifelong learning policy framework

2. Education Lending Policy Paper

European Investment Bank

- Treaty Article 149: focus on action programmes to improve education <u>quality</u>
- European Lifelong Learning Framework: All learning is cumulative; early success in learning builds later success. Emphasis on learning outcomes on the skills (human capital) people have acquired
- Lifelong Learning calls for human capital investment and quality in learning outcomes over a life time
- Emphasis on outcomes calls on Bank to support projects that improve “quality” more directly. This means support for “intangibles” (difficult challenge!)

2. Education Lending Policy Paper

European Investment Bank

Benefit	Private	Public
Market	Employability	Higher productivity
	Higher earnings	More net tax revenue
	Less unemployment	Less reliance on welfare support
	Labour market flexibility	Allocation efficiency
	Greater mobility	
Non-market	Better consumer efficiency	Reduced fertility
	Reduced crime	Better social cohesion
	Better health	Voter participation
	Less infectious disease	
	Improved children quality	

Sources: Walter McMahon, George Psacharopoulos

2. Education Lending Policy Paper

European Investment Bank

- No single European education and training policy
- Political acknowledgement of the centrality of education and training to employment, economic growth and social cohesion in the EU
- Gradually deepening co-operation among Member States in the education and training sector, driven by the “open method of co-ordination” and common benchmarks and indicators
- Voluntary process leading to gradual harmonisation in education and training policy areas, especially in the tertiary education sector
- Explicit EIB remit and growing portfolio of education and training projects; EIB share now exceeding 5% of fixed capital investment in sector in EU-27

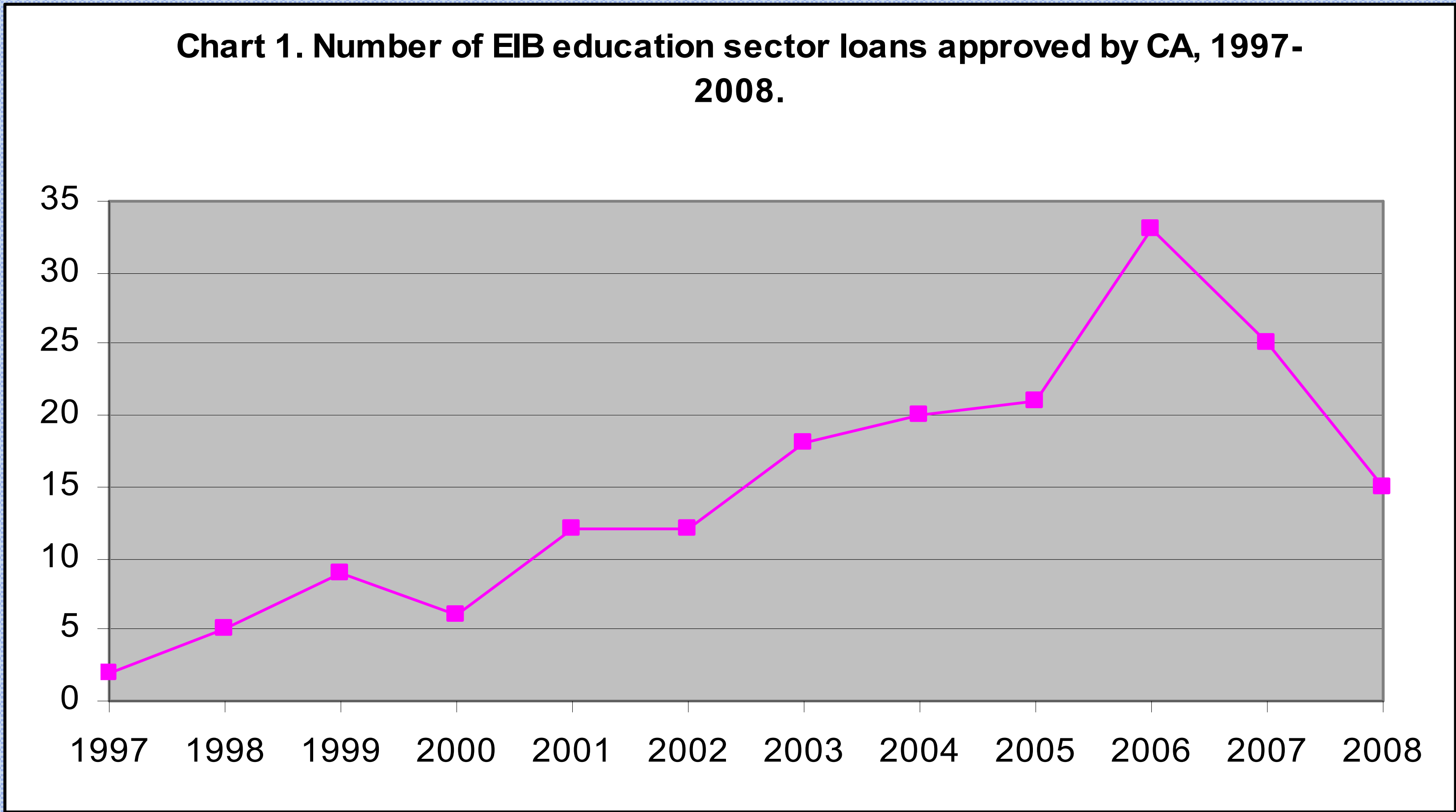
3. Education Lending Portfolio

European Investment Bank

- 1997-2003: Only capital investment projects in physical education and training infrastructure
- 2003-2009: Also investments for support infrastructure (science parks, ICT platforms, libraries, student housing facilities, computer classrooms …)
- 2004-2009: Also intangible investments in academic research and development projects in universities
- 2004-2009: Also micro-credits for continuing vocational and professional training of skilled workers (BAFÖG) in Germany mandated to KfW
- 2005-2009: Also student lending via intermediaries

3. Education Lending Portfolio

European Investment Bank



4. Challenges for VET Finance

European Investment Bank

VET: What can be financed? => Lifelong learning!

- Initial VET (schools, academies in public sector)
- Continuing VET in public sector (active labour market training programmes; regular adult education and training programmes)
- Distance education and training (public sector)
- VET in large corporates (through direct loans)
- VET in midcaps (through intermediated loans)
- VET in SMEs (through global loans to banks)
- VET for individual workers (through micro-credits)

4. Challenges for VET Finance

European Investment Bank

VET project requirements. Projects must:

- Meet at least one of the EIB's objectives
- Have a sufficiently large investment cost
- Be technically sound
- Be financially viable
- Show an acceptable economic return
- Comply with environmental regulations
- Comply with procurement regulations
- Comply with credit risk guidelines

4. Challenges for VET Finance

European Investment Bank

Opportunities for EIB lending for VET

- Is the project well defined?
- Does the project contribute to EU policy priorities?
- What is the economic life of the project?
- What is the size of the loan required?
- Who is the promoter and borrower? Competence?
- Who incurs costs and who gets the benefits?
- Who will provide the required co-finance (25-50%)
- Who will repay the loan? Guarantees? Risk sharing?
- Repayment mechanism suited for project?

4. Challenges for VET Finance

Economic appraisal: Assessing cost-effective benefits of training programme interventions

- Is the strategic context clear? National and regional policy context? Agreed by relevant actors? Future development of the sector? Impact of project on the sector? Long term financial stability of the sector?
- Are investment objectives defined? Are objectives prioritised? What are the benefits? Who gets them?
- Is the investment solution the best available? What are the alternatives, including *do nothing*? Did “best practice” inform the solution?

4. Challenges for VET Finance

European Investment Bank

Example of a VET programme loan

ELIGIBLE COSTS	
Year 1	€ 20m
Year 2	€ 10m
Year 3	€ 30m
Total	€ 60m
€ 30- 45m	MAX. EIB LOAN

Time

Eligible project cost include:

- Facilities: project **capital expenditures** for tangible assets
- Activities : project **capital expenditures** for intangible assets, **research staff cost**, incremental **working capital** needs and **other related operating expenses**

Budgets typically cumulated over three years (investment programme)

Up to 50 -75% of the total project cost

European
Investment
Bank

The End

Thank You!

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Examples of anti-crisis measures supported by the ESF in Poland:
How to revitalise the economy by investing in training

Paulina Mucha
Department for ESF Management
Ministry of Regional Development
Poland

„Sharing the costs of training in the newer EU Member States"

Thessaloniki, 15-16 October 2009

Main measures undertaken by the ESF Managing Authority in Poland in the context of economic slowdown are based on 4 pillars:

Pillar 1. Broadening support and introducing new instruments supporting professional activity

Pillar 2. Broadening the scope of state aid schemes adressed to enterprises affected by economic downturn

Pillar 3. Raising the ESF commitment level

Pillar 4. Improving procedures and introducing new ones to speed up application process

Pillar 1. Broadening support and introducing new instruments supporting professional activity

Implementation of „rapid reaction” projects
Supraregional support
beneficiary: Polish Agency for Entrepreneurship Development
• 12 industries monitored • 3 industries most in need of restructuring identified • devising a new Polish model for restructuring companies • setting up Centre for Monitoring Economic Change at PAED • restructuring plan, training and consultancy for 200 companies • outplacement measures for 4,000 employees at companies undergoing restructuring
Budget & duration
budget: 12.5 mln EUR **duration:** 2009-2013

Pillar 1. Broadening support and introducing new instruments supporting professional activity

Implementation of „rapid reaction" projects
Regional support
beneficiary: Dolnośląskie Voivodeship (regional self-government)
• identifying local and regional companies in need of restructuring • analysing demand for job qualifications • training and consultancy for 20-30 local and regional companies • outplacement measures for 400 employees at companies undergoing restructuring (eg. training, job placement services, mobility allowance, top-up salary compensation, financing start-ups)
Budget & duration
budget: 2.2 mln EUR **duration:** August 2009-June 2011

Pillar 1. Broadening support and introducing new instruments supporting professional activity

Mechanism
Mobility (relocation) allowance
Purpose / main principles
• new instrument of support delivered in the HC OP projects aimed at re-integration into employment (as a part of a broader set of services, including also e.g. counselling, training or job-search assistance) • one-off allowance offered to those project participants who **take up a job in place located more than 50 km from their present place of living** in order to cover (at least partly) commuting expenses or costs of moving house • it will be an equivalent of six unemployment benefits **(ca. 775 EUR)**
Entry into force
June/July 2009

Pillar 1. Broadening support and introducing new instruments supporting professional activity

Mechanism
Top-up salary compensation
Purpose / main principles
• one-off allowance offered to those outplacement project participants who take up lower-paying job than the previous one • it will be an **equivalent of three times the difference** between the old (i.e. higher) and the new (i.e. lower) wage, with a maximum of ca. 900 EUR • **complementarity with the European Globalisation Adjustment Fund:** through project selection criteria
Entry into force
June/July 2009

Pillar 1. Broadening support and introducing new instruments supporting professional activity

Mechanism
Imposing additional project selection criteria related to economic slowdown
Obligatory project selection criteria
• *At least 10% of project target group are people whose job contract has been terminated due to reasons not concerning the worker* [projects for the unemployed] • *At least 70% of top-up salary compensation is directed at workers made redundant by SMEs* • *Top-up salary compensation is available only for persons who have received at least one of the following forms of assistance: training, job counselling, psychological counselling, job placement assistance* • *The value of top-up salary compensation does not exceed 15% of the project value* • *Employees who have been aided by the EGF cannot obtain the top-up salary compensation*
Entry into force
June 2009

Pillar 2. Legal changes broadening the scope of state aid schemes in accordance with the Communication from the Commission (2009/C 83/01)

Mechanism
Law changes in the scope of state aid schemes
Purpose / main principles
• **first step:** introducing *de minimis* aid for training & consultancy projects (100% financing) • **next step:** implementing *Temporary framework for state aid measures* into training & consultancy projects (max. 500,000 EUR per company)
Entry into force
October/November 2009

Ministry of Regional Development

Department for ESF Management

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Thank you for your attention

Paulina Mucha
Ministry of Regional Development, Poland

Examples of anti-crisis measures supported by the ESF in Poland. How to revitalise the economy by investing in training.

Faced with the progressing economic downturn, it is necessary to intensify actions on all levels in the area of labour market. It is particularly advisable to make use of the structural funds with a special emphasis on the role of the European Social Fund that allows to prevent further reductions in employment and consequently, help the most vulnerable to long-term unemployment return promptly to the labour market. As both the state and regional economy are declining, the economic slowdown affects most severely the areas of entrepreneurship and employment. Enterprises that experience economic problems are more concerned about maintaining their position on the market rather than investing in workforce trainings. The present situation urges to take actions that will increase demand for human resources on the labour market. In the context of the adverse economic trend, facilitating the access to additional finance for the development of human resources encourages enterprises to invest in training schemes notwithstanding the economic downturn. Such actions can be beneficial in a long-term perspective because subsidies ensure well-qualified personnel in a company not only in the economic stagnation, but also in the time of economic growth ("training instead of redundancies"). Therefore, Poland took all necessary measures to increase the number of projects implemented under the Human Capital Operational Programme trough broadening support, introducing new instruments and improving procedures to speed up application process. As a result, the level of contractation was raised, particularly in the areas where an additional financial support is required to remain on the labour market or return to the professional activity.

Paulina Mucha
Ministry of Regional Development, Poland

Examples of anti-crisis measures supported by the ESF in Poland. How to revitalise the economy by investing in training.

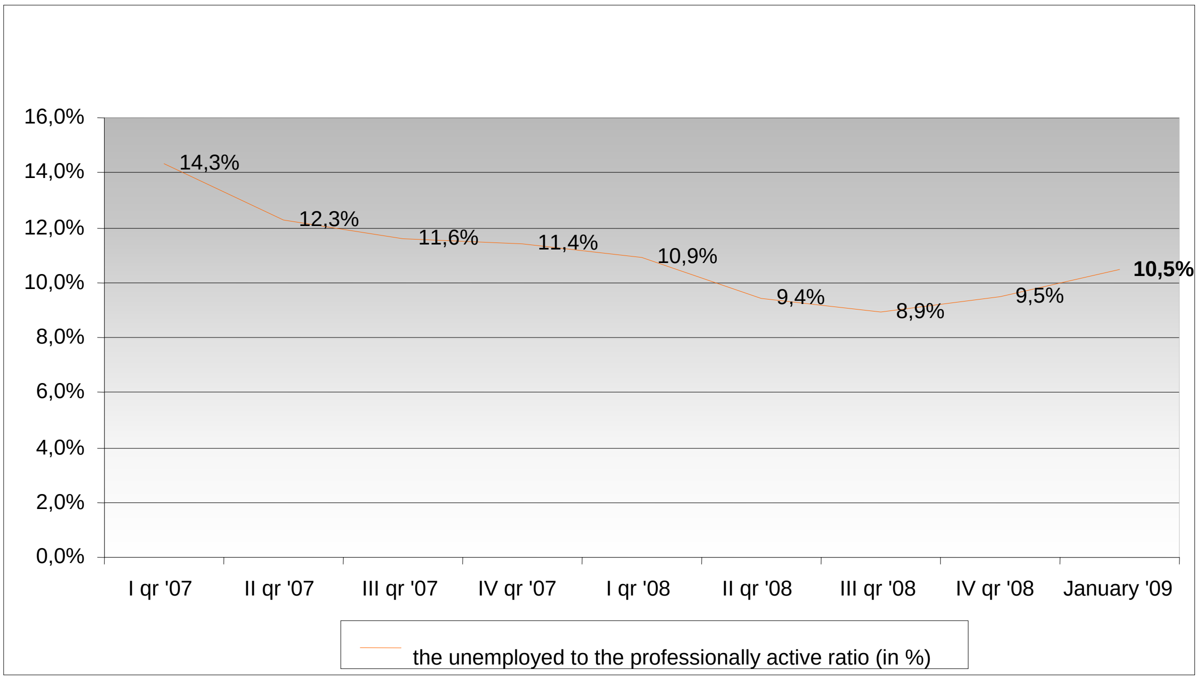
1. Macroeconomic situation

A considerable slowdown of growth in the global economy has been observed in the last year. The indicators of the economic situation in Poland are more optimistic than in other EU Member States – although the economy is becoming weaker, the growth is still being recorded. In comparison to EU-15 and EU-27 countries, the effects of the economic slowdown in Poland are delayed. Therefore, it is hard to predict whether the economic slowdown in Poland will turn into a recession in the nearest future.

In February 2009 the National Bank of Poland presented its prognosis of the GDP growth dynamics. The new prognosis results from the reconsideration of the forecasts proposed in October 2008 and it is less optimistic than it was before. According to the National Bank of Poland, GDP growth dynamics will become weaker until the third quarter of 2009 and can be down to zero. This negative tendency is said to change and lead to an increase in GDP growth dynamics in the following quarters.

Such symptoms of the economic slowdown as squeeze on credits, tumbling stock markets, slump in consumption and investments affect directly the situation on the labour market. The labour market statistics in Poland reflect this negative trend.

Figure 2. Unemployment rate in Poland in %.

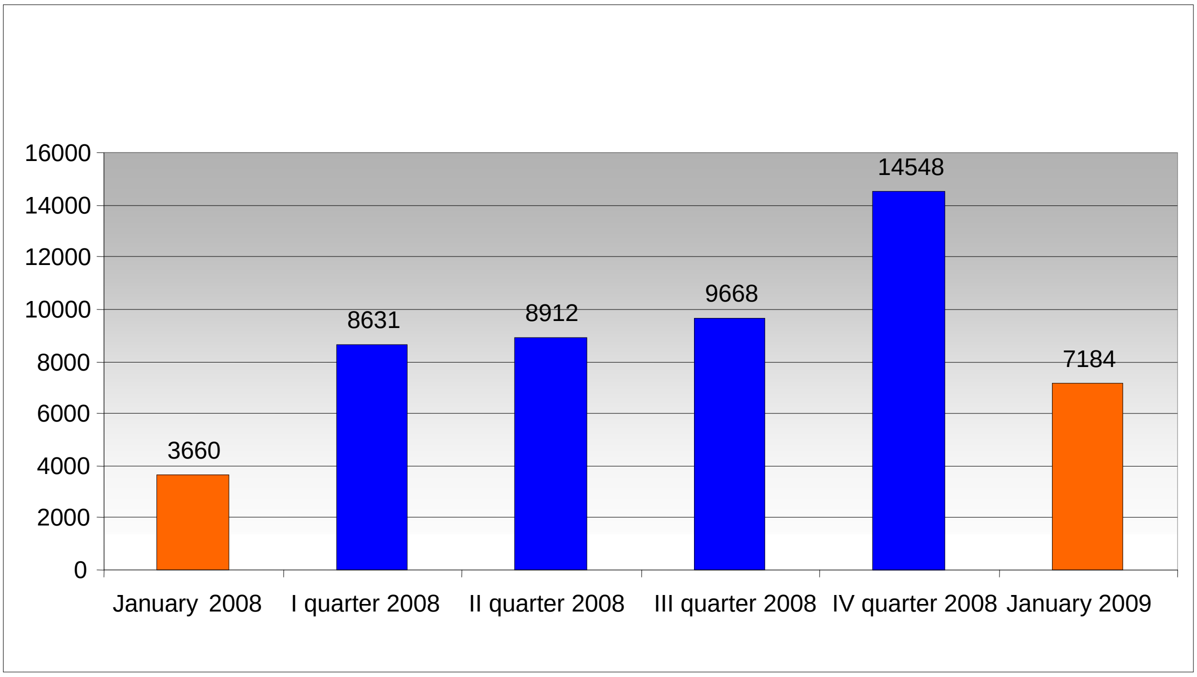


Source: Labour market statistics, PSZ (Public Employment Services).

For the last two years an unemployment rate in Poland has been decreasing significantly. The downward trend has reversed since the beginning of 4th quarter in 2008. The increase of unemployment rate was recorded at the beginning of 2009. In comparison to December 2008, in January 2009 the number of the unemployed increased by 160,000 people, from 9,5% (data as of the end of December 2008) to 10,5%. It is the highest increase ever recorded in January in the last 10 years. Such a trend is observed every year and it is caused by seasonal character of employment. However, one should notice that in the analogous period last year an unemployment rate was declining. From November 2008 an unemployment rate has been rising considerably.

The number of employees made redundant by enterprises indicates that the companies become weaker. The following data reveals that at the end of 2008 the number of employees made redundant increased. As compared with the 3rd quarter 2008, the number of such layoffs in the 4th quarter 2008 increased by 5,000. Simultaneously in January 2009 the number of redundancies amounted to 50% of the total number of redundancies in 4th quarter 2008. At the same time it was almost by a half higher than in its analogous period – January 2008.

Figure 3. The number of registered unemployed made redundant.



Source: Labour market statistics, PSZ (Public Employment Services).

Faced with the progressing economic downturn, it is necessary to intensify actions on all levels in the area of labour market. In order to combat an adverse impact of the current economic situation, it is particularly advisable to make use of the structural funds. In the context of labour market the support offered by the European Social Fund seems to be essential.

2. Challenges posed by the implementation of the Human Capital Operational Programme in the context of the European Recovery Plan

Faced with the deteriorating economic situation, the European Union is taking initiatives to coordinate actions performed individually by the Member States. The main objective of the EU is to counteract the negative effects of the economic slowdown. One of such initiatives is the Communication from the Commission to the European Council as of 26th November 2008 *European Economic Recovery Plan* [COM(2008) 800]. In its communication the European Commission has presented four strategic aims of the economic recovery programme:

1. Swiftly stimulate demand and boost consumers' confidence;
2. Lessen the human cost of the economic slowdown and its impact on the most vulnerable. Thus actions can be taken to prevent further reductions in employment and consequently, help the most vulnerable to long-term unemployment return promptly to the labour market;
3. Help Europe to prepare to take advantage when the economic growth returns so that the European economy can meet the demands of competitiveness and the needs of the future, as outlined in the Lisbon Strategy for Growth and Jobs. That involves pursuing necessary structural reforms, supporting innovation, and building a knowledge economy;
4. Speed up a shift towards a low carbon economy.

In the context of the strategic aims outlined in the Communication of the EC, the actions co-financed from the European Social Fund can support most effectively the second and the third of the above-mentioned aims. Therefore, ensuring a smooth implementation of the Operational Programme Human Capital poses an extreme challenge. The programme should be an effective instrument that helps to minimize the human cost of the economic slowdown and, at the same time, provide necessary conditions for the development of human capital in the present economic situation.

3. Supporting trainings addressed to workers and unemployed in the context of anti - crisis measures

If a collapsing company is forced to make its workforce redundant, the employees should receive assistance. Only then the assistance proves to be effective. It is crucial to provide support (for example, in a form of training and retraining) either during the term of notice or immediately after the dismissal. That is to shorten the unemployment period. Simultaneously enterprises that were granted support are required to comply with the general regulations on state aid. This means organising trainings for the employees, providing counselling services to SMEs and subsidising employment. Entrepreneurs are obliged to make private contributions to the project in the amount stipulated by the regulation on state aid and return the means that were granted not for the intended use. However, entrepreneurs are not required to make private contributions to trainings exclusively in cash. They can contribute by offering remunerations to the employees who take part in the training (an equivalent of the financial contribution). This is an alternative to the use of a training budget. Therefore, making contributions to the trainings of workforce does not require incurring additional expenses because of the granted state aid.

3.1 “Rapid reaction projects” for professional reintegration of people who were affected by the negative impact of the economic downturn

Within the rapid reaction projects the systemic beneficiary (a public entity or a private entity assigned by the public entity to implement the project) functions as an “operator” of assistance for the owners of enterprises that undergo modernization and restructuring processes due to the economic slowdown. Employers (including entrepreneurs) will not have to apply for the support on their own through calls for proposals. Instead they will refer to the respective entity, managing “the rapid reaction” projects, which should remain in “a standby mode” in order to receive training aid for the workers and those who are covered by outplacement programme.

3.2 Mobility allowance and top up salary compensation allowance

The mobility allowance is addressed to the employees whose job contract has been terminated due to reasons not concerning the worker and who found another job in more than 50 km from the present place of living. The allowance is offered to the project participant to cover the commuting expenses and other costs of accommodation in the new place. The top up salary compensation allowance is addressed to a person who takes part in an outplacement programme under the OP HC project and receives a lower salary than they obtained in the previous place of employment. The allowance will be equivalent to a treble amount of the difference between the gross value of the previous remuneration (higher) and the present remuneration (lower). If the applicant files the documents that confirm a no shorter than 3-month employment period at a new place, the allowance will not have to be returned. Employment relations should not be terminated through the fault of an employee in the above-specified period. Both instruments should be combined with training assistance offered to unemployed person.

3.3 “Training instead of redundancies” (improving availability of the public assistance for the enterprises affected by the economic downturn)

Legislative reforms are most required during the economic crisis because enterprises limit expenses on their current business activity. Such enterprises are reluctant to make investments in professional development of their employees and enhance the quality of human capital. Instead they downsize their workforce. In order to prevent redundancies there has been designed a mechanism under the OP HC that makes trainings and counselling more available for entrepreneurs. This is to reduce the number of negative effects of the economic slump (also the number of redundancies) in the long-term perspective. That could be achieved through enhancing flexibility of the workforce without necessity to make private contributions in the process of trainings. The mechanism in question involves utilization of “de minimis” support for trainings in companies and introduces a new form of assistance for the enterprises suffering from crisis. This form of assistance will allow to grant a fixed sum of money compliant with the common market no less than € 500,000. Those instruments shall encourage entrepreneurs to hold the workforce in companies without making any investments in their trainings and counselling.

Papers and Publications

Sharing the costs of vocational education and training. An anlysis of schemes in the newer EU Member States.

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Sender:

Your E-mail:

Subject:

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Information

Conference Organiser

Cedefop, Europe 123, GR-57001, Thessaloniki

Conference Coordinator

Patrycja Lipińska

Cedefop`s VET Financing Team

Conference Secretariat

LDK Consultants

Conference Venue, Thessaloniki and Greece

More information on the location and how to get there, the conference hotels and on Thessaloniki.

Useful information when you are travelling to Greece

Coming to Greece in October.

Hotels

Map of the "Region of Thessaloniki" with hotels marked on it.

Practical Information

Condensed general information for participants by LDK(, 157 KB)

Taxi information and map to drive to Cedefop (,131 KB)

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More information on the location and how to get there

Conference venue

The Cedefop's Conference "Sharing the Cost of Training in the Newer EU Member States" will take place on Thursday 15th and Friday 16th October 2009 at:

Cedefop - European Centre for the Development of Vocational Training
Europe 123, 57001 Thessaloniki (Pylea), Greece
Postal address:
PO Box 22427, Finikas
55102 Thessaloniki
Greece
Tel. (+30) 2310490111 Fax (+30) 2310490049

Find your way to Cedefop

From the airport or any part of the city or the city's suburbs, Cedefop (Europe 123, Pylea - Thessaloniki) is easy to access by taxi within maximum 30 minutes. A taxi will cost around 10 Euro, depending on the distance. In case the taxi driver does not know the address, tell him that Cedefop is near the "Praktiker" store.

Should you wish to call a radio taxi, upon arrival to Thessaloniki, please call one of the following numbers: (+30) 2310525000, 2310866866 and make your appointment. In general, taxis are easy to find, at the airport and all over the city; taxis are blue and white, and are easy to stop in the street. Please don't be surprised if other passengers are picked up along the way to your destination.

Secretariat and information desk during the conference

The Secretariat desk will be located at the conference venue, and will operate:
Thursday , 15th October 2009, 9.00 - 17.30
Friday, 16th October 2009, 9.00 - 13.30
Tel.: (+30) 2310490068; Fax: (+30) 2310490240

Conference Secretariat is provided by:

LDK Consultants

Off. 21 Thivaidos Str.
P.O Box 51299, 14564 Kifissia, Greece
Tel: (+30) 2108196752 (Conference line), (+30) 2108196700
Fax: (+30) 2108196759, (+30) 2108196709
e-mail: VETconference@ldk.gr

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Conference Hotels

MAKEDONIA PALACE Hotel ***** - city centre

Single BB 145€, Double BB 160€

Considered a local landmark, this legendary hotel rises at the edge of Thessaloniki's sweeping bay and is within walking distance from the ground of the Thessaloniki International Fair as well as the city's business and shopping districts. Inspired by the sparkle of the Ancient Greek Kingdom of Macedonia, the Makedonia Palace revives hospitality in a grand fashion.

2, Megalou Alexandrou Avenue, GR-546 40 Thessaloniki
Tel.: (+30) 2310 897197 Fax: (+30) 2310 897211
URL: www.makedoniapalace.com

CAPSIS Hotel **** - city centre

Single BB 85€, Double BB 100€

Comfort, professionalism and superb level of services represent the core qualities offered in Capsis Hotel Thessaloniki.

Latest technology designs and recent renovation have made Capsis one of the best-known and foremost central hotels in Thessaloniki, being an ideal option for business meetings, conference receptions and tours around the city of great religious and cultural significance.

The Capsis Hotel, a representative member of the eminent Capsis Hotel Chain, is the largest city hotel in the Northern Greece. The hotel's 407 rooms and 19 Conference multi-use centers are fully supplied with the upgraded technological equipment, aiming to satisfy the demanding needs of the modern businesspeople. The hotel is carefully designed to enable access and transportation of individuals with special needs throughout all main hotel facilities.

18, Monastiriou Str., GR-546 29 Thessaloniki
Tel: (+30)2310 596800 Fax: (+30)2310 510555
URL: http://www.capsishotel.gr/thes/index_en.html

CITY Hotel **** - city centre

Single BB 88€ Double BB 98€

Located in the center of the city, moments away from the commercial and business heart of Thessaloniki, this modern hotel can offer businessmen and tourists all the necessary accommodations and facilities, while they enjoy the beautiful down town day and night life of the liveliest city in Northern Greece, Thessaloniki. One of the best 4 star hotels in Thessaloniki, as well as a top range business hotel, City Hotel, is an affordable hotel that provides high quality accommodations and facilities in its 125 renovated and spacious rooms.

Komninon 11, GR 546 24 Thessaloniki, Greece
Tel. +(30)2310 269421 Fax: +(30)2310 274358
URL: http://www.cityhotel.gr/

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Thessaloniki

Set on the northern shores of the Thermaikos Gulf that opens into the Aegean Sea, Thessaloniki is approximately 550 kilometres north of Athens and in close proximity to Chalkidiki's beautiful beaches. It is the metropolis of the region of Macedonia, one of Europe's oldest cities and the second largest city in Greece.

Founded in 316 BC by Cassander, King of Macedonia, the city was named after his wife, Thessaloniki, sister of Alexander the Great. It was here that Alexander the Great established the seat of his great Macedonian Empire, imparting a legacy that has left modern Thessaloniki dotted with the treasures, temples and monuments of one of history's greatest leaders.

Thessaloniki has the largest university in Greece, Aristotle University with about 95.000 students, which is one of the most established universities in the academic community in Europe.

The city of Thessaloniki today offers the visitor an exciting experience, as it possesses the second largest and most important port in Greece, the International Fair which attracts commercial interest from all over the world- offers cultural events, theatres, Modern Art galleries, libraries, some of the most exclusive stores in Greece, an immense variety of high standard recreational facilities and examples of modern architecture, art nouveau and eclecticism.

A few of the city's many attractions include the 16th century White Tower, Thessaloniki's many churches, in particular the 4th century Rotonda dedicated to St George, containing mosaics of the period, and the 8th century Agia Sofia, which was converted into a mosque during the Ottoman rule.

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Coming to Greece in October

How to Get to Your Hotel from the Airport

Please kindly note that there will be no welcome desk at the airport upon your arrival. You are kindly requested to make your own arrangements from the airport to your hotel. There is a taxi service outside the Arrivals hall of "Macedonia" Airport of Thessaloniki. There is also a bus service (bus number 78) operating 24 hours a day that links "Macedonia" Airport of Thessaloniki with the city centre.

Transfers

From all the hotels listed on the registration form, bus transfer from and to Cedefop will be provided from Sunday 4th till Tuesday 6th October 2009, according to the conference programme as well as to all social events. If you are late you can always take a taxi, as there is no convenient public transport to Cedefop.

Time

Greece is 2 hours ahead of Greenwich Mean Time (GMT +2) throughout the year.

Language

Greek is the official language but English is widely spoken as well as German and French.

Currency

The Greek currency is EURO. Credit cards are widely used in most establishments. Most currencies and traveller's cheques can easily be changed either at banks, hotels or money-changers with some handling charges.

Weather in October

Thessaloniki lies in the transitional climatic zone, so its climate has displayed characteristics of continental as well as Mediterranean climate. Average temperatures in October range from 21 ^{o}C to 11 ^{o}C.

Power supply

The standard current in Greece is 220 volts. Plugs are European standard with two round pins.

People & Life

Thessaloniki is a popular destination. You will certainly enjoy a pleasant and interesting stay in the city. People are friendly and happy to help with any questions. The atmosphere is unique during the day in the commercial and shopping centre, but especially during the evening, in the wide variety of bars, restaurants and theatres for entertainment. Thessaloniki is renowned for its unique location, along the Thermaikos Gulf, its sunsets, its long history, its monuments and museums as well as its distinguished cuisine.

Useful phone numbers

Police*	100
Tourist police station	(+30) 2310554870, (+30) 2310554871
Ambulance*	166
Fire*	199
Emergency phone**	112
Phone book information*	11888

**It refers to a local number and can be used only from a local phone.*
***It refers to a European number. After a recorded message in English and Greek, an operator receives the call in English, French or Greek, puts the caller through to the necessary service, and assists with interpretation, if necessary.*

Links

> Information on Greece as a travel destination: http://www.gnto.gr/?langID=2
> Thessaloniki International Airport Macedonia (SKG): www.hcaa.gr
> Hellenic Culture: www.culture.gr
> Area information on the prefecture of Macedonia: www.ellada.net
> Travel information on Halkidiki: www.halkidikinet.gr
> Weather in Thessaloniki: www.weather.yahoo.com/

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cedefop European Centre for the Development of Vocational Training

Sharing the costs of training in the newer EU Member States THESSALONIKI 15-16.10.2009

General Information

Dates and venue

The Cedefop's conference "Sharing the costs of training in the newer EU Member States" will take place on Thursday, 15 October and Friday, 16 October 2009

at Cedefop's premises in Thessaloniki

123 Europe str., 57001 Pylea, Thessaloniki, Greece
Tel.: (+30) 2310 490 111
Postal address: PO Box 22427, Finikas, 55102 Thessaloniki, Greece

The Conference Coordinator

Patrycja Lipinska	patrycja.lipinska@cedefop.europa.eu
VET Financing Team	vet-financing-team@cedefop.europa.eu

Secretariat and information desk during the conference
The Secretariat desk will be located at the conference venue and will operate:
Thursday, 15 October 2009, 9.00 - 17.30
Friday, 16 October, 9.30 - 13.30
Tel.: (+30) 2310490068; Fax: (+30) 2310490240

Interpretation
The working language of the event is English, to which interpretation will be provided during the plenary sessions of the conference from German and French. The parallel working groups will be held in English only.

Internet facilities
Two workstations with internet / e-mail access will be available for participants outside the conference room. WI-FI connection is also provided. Additional PCs will be available in Cedefop's library area.

Conference Registration

Registration to the conference is made by duly completing the online registration form or the pdf/word download to be sent by fax or e-mail to LDK Consultants: VETconference@ldk.gr +30 210 8196709, 759. A confirmation will be sent to every registered delegate in due time.

Registered delegates will enjoy: conference material, 1 dinner, 2 lunches, 3 coffee breaks and transportation to and from Cedefop and to any social event venue from all the hotels listed on the registration form, from Thursday 15 till Friday 16 October 2009.

Please note that there is a limited number of places available, which will be allocated on a first come, first served basis. We regret to inform you that once all places have been allocated, we will be unable to accept your request for participation. Therefore, you are kindly invited to register as soon as possible.

Accompanying persons
Accompanying persons are welcome to the social programme at their own expenses. To register accompanying persons, please complete the relevant sections of your registration form.

Hotel accommodation

Hotel reservation procedure
To reserve a hotel, please complete the relevant section of the registration form. We kindly advise you to register and make a reservation as soon as possible **no later than 5 October 2009.**

Payment conditions
For the payment procedure and cancellation policy, please see the relevant sections of the Registration Form.

Pre-selected hotels

MAKEDONIA PALACE Hotel ☆☆☆☆☆- city centre

Single BB* **145€,** Double BB* **160€**

Considered a local landmark, this legendary hotel rises at the edge of Thessaloniki's sweeping bay and is within walking distance from the ground of the Thessaloniki International Fair as well as the city's business and shopping districts. Inspired by the sparkle of the Ancient Greek Kingdom of Macedonia, the Makedonia Palace revives hospitality in a grand fashion. Makedonia Palace is 15 minutes from Cedefop and 15 km from Macedonia Airport.

Leoforos Megalou Alexandrou 2, 546 40 Thessaloniki
Tel.: (+30) 2310 897197 Fax: (+30) 2310 897211
URL: www.makedoniapalace.com

CAPSIS Hotel ☆☆☆☆ - city centre

Single BB* **85€**, Double BB* **100€**

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18, Monastiriou Str., GR-546 29 Thessaloniki
Tel: (+30)2310 596800 Fax: (+30)2310 510555
URL: http://www.capsishotel.gr/thes/index_en.html

A.D. IMPERIAL PALACE Hotel ☆☆☆☆ - city centre

Single BB **90€** Double BB **100€**

The A.D. Imperial Palace is right in the heart of the historical and commercial Thessaloniki centre. The elegant neoclassical facade has been reconstructed to its original glory. A.D. Imperial Hotel is 25 minutes from Cedefop and 12 km from Macedonia Airport.

13 Antigonidon St, GR-54623 Thessaloniki
Tel: (+30) 2310 508 300 Fax: (+30) 2310 548 698
URL: www.ad-imperial-hotel.gr

* i.e. Bed & Breakfast

EGNATIA Hotel ☆☆☆ - city centre

Single BB* **75€** Double BB* **85€**

Situated right in the middle of the cultural and commercial centre of Thessaloniki, close to Aristotelous square, Egnatia Hotel is 25 minutes from Cedefop and 20 km from Macedonia Airport.

16, Antigonidon St., GR-54631 Thessaloniki
Tel.: (+30) 2310 530 675 Fax: (+30) 2310 531 761
URL: www.egnatia-hotel.gr

The above prices are per room / night and include breakfast, services and all taxes.

Social event.

Thursday, 15 October 2009
Conference Dinner
On Thursday evening, delegates are invited to the conference official dinner offered by Cedefop. The official dinner will be held at "1901" Restaurant.

How to book for the social programme for an accompanying person
To book for the above social programme (i.e. conference dinner) for your accompanying person, please complete the relevant section of the registration form.

Thessaloniki

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Useful information just before you arrive

Getting to Your Hotel from the Airport
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There is a bus service operating 24 hours a day that links “Macedonia” Airport of Thessaloniki to City Centre. Bus number is 78 and the time to reach city centre is approximately 40 minutes depending on traffic. The cost of the ticket is 0.60€ and can be bought at a ticket booth outside the Airport with limited opening hours kiosks, or at the ticket machine in the bus.

There is also taxi service outside the Arrivals hall of “Macedonia” Airport of Thessaloniki. Taxis take approximately 20 minutes to reach city centre depending on traffic. The tariff ranges from 15€– 20 €.

“Macedonia” airport (http://www.thessalonikiairport.gr/)

The airport is located 16 Km east from the city of Thessaloniki in the region "Micra"

Companies with direct flights to and from Thessaloniki’s airport are:

- Aegean Airlines
- Air Berlin
- Alitalia
- Austrian Airlines
- British Airlines
- Blue Air
- Condor
- Cyprus Airlines
- Czech Airlines CSA
- Easy Jet
- Germanwings
- Hamburg International
- JetairFly
- LOT
- Lufthansa
- Malév Hungarian Airline
- Olympic Airlines
- SkyEurope
- Swiss
- Tarom
- TUIfly

Transfers
Hotel – Cedefop, Hotel – Social programme venue and return
From all the hotels listed above (see section: ‘Hotel accommodation’), bus transfers from and to Cedefop as well as the social event will be provided in line with the conference programme. If you are late you can always take a taxi, as there is no convenient public transport to Cedefop.

Find your way to Cedefop
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Liability
Cedefop & LDK Consultants act as an agent of the event only in securing hotels, transport and travel services and on no condition shall be liable for acts or defaults in case of injury, damage, loss, accident, delay or irregularity of any kind whatsoever during arrangements organised through contractors or the employees of such contractors in carrying out services. Hotel and transportation services are subject to the terms and conditions under which they are offered to the public in general. The Host Committee reserves the right to make changes where deemed necessary, without prior notice to parties concerned. All disputes are subject to the Greek Law.

Useful web sites

Greece as a travel destination
http://www.gnto.gr/?langID=2

Thessaloniki
http://www.saloniki.org
http://www.thessalonikicity.gr/English/index.htm
http://www.tcvb.gr

The archaeological site of Vergina
http://whc.unesco.org/sites/780.htm

Museums
http://www.macedonianmuseums.gr/Archaeological_and_Byzantine/Arx_Thessaloniknhs.html
http://www.mbp.gr/html/en/index.htm
http://www.greekstatemuseum.com/kmst/index.html
http://www.thmphoto.gr/
http://www.cinemuseum.gr/frontend/index.php?chlang=EN

Weather in Thessaloniki
http://weather.yahoo.com/forecast/GRXX0019_c.html

Useful phones

Police*	100
Tourist police station	(+30) 2310554870, (+30) 2310554871
Ambulance*	166
Fire*	199
Emergency phone**	112
Phone book information*	11888

**It refers to a local number and can be used only from a local phone.*
***It refers to a European number. After a recorded message in English and Greek, an operator receives the call in English, French or Greek, puts the caller through to the necessary service, and assists with interpretation, if necessary.*

VET Conference Secretariat

For any further organisational information please contact the ***VET Conference Secretariat*** at:

LDK Consultants Engineers and Planners Ltd.
Off. 21 Thivaidos Str.
P.O. Box 51299, 14564 Kifissia, Greece
Tel: (+30) 2108196752 (VET Conference line), (+30) 2108196700
Fax: (+30) 2108196759, (+30) 2108196709
e-mail: VETconference@ldk.gr

Please ask for: Mr. John Panayiotopoulos, Project Manager
Ms. Athina Ignatieva, Project Coordinator

We look forward to welcoming you at the conference!

CEDEFOP
Europe 123, GR-57001 Thessaloniki (Pylea)
Tel.: (+30) 2310 490 111

Dear Visitor,

The map below has been prepared to facilitate your arrival to Cedefop. Please show it to the person who will drive you to the Cedefop building.

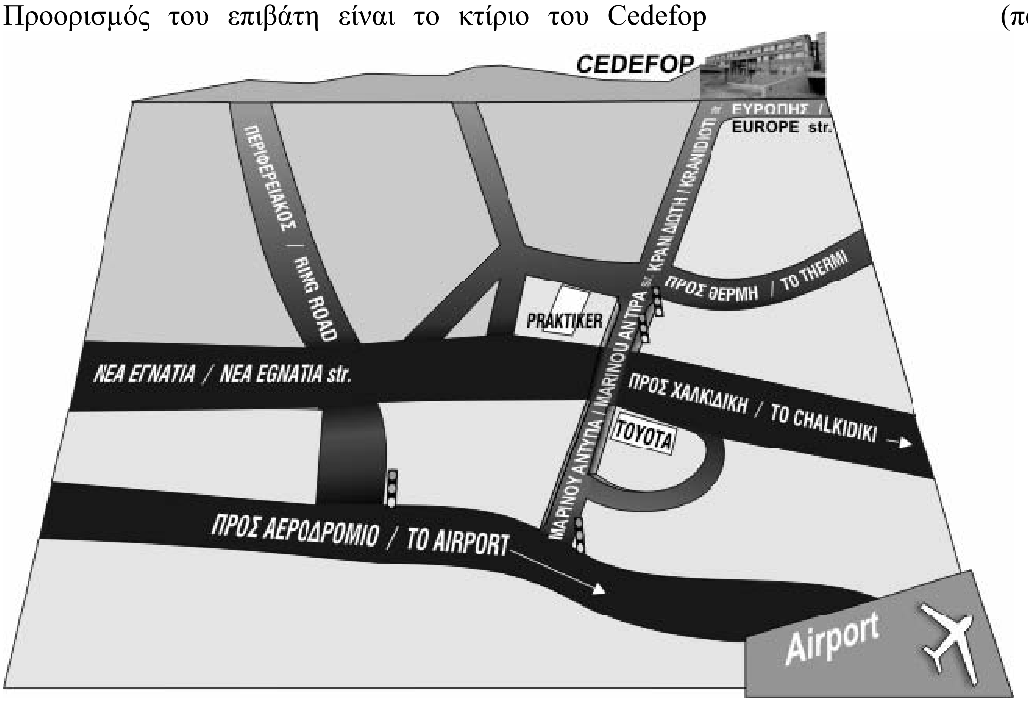
When hiring a taxi, please keep in mind the rate schedule below in EUR as published by the Greek National Tourism Organisation (rates effective 02/2009).

Meter starts at		1.05
Standard minimum fare		2.80
For journeys within the taxi's operating area or between the hours of 05.00-24.00 (simple tariff)		0.36/KM
For journeys outside the taxi's operating area or between the hours of 24.00-05.00 (double tariff)		0.68/KM
Surcharge for every one (1) hour of waiting		9.60
Surcharge: **TO** and **FROM** **"**Macedonia" Thessaloniki airport		2.80
FROM railway, port and intercity coach terminals (KTEL)		0.95
Luggage surcharge for each piece of luggage weighing over 10kg		0.35
Taxis on-call:	Standard surcharge:	1.70
	Surcharge for pre-booking	2.80

*****IF A TAXI DRIVER RECEIVES A CALL WHEN HE/SHE IS OUTSIDE THE NORMAL OPERATING AREA, HE/SHE SETS THE METER AT THE LOCATION WHERE THE PHONE CALL IS RECEIVED***

Airport to Cedefop: 9 kilometres   City centre to Cedefop: 15 kilometres

TO THE DRIVER / ΓΙΑ ΤΟΝ ΟΔΗΓΟ
The passenger wishes to go to the Cedefop office (upper right corner on the map)
Προορισμός του επιβάτη είναι το κτίριο του Cedefop (πάνω δεξιά στο χάρτη)



Philip Ammerman

ammerman

Philip Ammerman is Managing Partner of Navigator Consulting Group Ltd., based in Athens, Greece. Philip's specialisation is in strategic corporate development and specifically the development of human resources and management competencies. He advises numerous companies and public organisations on setting up training programmes, corporate universities, vocational educational centres, human resources development funds and related activities. Since beginning his consulting career, he has participated in over 125 projects in 44 countries. He has worked with clients such as Hellenic Petroleum, Gazprom, Titan Cement, Asea Brown Boveri (ABB), 3M, DS Smith plc, Consolidated Contracting Company, Obolon Brewery, as well as international organisations such as the European Bank for Reconstruction & Development (EBRD), the European Training Foundation and the European Commission.Philip holds a B.Sc. in Geological Sciences and a B.A. in International Relations from Princeton University, and a Certificate in Human Resources Studies from Cornell University, School of Industrial and Labour Relations.

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Łukasz Arendt

arendt

Łukasz Arendt – PhD, graduate of the Faculty of Economics and Sociology at the University of Lodz. Assistant Professor in the Department of Economic Policy at the University of Lodz and in the Department of Employment and Labour Market at the Institute of Labour and Social Studies in Warsaw. Member of the Polish Social Policy Society. Specialist focus on labour market issues and ICT-driven changes in small and medium-sized enterprises. Expert in many national and international research projects. During the last five years published more than 20 papers on labour market policy, unemployment, SMEs' innovativeness and business digital divide, and delivered numerous lectures at conferences and seminars in Poland and abroad. Recently involved in the research project aimed at implementation of the system of forecasting skills' needs on the regional and local labour markets in Poland.

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Edina Berlinger

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Dr. Edina Berlinger is a financial economist graduated from the Corvinus University of Budapest (CUB). She completed her Ph.D. thesis about income contingent student loan system in 2004. Since then, she has been a full time faculty; and from 2008 the Head of Department of Finance.

Dr. Berlinger has participated in several research projects. She recieved a research grant from the Ministry of Higher Education for investigating the student loan and pension system. She participated in the design and implementation of the Hungarian student loan system as a World Bank consultant, and also was awarded a Research Fellowship at the Collegium Budapest in Complex Systems. Presently, her research interest focuses on the financial management of welfare systems (student loan, pension, health care).

Dr. Berlinger has been actively contributing to the educational development of CUB´s programs in financial management, investments, and corporate finance. She has been involved in translating textbooks, managing and directing bachelor and master courses, supervising several BA, MA and Ph.D. theses.

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Galia Bozhanova

bozhanova

Galia Bozhanova has a M.Sc. in economics and M.Sc in project management with 10 years experience in development of Employers' policies in the field of VET. Ms. Bozhanova is a director of the Vocational training department at the Bulgarian industrial association (BIA) – union of the Bulgarian business and since 2003 she also stands at the head of the VT Center at BIA, which is one of the major players on the market of adults' training services aiming to achievement of labour market balance. She has participated in designing and implementation of a great number of projects for development of human resources on company, regional and national levels. Since 2004 she is also a secretary general of the Association of licensed vocational training centers in Bulgaria. Ms. Bozhanova is a co-author of the "National classification of occupations in Bulgaria", published in 2006. At present, she is an Employers' representative in the ACVT and in the governing boards of CEDEFOP and Eurofound.

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Aviana Bulgarelli

Aviana Bulgarelli is the Director of the European Centre for the Development of Vocational Training (Cedefop). During her tenure, Ms Bulgarelli has placed Cedefop at the forefront of European policy-making in the field.
Before her appointment in 2005, Aviana Bulgarelli enjoyed a career which alternated between applied research and policy-making. As Director-General for Guidance and Vocational Training Policies at the Italian Ministry of Labour and Social Policies (2002-2005) she co-ordinated the Leonardo da Vinci Programme, the European Social Fund Community Support Framework and the relevant national programmes and policies.
As a researcher in labour market and policy analysis issues, Ms Bulgarelli was Director of Research in the Italian Vocational Education and Training Research Institute (ISFOL) and Director of the Italian Programme and Policy Evaluation Unit of the European Social Fund.
She has numerous academic books, international journal articles and conference contributions to her name.

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Dalia Čiupailaitė

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Dalia is an analyst at the Public Policy and Management Institute in Lithuania. The Public Policy and Management Institute is a policy research and evaluation centre that conducts research and provides advice aimed to improve public policies and their management. Dalia works at the Institute since 2006. Her areas of specialisation include social research and evaluation of the implementation of European Structural Funds programmes. Dalia has conducted research and evaluation in the area of workforce training, non-formal education, and equal opportunities, including evaluation of grant schemes for employers for employees training under Human resourse development priority of Lithuanian SPD 2004-6. Dalia holds a Master degree in sociology, which she acquired from Vilnius University.

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Vera Czesana

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Vera Czesana works now as a Head of National Observatory of Employment and Training that is an analytical unit of National Training Fund, Prague. She graduated at University of Economics in Prague and completed post-gradual studies in economics and statistics. She has a long term experience in research of labour market issues, quality of human resources and education in relation to economic development and social inclusion. In last decade she focuses on lifelong learning issues and on early identification of qualification needs on labour market. She is an author and co-writer of many analytical studies and has participated in many national as well as international projects. She is a national co-ordinator of ReferNet activities in cooperation with Cedefop.

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João Delgado

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João Delgado is a Portuguese official of the European Commission since 1988 and at present he is the Head of Unit in charge of promoting a cooperation process on Vocational Education and Training Policy, among the European Union Member States. Furthermore, he manages the Leonardo da Vinci programme, which supports European transnational traineeships schemes and innovative projects in the area of Vocational Education and Training.

He worked previously in other departments of the European Commission (Regional Policies, Development Aid, and Employment) and in the banking sector and also as an attorney in Lisbon, Portugal.

He studied Law at the Catholic University of Lisbon, Portugal; European Studies at the College of Europe in Bruges, Belgium; and he holds a Master Degree in Executive Management from the Solvay Business School, Brussels, Belgium.

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Rimantas Dumčius

Dumcius

Rimantas acquired MA in Political Science (European Studies) from the Institute of International Relations and Political Science, Vilnius University, Lithuania. Professional career started in 1998 in the Ministry of Public Administration Reforms and Local Authorities of the Republic of Lithuania, where Rimantas was involved in designing and implementation of public financing instruments to promote social and economic development. Rimantas also worked in the Lithuanian Non-formal Education Centre where he helped to develop and manage pilot distance learning projects. In 2001 Rimantas became the member of the management team of the Public Policy and Management Institute based in Vilnius. In the institute Rimantas pursued career as public policy analyst with special focus on education, labour market and social policy. Implemented a number of research, policy evaluation and technical assistance assignments on VET policy during the last 5 years including the study on VET cost-sharing mechanisms in 12 newer EU member states commissioned by CEDEFOP.

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Janis Gaigals

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Janis Gaigals is currently the Director of the Department of Vocational education and General education of the Latvian Ministry of Education and Science. He was the Minister of Education and Science in 1998-1999 responsible for the political management of the education sector and the monitoring of the governance of the education sector. From 1999 until 2002 he was the Parliamentary Secretary of the Ministry of Justice, as well as the Secretary of the Budget and Finance (taxation) Committee. Between 2002 and 2009 he held various key positions.

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Joseph Galea

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Joseph Galea joined the Employment and Training Corporation (Malta's PES) in 2001. He has worked for the Corporation in its Apprenticeship Section and as an Employment and EURES advisor. He is today a coordinator and contact person for two ESF programmes (Training Aid Framework and Employment Programme) and an ERDF programme (building of an extension to existent training complex).He has a Diploma in Management Studies another in Training and Development and a Masters of Science in Psychology of Work.He is a co-author of a policy for career guidance in compulsory education in Malta published by the Ministry of Education in 2007.

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Simonas Gaušas

gausas

Simonas acquired MA in Political Science (European Public Administration Studies) from the Institute of International Relations and Political Science, Vilnius University, Lithuania. Since 2004 he is working in the Public Policy and Management institute based in Vilnius. In the institute Simonas pursued career as public policy analyst with a special focus on education (esp. vocational education and training, adult learning) and labour market (esp. and labour market policy (esp. forecasting skills supply and demand, integration of socially vulnerable groups into the labour market) policies. Implemented a number of policy evaluation and research assignments on VET policy during the last 5 years. Recent projects include the study "Sharing the costs of vocational education and training. An analysis of schemes in the newer EU Member States" (2008-2009) commissioned by CEDEFOP and study "Implementation of Action Plan on Adult Learning - LOT 2: Assessment of the impact of ongoing reforms in education and training on adult learning" (ongoing) commissioned by DG Education and Culture.

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Maria Hrabinska

Hrabinska

Maria Hrabinska (SK) came to Cedefop in 2008 from the European Commission (DG Education and Culture) where she worked for four years monitoring and analysing progress towards the Lisbon objectives within the “Education & Training 2010" work programme. A specialist in comparative research on educational policy developments, she has cooperated with international organisations such as the OECD, UNESCO and the Council of Europe, and is the author of number of papers on the subject of how education and training is and can be developed to respond to global challenges and serve European policy goals. At Cedefop, she coordinates activities focused on policy analysis and reporting on developments in vocational education and training in Europe (Copenhagen process).

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Iñigo Isusi

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Iñigo Isusi has extensive experience in socio-economic studies and research. His work has covered a wide range of economic and enterprise subjects (labour, CSR, continuing training, sectorial and SMEs studies, innovation,...). In this sense, Mr Isusi has acted as a consultant for the Spanish and several Spanish regional governments, as well as for several international organisations (i.e. European Commission, European Foundation for the Improvement of Living and Working Conditions, CEDEFOP, OECD, Inter American Development Bank,...). Particularly in the education and training domain, he has been involved in several projects (several projects for the Leonardo programme intended to analyse existing training practices and training-related problems amongst SMEs; a project for the OECD for compiling a catalogue of relevant international experiences of demand-led financing of lifelong learning and, finally, two projects for CEDEFOP on Sector Training Funds and Tax Incentives in Europe. In addition to this, he has been recently involved in a project for DG Employment and Social Affairs intended to identify emerging competences in the European Union shipbuilding sector.

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Branko Kumer

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Branko Kumer, Director of the School Center Ptuj since 1996, born in 1959 in Slovenia.He has a university degree in mechanical engineering and specialization at the College of Management in the field of management and financing of non-profit institutions. Since 1981, he taught technical subjects; in the year 1993 became the headmaster of a secondary school in a school center, and in the year 1996 became the Director of the largest secondary school educational institution in Slovenia. Today, this centre is visited by over 1850 pupils on secondary education level, over 650 students in higher professional education, and over one thousand adults in the manifold training programs.Mr. Kumer was involved in various project teams for creating educational policy, quality assurance in VET education and development and preparation of national curricula for VET. As well as external experts, he was involved in national evaluation team. Since 2004 he has been a member of a national project team for changes in financial and administrative system in education in Slovenia. As a manager, lecturer and member of various national and international expert commitees he has practical experience in vocational education, training planning and further education.

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Christian Lettmayr

Christian Lettmayr, Deputy Director of Cedefop since April 2005, was born 1951 in Austria.
He has a master's degree in business administration and economics from the Wirtschaftsuniversitaet Wien and a master's degree in vocational and technical education from the University of Illinois in Urbana-Champaign, where he was a Fulbright scholar.
From 1985 until 2001 he was Deputy Director and - from 1994 - Director of the Austrian Institute for Small Business Research (now: KMUforschung Austria) in Vienna. In 2001 he took up an assignment with the European Commission, DG Enterprise, contributing to the benchmarking of enterprise policies and competitiveness analysis.
Mr Lettmayr has a background in socio-economic research and the management of research institutions. Through policy-oriented research and participation in various advisory groups he has contributed to the design and implementation of policies. As an entrepreneur, lecturer and member of various professional commissions he has hands-on experience of vocational training, the design of training courses and continuing education.

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Patrycja Lipińska

Lipinska

Patrycja Lipińska has worked at the European Centre for the Development of Vocational Training (Cedefop) since 2005.Her main tasks include policy analysis and reporting on the progress made in implementing the European priorities for vocational education and training, agreed within the framework of the Copenhagen process. Since 2007 she has coordinated research and reporting on the financing of vocational education and training. She holds master degrees in economics from the University of Gdańsk, Poland and the University of Exeter, UK.

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Zsófia Lux

Lux

Zsófia Lux is a senior counsellor in the Department of Adult Education and VET at the Hungarian Ministry of Social Affairs and Labour. Previously she worked at the Ministry of Labour, before joining the Ministry of Education from1998 to 2006. For over 10 years she has worked on issues relating to vocational education and training (VET). She has been responsible for international relations, following EU policies, Education and Training 2010 work programme, LLL, LLP, mobility programs. She was national coordinator of the OECD-VET project “Learning for Jobs”, has been delegated member of the EU Advisory Committee for Vocational Training (ACVT), the EU ECVET Working Group and the working group on the 2010 Bruges review of the Copenhagen process. She holds a Masters in economic sciences from Karl Marx University of Economics, Budapest.

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Ovidiu Mantaluta

mantaluta

Ovidiu Mantaluta is senior researcher in the Management Laboratory, at the Institute for Educational Sciences. He was personal adviser to Secretary of State for Pre-university Education, for education financing and education system decentralisation: in this position, he coordinated the activities of Ministry of Education and Research in decentralisation problem, the methodological aspect in Decentralisation Strategy Document for pre-university education. He worked in projects to improve the administrative and financial management of schools in a decentralised environment, issued comparative studies about education finance, kindergarten finance, deductions, facilities and education systems in Europe.

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Jean-Raymond Masson

masson

Jean-Raymond Masson is a Senior Expert at the European Training Foundation in projects related to VET policies in the candidate countries, the Western Balkans and in Mediterranean countries, with particular reference to financing and quality assurance in education and training and lifelong learning, and more generally to the dissemination of the EU policy in Education and Training in ETF partner countries.

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Janja Meglič

meglic

Janja Meglič, MA is a representative of the Chamber of craft and small businesses of Slovenia with a long period of experience on the field of professional education and training and international cooperation. As an adviser for HR to the General Secretary, she is involved in decision-making processes concerning professional education and training on national and EU level and a member of different professional national and EU bodies.

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Paulina Mucha

mucha

Paulina Mucha, a graduate of the Faculty of Political Science at the Warsaw University with a major in European Studies, holds the Diploma of European Political Science of the Robert Schumann University in Strasbourg. Since 2005 she worked in the Polish Ministry of Regional Development in the Department for ESF Management. She is actively involved in the preparation of strategic documents for 2007-2013 financial perspective in Poland. As a senior expert, she focuses on the labour market and social protection issues in the ESF co-financed programmes. Since 2008 she is a member of the governmental working group dealing with the situation of older workers on the Polish labour market, responsible for elaboration of the strategy “Solidarity of generations” aimed at increasing the level of vocational activity of older workers.

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George Panayides

Panayides

George Panayides is Director of Training Services at the Human Resource Development Authority of Cyprus (HRDA), the national organisation that is responsible for the promotion of training and development in Cyprus. He holds academic qualifications in Economics and Labour Economics from the London School of Economics and Political Science. His 25 years with the HRDA cover a wide spectrum of issues in both the areas of Human Resources and Labour Market Research as well as national policies and measures for the promotion of training and development. Mr. Panayides is a member of the Governing Board of the Foundation for the Management of the Lifelong Learning Programme in Cyprus. He served as a member for Cyprus on the Advisory Forum of the European Training Foundation from 1999 to 2008.

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Romulus Pop

pop

Romulus Pop is expert at the National Centre for Technical and Vocational Education Development Romania. His main tasks include the implementation of the Phare VET programmes in the vocational schools. He has 33 years experience in education, from high school to university, including a four years position of Secretary of State for pre-university education sector.He holds a doctoral degree in physics from the Babes-Bolyai University of Cluj-Napoca.

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Andres Pung

pung

Andres Pung has worked at the Ministry of Education and Research in Estonia since 2003. He is the Head of Vocational and Adult Education Department. Earlier he worked in the higher educational sector and acted as the Vice Rector in the studies and research at the Estonian Music Academy.His main responsibility is developing the vocational education and adult education policy and coordinating its implementation in Estonia. He has coordinated the preparation of two strategies for developing VET as well as adult education in Estonia in 2005 and in 2009. Andres Pung has graduated from the Tallinn Conservatoire in the speciality of music theory and took his postgraduate training at the St. Petersburg Conservatoire.

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Sharing the costs of training in the newer EU Member States

Importance of investment in vocational education and training

Vocational education and training (VET) is one of the key instruments in Europe's strategy to strengthen its position in the global economy and respond to the challenge of ageing societies. It is also one of Europe's principal tools for managing the present economic crisis. Considerable investment in training is necessary to equip people with the skills needed to tackle the current economic downturn and accelerate European recovery. Everyone has to make a contribution: public authorities, employers and individuals.

Cedefop's work on financing vocational education and training

For the last three years, Cedefop has been investigating the strategies and mechanisms used by European countries to finance VET, focusing mainly on cost-sharing approaches. Various Cedefop studies, seminars and conferences have examined tax incentives, sectoral training funds, vouchers, loans, training funds and saving schemes and explored the role of the different actors in sharing the cost of VET. To reinforce mutual learning and contribute to evidence-based policy-making, Cedefop has also looked at VET financing models in some non-European countries. However, the experience of the 12 newest EU Member States in implementing cost-sharing instruments has remained largely unknown. Research was launched last year to fill in this information gap.

Cedefop's conference "Sharing the costs of training in the newer EU Member States"

The conference will announce the results of Cedefop's study "Sharing the costs of vocational education and training. An analysis of schemes in the newer EU Members States". The research findings will form the basis of discussions among policy-makers, social partners, researchers and practitioners on current patterns and trends in the financing of training in the countries concerned and on challenges and possible solutions. The conference participants will:

- identify cost-sharing approaches in the newer EU Member States and examine how effective, efficient and equitable they are;
- ascertain whether the current crisis has had an impact on the effectiveness or the operation of cost-sharing approaches;
- consider possible ways of improving existing cost-sharing arrangements and remedying any negative trends arising from the crisis;
- set priorities for policy and research.

The event follows up the conference 'Investing in people: Strategies for financing VET' held in Thessaloniki in May 2008.

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Tamàs Rettich

rettich

Tamàs Rettich joined IPOSZ, the Hungarian Association of Craftsmen's Corporation, the biggest organisation of Hungarian micro and small-sized enterprises in 1999. He has been working for the International and Training Department as project manager. One of the main projects for which he is a project manager is called: "Funding equipment purchase for the enterprises employing less than 10 employees and raising apprentices". This project is financed by the Vocational Training Fund.

He has a Diploma in Environmental Management and a Master of Science in History and Teaching.

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Viktorija Šmatko

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Viktorija Šmatko was born in Lithuania in 1962. She graduated from the Vilnius University with a Master's degree in Economics in 1983. Since then, she has continued her professional education by participating in a number of conferences, seminars and training courses all over the world, sharing her progressively responsible experience in accounting, audit, budget, evaluation, finance, investigation, information and related area. Her background also includes: strategic management planning and analysis, budgeting, personnel administration, training and organizational development, program and project management, facility management, procurement, technical and report writing, and public relations.

From 1983 to 1994, Ms Šmatko was employed at the Lithuanian state and private enterprises as the Economist-Financier, Deputy Chief Financial Officer, Chief Financial Officer, and Director of Commerce. In 1994, she was selected to be the first professional, who joined a newly opened office of Coopers & Lybrand (now Pricewaterhouse Coopers) in Lithuania. In 1994, she won the first National Competitive Recruitment Exam competition organized by the United Nations in Lithuania. Between 1995 and 2007, she worked as the Auditor and Auditor/Inspector in the Office of Internal Oversight Services of the United Nations in New York, inter alia, in UNIDO,Vienna.

Viktorija Šmatko joined DG Employment, Social Affairs and Equal Opportunities of the European Commission (EC) in March 2007 as Director of Directorate I responsible for audit, controls and evaluation of over the 75 billion Euros programme budget executed through EC direct management and shared with the EU Member Sates management of the European Social Fund (ESF). Her duties also involved contribution to the process of accreditation for the implementation of the Instrument for Pre-accession candidate countries; coordination the relationships with the control authorities (IAS, ECA, Committees of the EC and EP); and all matters concerning relations with the European Anti-Fraud Office (OLAF), including inter alia, irregularities and fraud, in view of protecting the financial interests of the Community.

In April 2009, she became a Director, EMPL C responsible, in partnership with the nine Member States, for the efficient and effective programming and implementation of about 2/3 of operational programmes financed from the ESF. Directorate C contributes to the implementation of the Lisbon Strategy for Growth and Jobs and to economic and social cohesion by ensuring that the ESF supports Member States' related policies and by coordinating the monitoring of the corresponding national policies particularly in the field of employment and the social protection and social inclusion process. Also, Directorate C ensures reliable financial assistance to all the ESF Directorates (27 Member States and IPA countries), coordinates the financial progress of ESF programmes, and ensures that all
ESF files are archived properly.

Viktorija Šmatko is a member of the International Foundation of Employee Benefit Plans, the Institute of Internal Auditors, the Association of Certified Fraud Examiners, and the Institute of Forensic Auditors. Viktorija Šmatko is a Certified Fraud Examiner, Registered Forensic Auditor, and holds Certification in Retirement Plans.

Ms Šmatko is married with two sons.

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Manfred Tessaring

Tessaring

Manfred Tessaring graduated 1972 in National Economics and obtained his doctorate in economics of education in 1979. Until 1996 he worked with the Institute for Employment Research (IAB) of the Federal Employment Agency in Nuremberg, Germany, where he was executive scientific director. Since 1996 he is working with Cedefop in Thessaloniki, Greece, where he is Head of the Area ‘Research and Policy Analysis’.

His main responsibilities include:

• research in vocational education and training,
• identification and anticipation of skills needs,
• analysis of progress achieved to implement the Copenhagen objectives for vocational education and training.

His work is documented by a number of publications. He is engaged in several European research projects and networks and is member of European and national committees.

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Albert Tuijnman

Tuijnman

Albert Tuijnman is senior economist for human capital at the European Investment Bank. He also is professor of comparative education at Stockholm University, the University of Nottingham and the Danish University of Education. Previously he was Principal Administrator at the OECD with responsibilities for publications such as Education at a Glance, Lifelong Learning for All, Education Policy Analysis, and the International Adult Literacy Survey.

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Jasper van Loo

Jasper van Loo has worked at Cedefop as a project manager since 2007. His research interests include labour market dynamics and training needs, skill mismatch and the labour market situation and training of ageing workers. Before starting at Cedefop, Jasper has contributed to and published a number of reports on the impact of training. In addition, he has been responsible for managing a labour market observatory for a large training fund in the Netherlands. Currently, he is responsible for the Cedefop research arena (Cedra) and contributes to Cedefop's regular research reports on vocational education and training.

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Juraj Vantuch

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Juraj Vantuch is an education policy analyst at Comenius University Bratislava (CU). Graduated from teacher training programme at CU, he received the title (RNDr) from the Faculty of Mathematics and Physics at CU in Probability and Statistics (1978) and a PhD in Pedagogy from Charles University in Prague (1987). After periods of working as a university teacher, specialist-researcher at research institute and adviser to Minister(s) at Ministry of Education, he is currently Ass. Professor in Pedagogy Management-Education Policy, serving as lecturer at Faculty of Education offering courses in Methodology, Education Policy, Comparative Education; and Labour Market and Education within teacher training programmes; and as lecturer at Faculty of Social and Economic Science offering Education Policy course within Public Administration programme. He serves as CEDEFOP-Refernet national coordinator since accession of Slovakia to the EU in 2004.

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Loukas Zahilas

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Loukas Zahilas is Senior Expert in Qualifications and Learning Outcomes at the European Centre for the Development of Vocational Training (Cedefop. Born in 1960, he studied Chemistry and Information Technology. After a six-year stint in the pharmaceutical industry, he has concentrated entirely on education and training. His more than 20 years of professional experience in vocational education and training were mainly acquired at the Greek Organisation for Vocational Education and Training (OEEK), but also in technical Institutes and the University of Athens. Before joining Cedefop in 2006, he represented Greece in various European bodies such as the Directors General for VET (DGVT), the Advisory Committee for Vocational Training (ACVT) and the European Training Foundation (ETF). He has also served as the National Europass Coordinator and National Liaison Officer for Study Visits Programme (NLO), and participated in the Technical Working Groups on the European Qualifications Framework (EQF) and the Credit System for Vocational Education and Training (ECVET). Loukas Zahilas is currently working on the development and implementation of the European and national qualifications frameworks, the shift to learning outcomes, and sectoral approaches to lifelong learning.

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More information on the location and how to get there

Conference venue

The Cedefop's Conference "Sharing the Cost of Training in the Newer EU Member States" will take place on Thursday 15th and Friday 16th October 2009 at:

Cedefop - European Centre for the Development of Vocational Training
Europe 123, 57001 Thessaloniki (Pylea), Greece
Postal address:
PO Box 22427, Finikas
55102 Thessaloniki
Greece
Tel. (+30) 2310490111 Fax (+30) 2310490049

Find your way to Cedefop

From the airport or any part of the city or the city's suburbs, Cedefop (Europe 123, Pylea - Thessaloniki) is easy to access by taxi within maximum 30 minutes. A taxi will cost around 10 Euro, depending on the distance. In case the taxi driver does not know the address, tell him that Cedefop is near the "Praktiker" store.
Should you wish to call a radio taxi, upon arrival to Thessaloniki, please call one of the following numbers: (+30) 2310525000, 2310866866 and make your appointment. In general, taxis are easy to find, at the airport and all over the city; taxis are blue and white, and are easy to stop in the street. Please don't be surprised if other passengers are picked up along the way to your destination.

Secretariat and information desk during the conference

The Secretariat desk will be located at the conference venue, and will operate:
Thursday , 15th October 2009, 9.00 - 17.30
Friday, 16th October 2009, 9.00 - 13.30
Tel.: (+30) 2310490068; Fax: (+30) 2310490240

Conference Secretariat is provided by:
LDK Consultants
Off. 21 Thivaidos Str.
P.O Box 51299, 14564 Kifissia, Greece
Tel: (+30) 2108196752 (Conference line), (+30) 2108196700
Fax: (+30) 2108196759, (+30) 2108196709
e-mail: VETconference@ldk.gr

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MAKEDONIA PALACE Hotel ***** - city centre

Single BB 145€, Double BB 160€
Considered a local landmark, this legendary hotel rises at the edge of Thessaloniki's sweeping bay and is within walking distance from the ground of the Thessaloniki International Fair as well as the city's business and shopping districts. Inspired by the sparkle of the Ancient Greek Kingdom of Macedonia, the Makedonia Palace revives hospitality in a grand fashion.
2, Megalou Alexandrou Avenue, GR-546 40 Thessaloniki
Tel.: (+30) 2310 897197 Fax: (+30) 2310 897211
URL: www.makedoniapalace.com

CAPSIS Hotel **** - city centre

Single BB 85€, Double BB 100€
Comfort, professionalism and superb level of services represent the core qualities offered in Capsis Hotel Thessaloniki.
Latest technology designs and recent renovation have made Capsis one of the best-known and foremost central hotels in Thessaloniki, being an ideal option for business meetings, conference receptions and tours around the city of great religious and cultural significance.
The Capsis Hotel, a representative member of the eminent Capsis Hotel Chain, is the largest city hotel in the Northern Greece. The hotel's 407 rooms and 19 Conference multi-use centers are fully supplied with the upgraded technological equipment, aiming to satisfy the demanding needs of the modern businesspeople. The hotel is carefully designed to enable access and transportation of individuals with special needs throughout all main hotel facilities.

18, Monastiriou Str., GR-546 29 Thessaloniki
Tel: (+30)2310 596800 Fax: (+30)2310 510555
URL: http://www.capsishotel.gr/thes/index_en.html

CITY Hotel **** - city centre

Single BB 88€ Double BB 98€
Located in the center of the city, moments away from the commercial and business heart of Thessaloniki, this modern hotel can offer businessmen and tourists all the necessary accommodations and facilities, while they enjoy the beautiful down town day and night life of the liveliest city in Northern Greece, Thessaloniki. One of the best 4 star hotels in Thessaloniki, as well as a top range business hotel, City Hotel, is an affordable hotel that provides high quality accommodations and facilities in its 125 renovated and spacious rooms.

Komninon 11, GR 546 24 Thessaloniki, Greece
Tel. +(30)2310 269421 Fax: +(30)2310 274358
URL: http://www.cityhotel.gr/

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Thessaloniki

Set on the northern shores of the Thermaikos Gulf that opens into the Aegean Sea, Thessaloniki is approximately 550 kilometres north of Athens and in close proximity to Chalkidiki's beautiful beaches. It is the metropolis of the region of Macedonia, one of Europe's oldest cities and the second largest city in Greece.
Founded in 316 BC by Cassander, King of Macedonia, the city was named after his wife, Thessaloniki, sister of Alexander the Great. It was here that Alexander the Great established the seat of his great Macedonian Empire, imparting a legacy that has left modern Thessaloniki dotted with the treasures, temples and monuments of one of history's greatest leaders.

Thessaloniki has the largest university in Greece, Aristotle University with about 95.000 students, which is one of the most established universities in the academic community in Europe.

The city of Thessaloniki today offers the visitor an exciting experience, as it possesses the second largest and most important port in Greece, the International Fair which attracts commercial interest from all over the world- offers cultural events, theatres, Modern Art galleries, libraries, some of the most exclusive stores in Greece, an immense variety of high standard recreational facilities and examples of modern architecture, art nouveau and eclecticism.

A few of the city's many attractions include the 16th century White Tower, Thessaloniki's many churches, in particular the 4th century Rotonda dedicated to St George, containing mosaics of the period, and the 8th century Agia Sofia, which was converted into a mosque during the Ottoman rule.

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How to Get to Your Hotel from the Airport

Please kindly note that there will be no welcome desk at the airport upon your arrival. You are kindly requested to make your own arrangements from the airport to your hotel. There is a taxi service outside the Arrivals hall of "Macedonia" Airport of Thessaloniki. There is also a bus service (bus number 78) operating 24 hours a day that links "Macedonia" Airport of Thessaloniki with the city centre.

Transfers

From all the hotels listed on the registration form, bus transfer from and to Cedefop will be provided from Sunday 4th till Tuesday 6th October 2009, according to the conference programme as well as to all social events. If you are late you can always take a taxi, as there is no convenient public transport to Cedefop.

Time

Greece is 2 hours ahead of Greenwich Mean Time (GMT +2) throughout the year.

Language

Greek is the official language but English is widely spoken as well as German and French.

Currency

The Greek currency is EURO. Credit cards are widely used in most establishments. Most currencies and traveller's cheques can easily be changed either at banks, hotels or money-changers with some handling charges.

Weather in October

Thessaloniki lies in the transitional climatic zone, so its climate has displayed characteristics of continental as well as Mediterranean climate. Average temperatures in October range from 21 ^{o}C to 11 ^{o}C.

Power supply

The standard current in Greece is 220 volts. Plugs are European standard with two round pins.

People & Life

Thessaloniki is a popular destination. You will certainly enjoy a pleasant and interesting stay in the city. People are friendly and happy to help with any questions. The atmosphere is unique during the day in the commercial and shopping centre, but especially during the evening, in the wide variety of bars, restaurants and theatres for entertainment. Thessaloniki is renowned for its unique location, along the Thermaikos Gulf, its sunsets, its long history, its monuments and museums as well as its distinguished cuisine.

Useful phone numbers

Police*	100
Tourist police station	(+30) 2310554870, (+30) 2310554871
Ambulance*	166
Fire*	199
Emergency phone**	112
Phone book information*	11888

**It refers to a local number and can be used only from a local phone.*
***It refers to a European number. After a recorded message in English and Greek, an operator receives the call in English, French or Greek, puts the caller through to the necessary service, and assists with interpretation, if necessary.*

Links

> Information on Greece as a travel destination: http://www.gnto.gr/?langID=2
> Thessaloniki International Airport Macedonia (SKG): www.hcaa.gr
> Hellenic Culture: www.culture.gr
> Area information on the prefecture of Macedonia: www.ellada.net

> Travel information on Halkidiki: www.halkidikinet.gr
> Weather in Thessaloniki: www.weather.yahoo.com/

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Sharing the costs of training in the newer EU Member States

Importance of investment in vocational education and training

Vocational education and training (VET) is one of the key instruments in Europe’s strategy to strengthen its position in the global economy and respond to the challenge of ageing societies. It is also one of Europe’s principal tools for managing the present economic crisis. Considerable investment in training is necessary to equip people with the skills needed to tackle the current economic downturn and accelerate European recovery. Everyone has to make a contribution: public authorities, employers and individuals.

Cedefop’s work on financing vocational education and training

For the last three years, Cedefop has been investigating the strategies and mechanisms used by European countries to finance VET, focusing mainly on cost-sharing approaches. Various Cedefop studies, seminars and conferences have examined tax incentives, sectoral training funds, vouchers, loans, training funds and saving schemes and explored the role of the different actors in sharing the cost of VET. To reinforce mutual learning and contribute to evidence-based policy-making, Cedefop has also looked at VET financing models in some non-European countries. However, the experience of the 12 newest EU Member States in implementing cost-sharing instruments has remained largely unknown. Research was launched last year to fill in this information gap.

Cedefop’s conference "Sharing the costs of training in the newer EU Member States"

The conference will announce the results of Cedefop’s study "Sharing the costs of vocational education and training. An analysis of schemes in the newer EU Members States". The research findings will form the basis of discussions among policy-makers, social partners, researchers and practitioners on current patterns and trends in the financing of training in the countries concerned and on challenges and possible solutions. The conference participants will:

- identify cost-sharing approaches in the newer EU Member States and examine how effective, efficient and equitable they are;
- ascertain whether the current crisis has had an impact on the effectiveness or the operation of cost-sharing approaches;
- consider possible ways of improving existing cost-sharing arrangements and remedying any negative trends arising from the crisis;
- set priorities for policy and research.

The event follows up the conference ‘Investing in people: Strategies for financing VET’ held in Thessaloniki in May 2008.