

WORKSHOP on Common European Culture of Labour

Sozialforschungsstelle, University of Dortmund,

31. 8. – 1. 9. 2007

Problems of continuing education culture in the Czech Republic

Discussion Paper

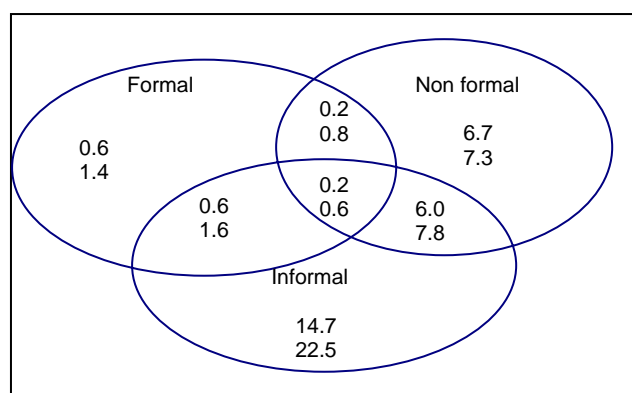
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Continuing education is mostly understood to mean education which takes place after completion of initial schooling at later stages in the life of an adult individual. The importance of continuing education increases as the process of innovation and technological changes speed up and as their impact on all economic and social activities enlarges. Consequently, the knowledge gained in initial education becomes outdated more quickly. The ageing of the Czech as well as European population has brought about a situation where the need for new knowledge and skills cannot be satisfied only by the generation entering the labour market as in the past, and where the older generations are forced to brush up and update their knowledge.

In this relation, the creation of culture of continuing education in society is very important. We can regard the CVT culture as the complex of behaviour of individuals, employees, employers, training providers, decision makers, social partners and other institutions at national, regional and local level. This behaviour is mostly supported by the necessary legal environment, policy making programmes and institutional framework.

Continuing education may be analysed using many perspectives. In terms of the form of education there is formal, non-formal and informal education. Formal education is provided by schools and it is analogous to the initial education of young people. Non-formal education takes the form of various training courses, and informal education entails various forms of self-education. Various forms of continuing education complement or substitute for one another. This is illustrated in Figure 1 which shows participation in various forms of continuing education and their combination as an EU-25 average and in the CR.

Figure 1: Percentage of population 25-64 years old involved in education and training in the CR and EU-25

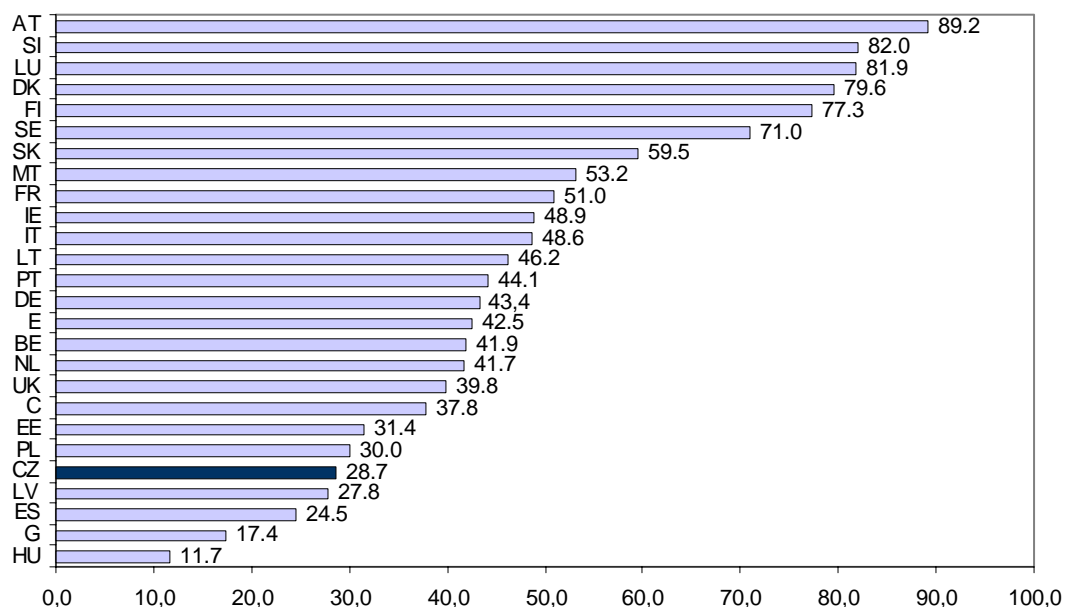


Note: The top figure is for the CR, the bottom one is for the EU-25.
Source: EUROSTAT, LFS, Ad hoc module on lifelong learning 2003.

1. The rate of participation in continuing education

How the European adult population is involved in different types of continuing education was surveyed by the EUROSTAT in 2003. There are large differences between European countries as regards participation in continuing education with the rates ranging from 89% in Austria to some 12% in Hungary (see Figure 2). On average some 42% of the population in EU-25 aged 25-64 is involved in some form of continuing education. The rate of participation in continuing education is often related to the individual's level of initial education. A higher level of initial education is a stimulus for further participation in various forms of continuing education. This has been statistically proved in most countries. Nordic countries, which rank among those with the highest educational attainment, also have the highest rates of adults' participation in continuing education. In Sweden, Finland and Denmark continuing education is being undertaken by some three quarters of adults. However, there are exceptions to this rule. These include, for example, Austria and Slovenia where almost the entire population (80-90%) is involved in continuing education although (or perhaps exactly because of this) only a small proportion achieved tertiary qualifications as part of initial education (only some 18% which is below the EU average).

Figure 2: The participation of the population aged 25-64 in all forms of continuing education (2005, in %)



Note: Participation in education in the previous 12 months. Source: EUROSTAT, LFS. Ad hoc module on lifelong learning 2003 (2005).

The Czech Republic is among the countries with a very low rate of participation in continuing education (CR is ranking 21st among the EU-25). The results of the European survey show that in other countries people pay much more attention to updating their qualifications, even in some of new member states whose socio-economic conditions are comparable or worse in comparison with the CR. Economic factors are less important in this case and they are outweighed by personal initiative and flexibility of people in these countries. The range and structure of educational opportunities and the existence of systemic support for participation in continuing education may also play a role.

The Czech Republic ranks among the bottom group of EU countries for participation of adults in **formal education** (1.4%). The age groups over 45 virtually do not participate in this form of education in the CR at all, and there is also a very low proportion of people with upper secondary qualifications participating in formal education – only 1.1%, which is five times less than the EU average.

The **non-formal education** of adults takes the form of participation in various courses at the workplace as well as outside it. On average 17% of the population in the EU take part in this form of education and some 13% in the CR. The lagging behind the EU average here is not so severe as in other forms of education. The differences in participation rates of various qualification and occupational groups are lower than in other EU countries. This is the only positive feature of adult education in the CR

The length of courses of non-formal education is considerably shorter in the CR (50 hours per annum) compared to other EU countries (84 hours per annum). Low-skilled workers in particular only take part in very short training courses (25 hours per year), which is, similarly to Slovakia and Poland, the lowest figure in the entire EU (87 hours per annum). The short length of courses apparently corresponds to the need for acquisition of simple skills for line production which forms still a large part of the technology in the CR.

The rate of participation of women in non-formal education in the CR is lower than that of men. This is particularly true of the youngest and oldest age groups (25-34 and 55-64 respectively). This pattern is not common in the EU. It points not only to a relatively lower willingness of Czech women of a typical age for having a family and before retirement to embark on further learning, but also to the attitudes of employers who organise a major part of non-formal training. On the other hand, self-education is pursued almost equally by Czech women as Czech men.

Retraining is less extensively implemented in the CR compared to developed EU countries. Of the total number of unemployed only less than 10% undergo retraining, while in most countries it is two to four times as many. The causes of this low proportion are linked to a large degree to the attitudes of the job seekers, but there are also financial, organisational and legislative difficulties in the implementation of an active employment policy.

Informal education consists of a wide variety of self-education modes. On average in EU-25 terms every third adult pursues self-education, while in the CR it is every fifth person. As self-education is largely a leisure activity, a low participation rate may suggest preference for personal comfort or, conversely, an excessive workload (some international surveys show that the number of hours spent at work in the CR is higher as compared to other European countries). We have to make one methodical note here: there could be a possible distortion of data as the definition of informal education is very broad and it is up to the respondent which activities (including, for example, watching instructive programmes in TV) he/she denotes as self-education.

2. Perception of training needs and participation obstacles by adults in the Czech Republic

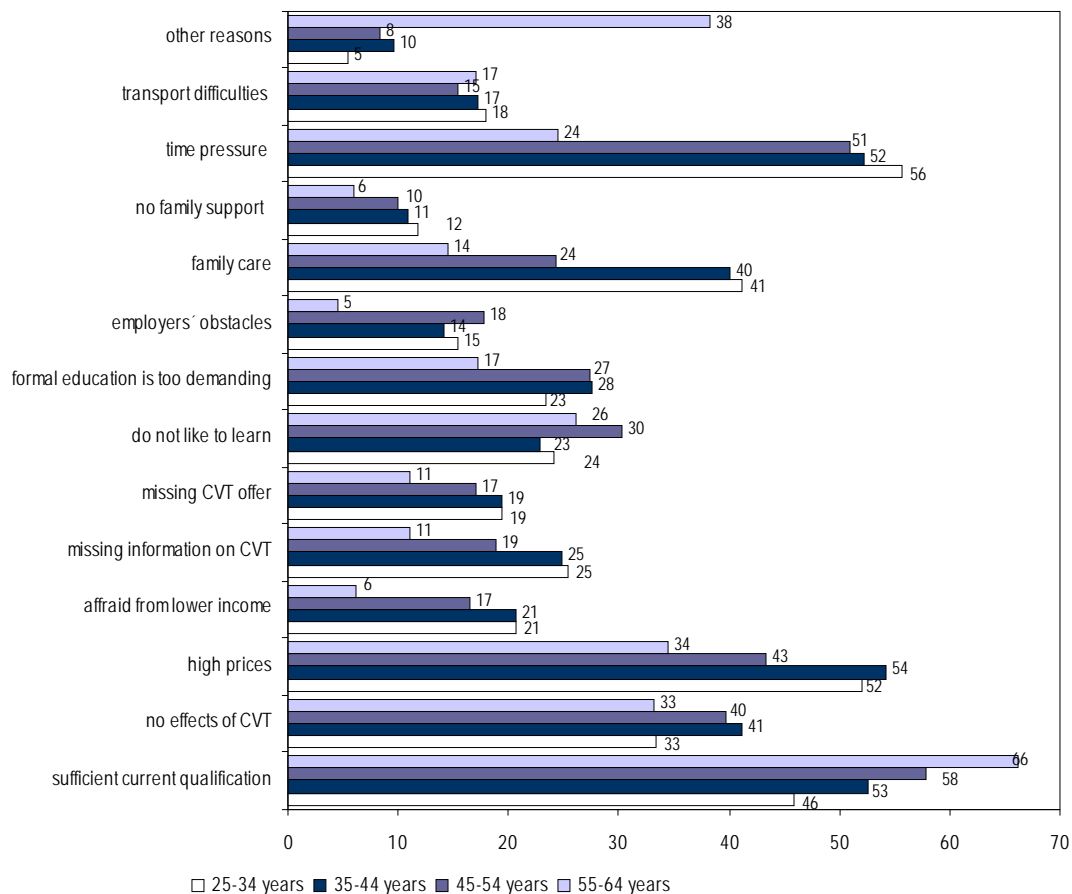
The reasons why the participation in continuous education in the Czech Republic is quite behind the European level are many and they could be analysed at various levels. National Observatory organised a survey on individuals' behaviour concerning participation in 2005/2006. The results of the field survey show that the main reason no to participate in education is in mind of people. 57 per cent of adult population is convinced that their level of education and skills is sufficient for performing their jobs although the technologies are changing quickly. This is a clear self-overestimation and lack of awareness of real professional benchmarks. This shows also that people think that the only initial education is crucial for performing the job and at the same time that it is sufficient for the whole professional carrier.

As figure 3 shows the satisfaction with current qualification level is growing with the increasing age of respondent. However there is an evidence that older age cohorts have

attained lower level of education in comparison with young people and that qualifications obtained in school before 30-40 years in the time of communism must be obsolete.

Very negative feature is that a large part of population (30% – 40%) is convinced that further education will not bring possible effects. This is a clear signal that continuing education culture is missing among Czech population. It must be add that time pressure and financial difficulties are also important.

Figure 3: Reasons of „no participation“ in CVT by age group of respondents (%)



Source: NOZV, CVVM (2006).

As a result we can see that the adult participation rate in continuing education is stagnating in the CR. Table 1 shows the development of participation rate in the Czech Republic in comparison with EU-27 and EU-15. We can see that the CR is lagging behind and that the difference is growing.

Table 1: Share of population 25-64 years old participating in education and training in recent 4 weeks

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
EU-27	:	:	:	:	:	7,1 ^e	7,1	7,2	8,5 ^b	9,3	9,7
EU-15	:	:	:	:	8,2 ^e	8,0 ^e	8,0 ^e	8,1	9,8 ^b	10,7	11,2
Czech Republic	:	:	:	:	:	:	:	5,6	5,1 ^b	5,8	5,6

Note: e – estimation; b – methodical changes;

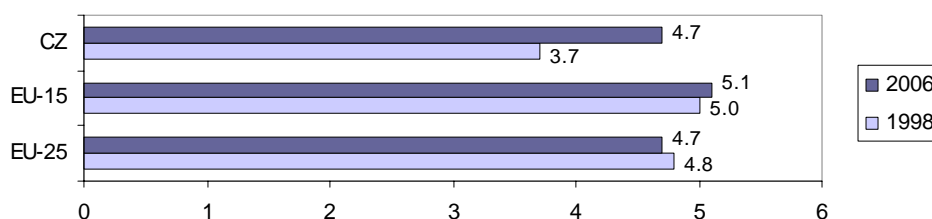
Source: EUROSTAT – Long-term Indicators/Population and Social Conditions/Education and Lifelong Learning/Life-long Learning, February 2007.

3. Companies' approach to staff training and human resources development

In contrast to the behaviour of individuals the enterprises are changing more quickly their approach to the staff training. Employee development is becoming an ever more important part of companies' strategies – not only because human resources are increasingly essential for companies' competitiveness but also as a result of the growing and relatively fast-changing demands placed on employees' knowledge and skills. Companies cannot rely solely on finding suitably qualified people on the labour market, but must also be pro-active towards newly hired and existing employees. The following international comparison of companies' approaches to human resources development is based on the outcomes of a survey conducted by the World Economic Forum.

According to managers and entrepreneurs, the situation in the Czech Republic regarding companies' willingness to invest into employee training and development was less favourable in 1998-2005 than the EU-25 average. Nevertheless, the gap between the Czech Republic and the EU-25 average showed a gradual decrease and in 2006 the Czech Republic was rated at the same level as the EU-25 average. Nonetheless, the willingness of companies located in the Czech Republic is still rated significantly lower than in developed countries, as shown by the difference with the EU-15, which was 0.4 points in 2006. The gap between the Czech Republic and the top-rated countries, however, is much greater. Companies located in the Czech Republic were rated at 4.7 points, while the best countries, Sweden and Denmark, received 5.9 points. The lowest rated companies in 2006 operated in Cyprus (3.4 points) or in member states that joined the EU in 2007 (Bulgaria – 2.6 points, Romania – 3.3 points). In all other member states the rating is close to or more than 4 points.

Figure 4: Companies' willingness to invest into human resources development



Note: best rating = 7, worst rating = 1. Source: WEF – The Global Competitiveness Report 2004-2006.

The improved position of the Czech Republic is strongly influenced by the influx of foreign capital, which is accompanied by approaches to human resources development commonly found in the home countries. As for differences in behaviour among domestically or foreign-owned companies (see table 2), the enterprises survey showed that foreign-owned companies pay more attention to the development of human resources. All foreign-owned companies regularly assess employee productivity – 72% assess all employees' productivity and 28% assess only certain employees' productivity. As with differences related to company size, the difference between foreign and domestically owned companies widens in relation to more specific stages of the systematic approach to human resources development. The number of foreign-owned companies which established productivity requirements for job positions was 2.5 percentage points higher than domestically owned companies; for employee assessment this figure was 9.8 percentage points, for determining training needs it was 14.3 percentage points and for elaborating individual training plans it was 17.1 percentage points. This trend is similar to the one found for company size, which results from the fact that there exists a relatively strong correlation between company size and ownership: large companies tend to have a foreign owner, while small companies are usually domestically owned.

Companies' approach to human resources also differs **in relation to the market** on which the company is active – whether it is active on the international, national or regional market

(see table 2). The difference between national and regional market was defined as the customers' distance from the location of the company. If the main customer is located more than 50 km from the company, then the company is considered to be active on the national market; if not, then the regional market. Companies which pay the greatest attention to human resources development are those active on the international market, followed by companies active on the national and regional markets. As with the previous two indicators, the differences are greater at more advanced stages of the comprehensive approach. In establishing qualification requirements, there is no difference between companies active on the national or international market, while the greatest difference is in the elaboration of individual development plans (18.1 percentage points).

Table 2: Companies implementing individual steps of the systematic approach towards human resources development (in %)

	requirements	assessment	needs	plans
owner				
foreign	98.8	100.0	97.5	80.4
domestically	96.3	90.2	83.2	63.3
market				
international	98.6	96.8	93.2	74.8
national	98.6	88.0	85.1	56.7
regional	85.7	78.6	57.2	47.7

Source: Innovating companies' approaches towards gaining and developing human resources, NOZV survey, MEDIAN, 2004-5, own calculations.

Beside the foreign capital influence we can see also gradual changes in the behaviour of domestic companies. A number of other factors are also at play. Empirical analyses have shown that companies' approach to human resources development differs not only in relation to company ownership (foreign vs. domestic), but also in relation to company size measured by number of employees and in relation to sector and profession. It is clear that a change in these characteristics, i.e. an increase in the number of foreign-owned companies, large companies, business sectors with above-average investment into human resources and professions with high demands on qualifications is accompanied by increased care for employee development.

4. Conclusions

The adult population in the CR shows a low rate of participation in lifelong learning as compared to their European counterparts. The behaviour of individuals to the continuing education is hampered by the negative perception of continuing education and by over-estimation of individuals' qualification level and by the missing benchmarks. Institutional and policy framework for lifelong learning is also underdeveloped. To improve this situation it is necessary to create an environment that would stimulate both the demand for continuing education and the supply of suitable programmes.

At the demand side it is important to enhance the awareness of individuals and employers of continuing education needs and benchmarks through expansion and improvement of information and counselling services. It is also necessary to create the financial incentives for increasing investment to adult education and training.

On the supply side the challenge is the quality of the programmes which is not, with the exception of school education and retraining, subject to systematic evaluation. It is necessary to inter-link the existing activities concerned with accreditation and certification into a coherent system.