

**National Training Fund
Czech National Observatory of Vocational Training and Labour Market**



**OVERVIEW
OF CONTINUING VOCATIONAL EDUCATION
AND TRAINING IN THE CZECH REPUBLIC**

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Contents

- A. Introduction
- B. B. Basic information on CVT in the Czech Republic
 - 1. Introduction: position and role of CVT
 - 2. Barriers to CVT development
 - 3. Initiatives of international donors in the area of CVT
- A. Ongoing developments in major areas of CVT
 - 1. National CVT framework
 - 2. CVT as part of an active labour market policy
 - 3. CVT in enterprises
 - 4. The individual focus
 - 5. Examples of projects to improve CVT in the Czech Republic
 - 5.1 NRCG project
 - 5.2 CVT project for owners/managers of SMEs
 - 5.3 HRD projects in sectors
- A. Concluding remarks

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A. Introduction

This study deals with Continuing Vocational Training (CVT), which is gradually coming to have an increasingly important role in the context of lifelong training. Together with initial vocational training, CVT is considered as one of key elements of the VET system as a whole. Its contribution to enhancing a country's competitiveness, to increasing the employment rate, and to equal access to training and employment is considered to be crucial.

The objective of this study is to present basic information about the current state and development of CVT in the Czech Republic. Its structure follows the outline supplied by the ETF. The study consists of four main parts. The first part presents information on CVT in the Czech Republic in general and the barriers that limit its further development. The second and fundamental part of this study focuses on the ongoing development of Czech CVT in four key thematic areas: the national framework, its relationship to active employment policy, CVT in enterprises, and the individual focus. The third part of the study presents areas and projects which could start a process of development. The fourth part offers conclusions and recommendations.

This study has been prepared by the Czech National Observatory of Vocational Training and Labour Market hosted by the National Training Fund in cooperation with experts working in the most important areas of CVT. Because no complete statistics that would describe the current status and development of CVT are available in the Czech Republic, the team of authors tried to overcome this major handicap by using various information sources, originating from various fragmentary surveys. This approach has a further benefit in that scattered information has been brought together and utilised more effectively than if left isolated in different documents.

Some basic data concerning the Czech Republic will make it easier to understand the study. The Czech Republic is a Central European country with 10.3 million inhabitants (about 50 percent of whom are employed). It is less than 80 thousand square kilometres in area and has a population density of 131 people per square kilometre. There are 86 administrative districts and 14 regions which will be operative as of January 1st, 2000. The Czech Republic is a member state of the OECD and one of the first-line candidate countries to enter the European Union. Economic reform commenced in the Czech Republic in the beginning of the 1990s and has had a considerable impact on economic structure and society. The necessary liberalisation has begun but the conditions necessary for consistent long-term development have not been created. GDP per capita stood at approximately 9 400 ECU in 1997. Economic growth slowed down in 1997 (with a yearly GDP increase of only 1.0%). Employment structure has changed significantly in the 1990s. 6% of economically active people work in the primary sector, 41% in the secondary sector and 53% in the tertiary sector. Approximately 11% of the workforce has a university education, 80% have secondary education and 9% basic education. VET has a long tradition in the Czech Republic and more than 80% of young people in the respective population cohort attend vocational schools.

B. Basic information on CVT in the Czech Republic

1. Introduction: the position and role of CVT

Continuing vocation training in the Czech Republic has undergone significant changes during the 1990s as a result of the political and economic development of society. On the one hand, a vast development of CVT allowed for the flexible adjustment of the training offer to the needs of the labour market and customers. On the other hand, there is no comprehensive framework for regulation that could define legislative, institutional, financial and other conditions.

Throughout this report, the **term CVT** is used in the sense of the definition given in the Glossary by the European Training Foundation (1). This defines CVT as “*what is provided after someone has met the basic requirements for learning a job or entering an occupation*”. The comment to this definition further specifies that “*the purpose of CVT may be to enable the individual to keep their knowledge and skills up-to-date, or to enhance their competence, or to enable the individual to acquire the competence needed to move into other jobs, or to advance their career.*” As CVT is offered mostly to adults, this definition of CVT is similar to the definition of adult training adopted by UNESCO General Convention which is included in UNESCO Recommendation for the Development of Adult Training, 1976.

There is **no comprehensive law** regarding CVT in the Czech Republic. The Ministry of Education, Youth and Sports prepared a draft adult education law in the early 1990s, but this was not passed as it raised several outstanding problems in the economic area, e.g. obligations of employers and of municipal bodies, changes to the taxation system etc. (2). Surveys of adult training policy, e.g. (3) and (12), have shown the non-existence of a legal norm governing CVT to be a negative phenomenon and a cause of restrained development of adult training, and of the state's disregard and underestimate of CVT. Law No. 455, 1991 on trade entrepreneurship allowed any natural person or legal entity to educate adults. No limiting conditions were set. The only limitation was introduced in 1992 by Law No. 450, which followed on from Law No. 1, 1991 on employment. This limitation governs requalification courses organised within the sector governed by the Ministry of Labour and Social Affairs. The Regulation of the Ministry of Education, Youth and Sports No. 21/1991 as amended by Regulation No. 324, 1992 defined that all training institutions that plan to offer requalification courses must be accredited by the Ministry of Education, Youth and Sports. The laws that specify the responsibilities of individual Ministries do not assign responsibility for adult training or CVT to any Ministry. Under current laws, therefore, responsibilities in the area of CVT are not defined either for any of the Ministries or for social partners of municipal bodies. Nor do current laws include any financial or other incentives supporting the development of CVT.

The Labour Code and other regulations lay down several provisions that are relevant for CVT. These include the obligation of the employee to acquire further training necessary to perform his/her current profession, and the obligation of the employer to cover the costs of CVT if this training corresponds with the employer's needs. There is also provision for the employer to oblige the employee to enhance his/her qualifications through participation in training, and they set out the legal framework for contracts concluded between the employer and employee in case of enhancement of the employee's qualifications where the employee is entitled to longer time off. The provisions requiring the employer to refund the costs of the employee's

CVT (along with the costs of employee's absence), may have had a negative impact on development of CVT, especially in small and medium sized enterprises.

Access to CVT in the Czech Republic can be characterised as a demand/supply free market with both positive and negative aspects. The positive characteristics of the present situation include the flexibility, availability and diversity of training institutions and their services. CVT is offered mostly by private training and consultancy firms, non-profit organisations and partly by secondary vocational schools and universities. These institutions offer training services and products developed internally or adapted from abroad through support programmes or purchase. Competition has forced CVT providers to expand their offer and there is a significant oversupply of CVT compared to the demand. The negative characteristics of the present situation include difficult orientation in the offer of CVT due to its fragmentation and lack of control. There are no efficient information systems at national or regional level, nor are there any mechanisms to assess the quality of the CVT.

Men and women have equal access to CVT, as shown by the results of research conducted in 1996 (13) which found no differences in the level of CVT between men and women. Only the structure of courses attended by men and by women was different. The differences were dependent on the profession or position of the participants, not their sex.

A project of the National Training Fund in 1994–1998 focusing on CVT of managers and entrepreneurs is one example of support for CVT. Fourteen thousand managers and entrepreneurs were assisted in attending more than 100 training programmes thanks to a partial refund of course fees.

CVT in the Czech Republic **is financed** from several sources. The state funds for CVT come through the Ministry of Education, Youth and Sports for those who attend courses in state secondary vocational schools or universities (full-time or part-time study). Those who attend courses organised by private schools have to pay for the courses themselves, although the state co-finances the private schools. The state funds the training (courses) offered by Labour Offices through the budget of the Ministry of Labour and Social Affairs. Sources of funding of CVT of employees in enterprises are not precisely defined. The enterprises usually fund CVT of their employees when the training is initiated or approved by the employer. If the employee is interested in CVT and the employer does not approve it, the employee has to fund his CVT himself. The same applies to financing of CVT related to individuals' personal interests.

Cooperation between CVT providers and enterprises is usually on the basis of the provider's offer and enterprises' demand. The offer results from market research carried out by individual training institutions, and training offered by CVT providers is therefore sometimes duplicated. Providers have not yet specialised in specific areas of CVT. Commercial CVT providers use their own marketing, provide the training programmes and evaluate them by their own criteria. Providers cooperate with enterprises on analyses of CVT needs; the programmes prepared on the basis of these analyses try to meet the enterprises' requirements. The enterprises or other clients of CVT providers are not always able to identify and anticipate their training needs. As there are no qualification standards implemented in the Czech Republic, the enterprises frequently use an intuitive approach to identify their training needs, without this necessarily being linked to the firm's development strategy. This decreases the effectiveness of CVT. As there is no quality control for CVT, the enterprises frequently use their own criteria for selection of training providers and organise their own tenders.

Labour Offices cooperate with training institutions within CVT area primarily in the preparation of requalification courses for the job seekers. Law No. 1, 1991 defines requalification as any change of current qualifications that will allow the job applicant to get a job in another profession or to prepare him/her for doing so. Though requalification mostly concerns job seekers, it may also refer to employees who will remain with the same employer but will perform other duties. The length of requalification depends on the demands of the new job and it varies from several days to one year. After requalification the requalified person is awarded a certificate. Labour Offices arrange requalification courses in cooperation with vocational schools or other (private) local or regional training institutions that have been accredited by the Ministry of Education, Youth and Sports. In 1997, when the yearly average unemployment rate was 4.3% and it was showing an upward trend (5.2% in December, 1997), approximately 12 000 people began requalification courses and approximately the same number of people finished them. The graduates were mostly technicians, clerks, school graduates and labourers. The proportion of women completing requalification courses was higher (64,6%) than men. Approx. 70% of participants on these courses subsequently found jobs (4).

Active employment policy focuses particularly on the creation of jobs in enterprises, on self-employed individuals, on the employment of handicapped people and on the creation of jobs to facilitate school leavers to gain professional experience. As the unemployment rate rises and more and more school leavers are unemployed, Labour Offices are beginning to pay more attention to influencing the structure of graduates of vocational schools through School Offices. Labour Offices incorporate information and guidance centres that offer free guidance services to job seekers and other clients in order to help them to select their continuing training. Labour Offices pay more attention to specific target groups which are most endangered by unemployment, i.e. people with low or no qualifications (in 1997 these accounted for 38% of all job seekers), handicapped people (17%) and school leavers (15%).

2. Barriers to CVT development

The economic and social reforms of the first half of the 1990s led to **vocational training reforms**. These reforms, focused especially on initial vocational training, influenced CVT as well. Like the economic reform, reforms of vocational training could be generally characterised as liberalisation. Liberalisation of the training sector led to an increase in the number of vocational schools and other training institutions and to a greater independence of vocational training providers with regard to training programmes. The number of vocational schools offering initial vocational training increased from 1 021 to 1 777 (index: 174) during the 1989/90 - 1996/97 period, although the number of students decreased by 30% because of demographic factors. This increase was due to the establishment of nearly 450 private vocational schools (5) (11). The number of training programmes has increased from 250 to more than 1.500 (6). Liberalisation also affected the field of CVT.

Before 1990, there were training institutions in nearly all sectors and their main aim was to arrange CVT of employees in the relevant sector. In the first half of the 1990s, the majority of these institutions were privatised. Several dozen of them were transformed to private establishments, while many new training institutions were founded. The Ministry of Education, Youth and Sports estimated that there were some 1 500 of these institutions in

1997, but some of them had only been founded and were not active (7). Ministry figures also show that training institutions offered approx. 38 000 training courses in 1995; around 650,000 people attended these courses, i.e. approximately one seventh of all people employed in the country.

The reforms of initial and continuing vocational training led to a significant increase in the number of training programmes. This development had its positive aspects – expansion of VET offer that has been stimulated by increased demand for vocational training due to shifts in the employment structure and to the need for entirely new courses in areas that had previously been ignored (e.g. management, marketing, banking). The negative aspect of this development was the fact that such an increase in the number of training institutions made it more difficult for employees to orient themselves in the CVT on offer. An even more negative aspect was the fact that alongside high quality training programmes, low quality programmes also appeared on the training market. This was due to initiatives by individual schools and training institutions, but it was not regulated or supported at national level. Besides the introduction of necessary liberalisation, the VET reforms created an undesired barrier represented by the **non-existence of general quality requirements for CVT and the non-existence of mechanisms and support for the dissemination of good training programmes.**

The economic reform, including privatisation, influenced the development of **CVT of employees in enterprises.** Changes in general economic conditions, ownership of companies, reorganisation of companies and changes in their production plans forced enterprises to solve fundamental economic issues linked with their immediate survival. CVT of employees was not a priority in this context. Once the situation was to some degree stabilised and partly as a consequence of some companies merging with foreign firms that placed an emphasis on CVT, interest in employees' CVT increased. The major "non-financial" barriers to CVT development in enterprises are as follows:

- **Approach and interests of company owner:** if the owner is interested in short-term gains, regardless of the company's future, the management is not interested in spending on the CVT of employees;
- **Quality of management:** bad managers underestimate the importance of CVT for the future development of the company;
- **Traditional approach of management:** managers are not willing to change the style of their work, to train themselves and other employees; this leads to investment in "technology" not "people";
- **Unclear company strategy:** the non-existence of a developed or even formal strategy of company development leads to unclear roles for individual departments and employees;
- **Insufficient link between company strategy and CVT:** if these areas are insufficiently linked, the effectiveness of CVT is reduced;
- **Lack of time for CVT of the staff in small and medium sized enterprises:** this makes their participation in CVT more difficult.

From the point of view of an **individual**, there are two barriers of CVT development: **external** (caused by the environment the individual lives and works in) and **internal** (which reflect the individual's own subjective view of reality). "External" barriers include for example the **non-availability of information about CVT, high prices of CVT for its participants, the range of CVT courses on offer and the way CVT is organised.** "Internal"

barriers include individuals' underestimation of their age and learning abilities. Some individuals feel they are short of time, some prefer to invest their own money in a different way, some are satisfied with the status quo, and some look for activities that bring immediate effect in the work performance. The barriers can be also distinguished by social groups, where they can be summarised as follows: young people (interested in attractive subjects), the unemployed (no belief in training, expect an immediate effect), entrepreneurs and tradesmen (feel there is little time for CVT, different preferences of investment), elder people (stereotypes, negative attitudes towards CVT), etc. The barriers to CVT development from the individual's point of view also include a traditional concept of training as being only initial training, which should be acquired before entering his/her first job and should suffice for the entire working life.

At the **regional level**, CVT is closely related to the labour market, to the overall development of the region and to support of employment. The situation differs between individual regions of the Czech Republic. In 1997, the average unemployment rate ranged from 0.6% to 11.2%, depending on district (4). Although on one hand the Labour Offices possess enough information about current demand and offer on the labour market, on the other **they lack the information about future expected developments on the labour market**. There are several factors contributing to this. Employers do not provide Labour Offices with enough information about their future workforce needs by professions, because the lack of clear prospects for the company means they are not able to estimate these; they also point out the lack of a strategy for the future development of a sector, region or the economy as a whole. Another cause of the deficiencies lies in the insufficient methodology of labour market forecasts, which complicates the planning of training needs in both initial training and CVT. Consultative bodies (Councils of Vocational Training) have been set up in several districts, comprising representatives of Labour Offices, School Offices, regional authorities, employers and entrepreneurs (chambers). These councils serve as a forum to discuss expected developments of the regional labour market, employment and necessary measures in the area of initial training and CVT. These councils enhance the level of information on the training needs of all the regional authorities involved.

Human resources development in enterprises differs from company to company in the Czech Republic. There are some companies that take effective care of their human resources development, but in other companies a technocratic approach still prevails, with an underestimation of the development of human resources including CVT. Such companies lack the necessary strategic thinking that would lead to the development and implementation of a long-term strategy in which the development and management of human resources would be a crucial part. Such companies are only barely able to define key goals and are hardly willing to undergo major changes.

The role of social partners in CVT is still low in the Czech Republic (8), regardless of whether these are key social partners (employers, trade unions) or chambers of commerce, etc. There is a tripartite body (Council of Economic and Social Agreement) consisting of representatives of the state, employers and trade unions. This council set up a new working group responsible for training issues at the end of 1997, but is itself concerned with other matters than CVT. Companies (especially larger ones) discuss CVT as a part of collective bargaining, but CVT is usually initiated by the management. Major bodies of Czech employers and trade unions have not taken on major responsibilities in the area of CVT, but

their interest in CVT has been increasing over the last two years. Trade unions, for example, have proposed various improvements in the CVT field.

3. Initiatives of international donors in the area of CVT

It is not possible to present a complete list of all initiatives by international donors in the area of CVT as there is no compulsion to inform the central authority, the Centre for Foreign Assistance, about such initiatives. We present only certain examples of such initiatives, based on information supplied by the Centre and acquired from other information sources.

In 1994, the project **Policy and programmes for education of adults** was developed within the PHARE programme Labour Market Restructuring (1993 - 1996, total budget of all components, including CVT, was ECU 5.75 mil.). The aim of this project was to map the situation in the area of adult training in the Czech Republic, to prepare a comparative analysis of adult training systems in selected EU member states and to propose measures to implement an adult training system in the Czech Republic. The major output of the project was a proposal of system change in the area of adult training in the Czech Republic to harmonise it with the situation in EU member states. The majority of measures proposed, however, were not transformed into legislation. One useful result of this project was a database of 482 training institutions and a description of 4246 training courses. This survey resulted in the first general overview of CVT providers in the Czech Republic and, through the information about the training programmes, an overview of the most frequent courses. The results of this survey were published in 1995 (3).

The PHARE programme, **Vocational Education and Training Reform**, was in progress in the Czech Republic in 1994-1998. This project aimed to propose and to verify innovations to the vocational training system and to propose a strategy for its future development. The budget of the project was ECU 4 mil. (for the entire programme, not only CVT). In 1998, a proposed strategy for vocational training development was developed and the proposal, entitled "Further Steps to Transformation", containing a plan of action, has been submitted to the Ministry of Education, Youth and Sports (9).

Four regional centres of **distance learning** were established within the TEMPUS programme focusing on support for distance learning. Three of these centres were at university level and one was an adult training centre. The National Centre for Distance Learning coordinates their activities (10).

The NIMA/CIMA - Marketing Training Programme was part of bilateral cooperation between the Czech Republic and Netherlands in 1992-1993 and of the PHARE programme in 1995-1996. It is an example of long-term bilateral cooperation. This project made it possible to transfer a system of preparation of marketing experts, compatible with corresponding training in EU member states, to the Czech Republic. The project concerned two qualification levels (CIMA A, CIMA B). 3 600 participants attended CIMA A training, 1 385 passed the examination and were awarded the corresponding certificate. 295 participants attended the specialised CIMA B course and 109 of them gained the certificate. 10 Czech training institutions have been accredited to teach the CIMA programme so far. The third level, CIMA C, is being prepared in collaboration with the European Marketing Confederation.

In 1995-1998 a project on **Training of Management Trainers** was carried out, with the British Know How Fund as the donor. Within the scope of this project, 20 leading management trainers were trained according to the British Institute of Personnel and Development programme and received the relevant certificate. A further 100 trainers were trained according to the Czech version of the same programme and Czech training materials for trainers were developed.

Other examples concern bilateral cooperation in short-time projects. There are several hundreds of these. Examples:

- a) Czech Republic - Netherlands: Requalification and training programme in the field of informatics and information technology, 1993, donor: Dutch agency NOVI.
- b) Czech Republic - Germany: Training of staff in the field of trade, 1994, donor: German agency SEQUA.
- c) Czech Republic - Austria: Training of trainers in the field of automation, 1995, donor: Austrian company Festo.
- d) Czech Republic - France: Seminars for members of the Czech Veterinary Chamber, 1997, donor: French CEVEO Association.

C. Ongoing developments in major areas of CVT

1. National CVT framework

The role of the state in Czech CVT is minimal: the state does not influence, regulate, coordinate or support CVT, and there is no law dealing with the question of CVT as a whole. This is evident from several surveys. A survey of policy and programmes in adult training was carried out in 1994 as part of the PHARE programme, "Re-structuring of the labour market". Experts of the French AFPA (Association nationale pour la formation professionnelle des adultes) were also involved in this. The results of this survey, published in (3), gave an overview of the current status of CVT (e.g. a list of CVT providers and their training programmes), but also concluded that the Czech CVT system has some weaknesses, e.g. the absence of state policy in the area of adult training, unrestrained development of CVT, varying quality of CVT, separation of initial and continuing vocational training, and fragmentation of CVT. The survey showed that this situation is influenced to a considerable extent by the social and economic transformation.

In 1995, OECD examiners evaluated the Czech education system. The results of their work are summarised in a report (14) published in 1996. In relation to CVT, the OECD examiners state that: *"In the Czech Republic, prior arrangements for continuing education collapsed with the demise of former state enterprises and the uncertain future of others in the initial transition period. In this dynamic and uncertain environment, new forms of continuing education emerged to meet individual demands for education and training which would enhance career opportunities. ... The Czech Republic currently lacks a comprehensive system of continuing education and training, responsive to the needs of the restructuring in the economy. In the opinion of the examiners, a country engaged in such an ambitious and far-reaching process of economic and social transformation should devote more attention to the retraining and continuing education of adults."*

This year, the results of a survey conducted by the Czech Society for the Education and Training of Adults were published as a follow up to an earlier international survey of adult training conducted by the Catholic University of Leuven (12). In the Czech Republic the survey was carried out using the Delphi method, with more than 100 experts participating. The survey led to the conclusion that, as far as CVT and training of adults as a whole is concerned, the state should first and foremost create a legal framework, define rules for funding and set standards. About 80% of the experts recommended the preparation and passing of a Law on Adult Education and Training. As for the actual performance of these tasks by the state, the experts felt that the state is not fulfilling its role.

An effort to improve this negative situation resulted in proposals for a more precise definition of the role of the state in CVT development. The Ministry of Education, Youth and Sports is currently preparing a new Education Act that should replace the outdated and frequently amended Schools Act. The new law should enable the gradual implementation of the proposals for VET development strategy which have been presented to the Ministry of Education, Youth and Sports in the policy paper "Further transformation steps". Preliminary studies, prepared before this document, stated that a concept of CVT development and support and of adult training as a whole should be elaborated at the national level. This concept should include the updating of all legal norms relating to CVT, the definition of the responsibilities of individual parties involved in CVT and improved coordination of their activities, revision of the certification system, codification of essential rules of CVT financing, implementation of programmes to support CVT, etc. Several basic steps are therefore required:

- a) to define the responsibilities of individual Ministries and social partners in the area of CVT,
- b) to implement economic and non-economic tools to support CVT development,
- c) to prepare rules for the implementation of training standards for CVT,
- d) to systemise CVT certification,
- e) to prepare and implement an information system on CVT.

With respect to **social partners'** participation in CVT development, the results of the above mentioned study (3) showed that the employer associations, professional confederations, chambers and trade unions are not sufficiently involved in adult training because these bodies are relatively new and immature, and they are in the process of establishing their activities and relationships in new environment. Although these institutions favour the area of adult training, it is not one of their key priorities. This situation is now starting to improve.

The National Report on the Involvement of Social Partners in Vocational Training (8), prepared by the Czech National Observatory of VET and Labour Market in 1997, fully describes the involvement of Czech social partners in the allocation of financial means for vocational training, in the development of education and qualification standards, their participation in CVT, the cooperation of vocational schools with enterprises and the identification of training needs and vocational training planning. This report uses concrete examples to describe the increasing interest of Czech social partners in vocational training including CVT. One example: the activities of the Czech Chamber of Commerce aimed at improving the CVT of craftsmen and owners of small enterprises through the so-called Academy of Crafts and Services. The Academy should focus on preparing craftsmen to pass masters' examinations, which would become a prerequisite for starting a business. The Czech Chamber of Commerce has already concluded a framework agreement with Ministry of Education, Youth and Sports and is now preparing the first courses. The trade unions also propose improving the CVT of teachers, especially those who teach technical subjects. These

proposal are aimed at improving teachers' CVT by establishing a system of such CVT including better contacts between teachers and enterprises. Since 1994, several thousand people per year have participated in the training programmes provided by the trade unions.

In June, 1998, the Czech National Observatory organised a seminar on the role of social partners in the development of qualifications and in financing of VET. The seminar showed the increasing interest of social partners in vocational training issues. This fact was reflected in the conclusions of this seminar, where the representatives of employers and trade unions declared that they would cooperate to support the involvement of social partners in VET. This trend is also evident from the effort of social partners to have their representatives on National Council for Education, which is to be established soon.

CVT in the Czech Republic evolved independently of initial vocational training. The concept of **lifelong learning**, however, requires that initial vocational training and CVT (including requalification) are considered as one entirety. This approach is supported by the statement of OECD examiners given in their report (14): *"One lesson to be learned from experience in OECD countries is that there are benefits to be realised from better coherence between the three "sub-systems" of vocational education and training, i. e. those for youth, adults, and the unemployed. In many countries, these sub-systems developed quite independently from each other. At a time of growth in unemployment, decreasing financial means and increasing importance of continuous learning, policy makers in these countries have found that the "sub-systems", operating separately and without coherence, failed to provide sufficient and appropriate response."* Research into vocational training already sees CVT and vocational training as parts of the same entirety. An example: the Secondary Vocational Education Standard, in force for Czech initial vocational training since January 1st, 1998, perceives initial vocational training as providing a general vocational base and postpones the specialisation and innovation of initial vocational training to CVT.

CVT is quite highly regarded in the Czech Republic. Vocational education and training as such is traditionally a significant part of the training system. Compared to other countries, a much higher proportion of the young population attends initial vocational training in the Czech Republic. According to (16), 82% of youngsters entering secondary school attend secondary technical and vocational schools. The high esteem of CVT is also shown by data about the frequency of CVT participation.

At the end of 1997, the Faculty of Social Sciences of Charles University in Prague carried out research among 1900 high school and university graduates aged 20-29. 22% of skilled workers reported that they had participated in CVT after finishing their initial vocational training. The corresponding figure for secondary technical school graduates was 45.5% and for university graduates 45.3%. All the cases of continuing training given could be considered as CVT: they most frequently represented vocational training that was directly linked to the current or courses in computer use and foreign languages. The total duration of this CVT was usually 4 to 6 months. The graduates envisage needing other CVT in the future: this is true for one third of skilled workers, two thirds of secondary technical school graduates and more than three quarters of university graduates (17). These data correspond with results of surveys conducted among university graduates by the Ministry of Education, Youth and Sports together with the Centre for Study of University Education. The results show that university graduates envisage a need for CVT during the course of their working life (18).

The results of the survey (13) show that the frequency of participation in CVT is high in the Czech Republic, although it is influenced by the overall process of change of the economic and social structure. In 1996, for example, 30% of employed persons said that they had participated in CVT organised by their employer and related to their profession. 15% organised and financed their CVT themselves. 15% of employed persons participated in non-specified "other courses". The survey also proved that the frequency of CVT increases with the level of a person's educational attainment. In the last 5 years 21% of employees with basic education, 46% of those with secondary education and 66% of those with university education, attended some form of CVT. These numbers are higher than similar data from France (13/31/46%) or Germany (11/23/41%) supplied by DEELSA/CERI. The frequency of CVT decreases with the increasing age of employees. It also depends on the profession or position: managers and clerks participate in CVT most often, while it is less frequent for entrepreneurs and workers. No differences between regions were discovered in the Czech Republic. 38% of respondents believe that CVT will improve their chances on the labour market. Employees who are well educated have less fear of losing their job.

No institution is responsible for the **quality of CVT** and its products in the Czech Republic. Voluntary professional associations are trying to initiate some measures. These associations (e.g. Union of Accountants, Czech Institute for Marketing - CIMA, Czech Marketing Society etc.) set qualification requirements for their respective professions or disciplines and cooperate in the definition of the contents and form of vocational training and requirements for lifelong professional advancement. Some professional associations cooperate with government authorities in setting qualification requirements for selected professions in the respective sector; the activities of several bodies (Chamber of Auditors, Chamber of Tax Consultants etc.) are defined by law. Some ministries are authorised to set qualification requirements, forms of CVT and verification of professional capabilities for selected professions and working activities, mostly in the public sector. These branch training systems are mostly guaranteed by the appropriate branch institutions.

Qualification requirements for selected professions where no initial vocational training within education system is available, and the qualification requirements and form of CVT are defined by normative regulations (e.g. welder, pressure tank operator, crane operator, etc.). These courses are usually organised by the training departments of companies.

Training institutions have expanded their offer of CVT and defined the concepts of training programmes for the private sector based on their own training needs analyses and on the needs of their clients. No qualification standards are applied to this process. Training institutions in general do not define the profile of their graduates in their offer of CVT, neither do they base their programmes on such a profile. Generally speaking, no training standards are used in the preparation of projects and didactic support for programmes.

There is no systematic care for lifelong professional advancement of **CVT trainers** at national level. It is considered a matter of the relationship between the trainers and the institution the trainer works for.

Certification is another issue related to the quality of CVT and its standardisation. Certification is in its early stages in Czech CVT. There are generally accepted certificates for a defined level of training (e.g. secondary education) and some CVT programmes lead to such certificates. These programmes, however, account for only a small proportion of all CVT

training programmes. There are also certificates acquired when a person passes a specified examination required for performing certain work activities (e.g. electrotechnics), but these are restricted to a small range of work activities. There are also certificates acquired on completing some imported training programmes. These are usually acknowledged internationally, but again account for only a slight proportion of all CVT training programmes. There is no overall certification system that would standardise certification of the most frequently attended short-term courses organised by various providers.

There are no effective **financial incentives** for the development of CVT in the Czech Republic. Financial incentives for CVT are only available when employees or adults attend part-time courses at a secondary school or university. The majority of these cases, however, must be considered initial vocational training, not CVT. When the employee attends part-time courses at a secondary school or university, the employer is obliged (if he approves his/her employee's study) to provide paid leave for the study and for preparation for examinations in the period set by the school. The frequency of this type of training is decreasing, while the frequency of short-term CVT courses is increasing. No financial incentives have yet been introduced to motivate employers to spend more on CVT for their employees. The costs of an employee's part-time study are not tax deductible.

The Ministry of Labour and Social Affairs has prepared a set of measures to support active employment policy. These proposals, published in July, 1998, include:

- a) establishment of compulsory requalification as a measure to help the long-term unemployed,
- c) development of requalification centres,
- d) support for international training programmes.

These proposals show an increasing interest in CVT on the part of the Ministry of Labour and Social Affairs.

2. CVT as a part of active labour market policy

Employment policy reflects the overall economic and social development of the 1990s in the Czech Republic. It has been characterised by major shifts in the employment structure caused by economic reform. During the last six years, the percentage of people working in the primary sector has decreased by more than one half, the percentage employed in the secondary sector has decreased slightly and the percentage working in the tertiary sector has increased by more than one third. These trends are similar to those in the EU or OECD countries, but are much faster. The rate is three times faster than in Austria or Norway, and approximately 50% faster than in Portugal (19). It is estimated that almost every second economically active person has changed his/her job within the last several years.

The shifts in the economic activity of the population between the main economic sectors has been accompanied by major changes in the content of work. The tertiary sector (e.g. banking) required a fundamental change of work content and this has led to requirements for new CVT in these branches. This demand stimulated CVT in these branches and an expansion of training offered by new training institutions. Initial vocational training was influenced in the same way. Enrolment in economic and business courses provided by secondary technical schools has increased by almost 250% during the last 7 years. Enrolment in engineering courses decreased by 50% during the same period (20). The shifts in employment structure

have been and continue to be considerable, especially in regions affected by cutbacks in some branches (e.g. coal mining, metallurgy), where the numbers of employees in companies has fallen rapidly.

The labour market was formed in the Czech Republic in connection with the economic reform and the change in the structure of the economy at the beginning of the 1990s, not having existed previously. Labour Offices were established in all districts. In spite of major shifts in employment structure, the unemployment rate was relatively low throughout the 1990s, e.g. 3 - 4%, except for recent months. It has now increased and (as of July 31st, 1998) stands at 6,1% with regional differences.

Guidance is a part of active employment policy. It is offered to young people who are deciding about their further, to unemployed job seekers and also to those people in work who wish to change their job or to enhance their qualifications. School counsellors offer guidance services to students at schools. These counsellors are mostly teachers trained in counselling who offer these services along with teaching. The majority of guidance services are offered by information and counselling centres at Labour Offices in districts. These centres cooperate with schools within the respective region and offer guidance to students. The goal of counselling activities is to help students to choose a suitable training path or profession, not only with respect to students' individual abilities, but also to the conditions on the labour market. This is intended to prevent rising unemployment.

In recent years, school leavers have become one of the groups most threatened by unemployment. In 1990, school leavers accounted for 6.4% of the unemployed, in the first half of 1990s it stayed at the level of 11-12% and it has been increasing since 1995. During the 1996-1997 period, the number of unemployed apprentices increased by 25% and the number of unemployed graduates from secondary technical schools by more than 66%. The current trend of the absorption coefficients (the capability of the labour market to absorb school leavers) warrants concern. According to a report of the Ministry of Education, Youth and Sports (22), these coefficients have decreased from the previous year, by one fifth (for workers) and by one third (for technicians). Unemployment rate of school graduates differs by region. In 1997, it varied from 0.4% to 23.5% depending on the district.

The Ministry of Labour and Social Affairs reacted to this development by implementing several **programmes to encourage the employment of young people**, including one focusing on unemployed school leavers. Within the framework of this programme, Labour Offices create so-called internship positions. School leavers work in companies for up to one year and Labour Offices fully or partially refund their wage costs to the companies. The graduates acquire professional experience and also participate in CVT. Some of the volunteers go on to sign a standard contract with the employer.

The so-called Most project (Most being both the name of a Czech city and the Czech word for "bridge") represents another example of CVT as part of active employment policy. It was developed by the Labour Office in Most (the district with the highest unemployment rate). This programme focuses on young people aged 15 - 18 who have dropped out of basic or secondary school and are registered at the Labour Office. The participants on this programme spend several days at various workplaces in several enterprises of different branches, so as to acquire a better idea of their interest in the respective professions and branches. After they have selected one branch, they attend a theoretical and practical training programme designed

in cooperation with vocational schools for several months. After passing the course, they receive a certificate. 169 young people participated in first phase of this programme, of whom 103 have found a job, 14 decided to take further training and 26 stayed registered with the Labour Office. This project is funded by the Ministry of Labour and Social Affairs (24).

Requalification is one of the most frequent forms of CVT within employment policy. This training is carried out within the sector of labour and social affairs, similarly to the above mentioned programmes. Change of qualification refers to the process where the participant acquires new knowledge and skills that allow him/her to get or prepare himself/herself for a new job in another profession. Requalification is mostly arranged by Labour Offices, but an employer may also provide it on the basis of an agreement between the employer and the employee. Such training is usually provided by vocational schools and the cost is covered by Labour Offices or employers. Requalification is classified as specific and non-specific. Specific requalification usually focuses on acquiring the necessary qualifications for a specific, usually already promised job. Non-specific targets general qualifications to improve one's position on the labour market, e.g. computer skills.

PALMIF (Pro-Active Labour Market Intervention Fund), funded by PHARE programme, supports active employment policy in the Czech Republic. This fund focuses on support for job-creation and for the employment of various target groups, e.g. the handicapped, women, young people or the long-term unemployed. Projects financed by this fund also include CVT components, providing a qualification or requalification. Vocational schools are involved in these projects. The number of people participating in CVT within PALMIF projects is approximately 3 400.

3. CVT in enterprises

CVT in Czech enterprises is best described by the results of two studies of human resource management, conducted in 1993 and 1996 (the third study is currently in progress) within the Cranfield Project on European Human Resource Management. The aim of this study is to map human resource management especially in EU member states and in countries that are expected to become EU members, and to draft a European model of human resource management that will serve for the training of human resource managers and other company managers. This project is coordinated by the Centre for European Human Resource Management at Cranfield University, Great Britain. The following section of the given study is based on the results of the Cranfield project to date and on the results of a survey of 193 Czech companies in 1993 and 407 Czech companies in 1996. Overall results were published in (23).

As far as the **position of CVT in human resource management of enterprises** is concerned, almost one third of Czech enterprises in 1993 considered training to be one of main priorities of human resource activities (together with recruitment of new employees). Other HRD tasks had a much lower priority. Czech enterprises therefore ranked with those in the majority of countries participating as far as the emphasis on CVT is concerned. A 1996 survey showed that the priority of CVT had decreased. Only 12% of Czech companies ranked CVT among the main priorities of human resource management, while recruitment was the top priority of 40% of enterprises. There may be various reasons for the decline in the importance of CVT in Czech enterprises. The major causes seem to include the effort to reduce investment in general

and an underestimation of the importance of investment in people (this is especially true of owners of privatised companies and new entrepreneurs in general). The shift of priorities in human resource management of Czech enterprises that is clear from the results of the 1996 survey raises the question of whether the increasing importance of recruitment (and the corresponding decline in the importance of CVT) reflects the increasing difficulty of recruitment and the shift away from CVT in the company. Enterprises that systematically care for CVT encounter fewer difficulties in recruitment. Company CVT attracts new job applicants and allows the enterprise to shape the qualifications of the new employee to its needs so that it is not necessary to look for an applicant who has the exact qualification for a particular position. Company CVT makes recruiting easier and helps to stabilise its labour force.

Only 57% of Czech companies had a written **CVT policy** in 1996. This figure is slightly higher than in other post-communist countries, but much lower than in advanced European countries, where this figure fluctuates between two thirds and four fifths. Approximately 15% of Czech companies had no CVT concept at all.

Both studies analysed the **costs of CVT** as a percentage of the yearly payroll. A comparison of the results of the two surveys shows that relative level of CVT costs was lower in 1996 than in 1993. The percentage of enterprises that spent less than 2% of the annual payroll on CVT has increased (from 69% to 77%), while the proportion spending more than 2% has decreased (from 31% to 23%). The 1996 survey showed that Czech enterprises' expenditure on CVT is the lowest among all the countries monitored, including other post-communist countries. Enterprises in the most advanced countries spent the largest proportion of their payroll on CVT (France, Sweden, Great Britain, Ireland, Netherlands, Switzerland and Germany). This is confirmed by the Eurostat survey (25).

The level of participation of employees in CVT in enterprises was measured as the percentage of company employees who had participated in any form of CVT during one year before the date the study was concluded. The 1996 results show that a significantly higher proportion of employees of Czech enterprises participated in CVT, compared to other post-communist countries. The figures are higher than in some West European countries (e.g. Germany, Netherlands, Switzerland, Belgium, and Denmark). The Czech enterprises, however, lagged far behind Swedish, French or Irish companies, where more than 50% of employees had participated in some form of CVT during one year before the date of the study. For Czech enterprises, this figure was only 23%.

The time spent on CVT was measured as the average number of days spent on CVT per year by an employee of the relevant category. In 1993, Czech enterprises ranked amongst those that spent the biggest amount of time on CVT. This was especially true for managers and technicians, although the figures for clerical and manual workers were not so good. The 1996 study showed that this positive orientation of Czech enterprises towards CVT had weakened and CVT development had started to lag behind other European countries. The number of days spent on CVT decreased during the 1993-1996 period from 8.60 to 7.54 (managers), from 7.18 to 6.41 (technicians), from 4.70 to 3.74 (clerks) and from 3.14 to 2.26 (manual workers).

While in 1993, 49% of Czech enterprises **systematically analysed CVT needs**, this figure rose to 56% in 1996. This figure was however the lowest of all monitored countries except for

Bulgaria and Hungary. This figure is around 75% in all advanced European countries; it is almost 90% of all enterprises in France or Sweden. Analysis of CVT needs in Czech enterprises (as in other post-communist countries) is mostly based on requirements of line managers. This method was used exclusively or in most cases by 90% of enterprises. Analysis of the education structure of employees was used exclusively or in most cases by 78% of enterprises. Assessment of employees' work performance was used less (in 58% of enterprises in 1993 and in 67% percent of enterprises in 1996); the same is true for analyses of enterprises (in 62% of enterprises in 1993 and in 55% percent of enterprises in 1996) and for employees' requirements. Assessment of employees in relation to analysis of CVT needs is much more important in advanced countries. It was used exclusively or in most cases by 80% of enterprises in the Netherlands, Switzerland, Sweden and Great Britain. Employees' needs are taken into account more and more (70% of enterprises in Switzerland, Denmark, France, Finland and in the Netherlands).

58% of Czech enterprises analysed the **effectiveness of CVT** in 1993, but this figure had fallen to 56% by 1996. In both studies this figure was higher than in some advanced European countries, e.g. Germany, Denmark and Norway. The 1996 study showed that Czech enterprises analyse the effectiveness of CVT more frequently than enterprises in other post-communist countries. Analyses of the effectiveness of CVT in Czech enterprises is most frequently based on assessment immediately following the completion of training (this is always or mostly true for 79% of enterprises) and on the response of the participants and their line managers (always or mostly true for 68% or for 62% of enterprises respectively). 44% of enterprises used tests exclusively or in most cases. 14% of enterprises used formal assessment after the lapse of some time after completing the training. This approach can be characterised by greater stress on tests and the low role of informal response of the participants. Formal assessment some time after finishing the training was used less than in all the other countries involved in the study.

Internal CVT is considered as more important than external **provision of CVT** in developed European countries. Developed European countries also put more emphasis on training at the workplace than on formal training courses. Line managers perform the functions of trainers. Czech enterprises (together with enterprises in other post-communist countries) prefer external courses organised outside the workplace or courses provided by external trainers. Between 1993 and 1996, the Czech Republic showed the greatest increase in internal training and the second greatest increase (after Poland) in training at the workplace, but this increase was slower than that in developed European countries. Utilisation of external training, courses and seminars increased even more. The former figure ranked the Czech Republic fourth amongst all countries involved, and the latter figure places the Czech Republic in the absolute first position. Tradition and bias towards formal methods of training therefore influence forms of CVT in Czech enterprises. Some CVT methods, like coaching and mentoring, are used less than in the other countries monitored. 62% (1993) or 68% (1996) of enterprises never used them. The increase in their utilisation is the slowest of all countries monitored. Czech enterprises also lag significantly in utilisation of computer-aided CVT. This is true even in comparison with other post-communist countries.

As far as **CVT in enterprises** is concerned, personal skills, e.g. management and leadership of people, is considered the most important in all developed countries but is ranked only fourth or fifth in order of importance in post-communist countries. The Czech Republic is an exception in this; this area of CVT is ranked first, along with marketing and sales training.

The 1996 study shows that in advanced countries quality management training, customer support, computer skills and implementation of new technologies follow personal skills. Work safety, health protection and company administration are considered the least important. The Czech ranking of subjects of CVT is as follows: personal skills, marketing and sales, quality management, computer skills and implementation of new technologies, creation of strategies, customer services, change management, safety of work and health protection, and company administration.

Below is an example to illustrate the situation in CVT in Czech enterprises. The company mentioned below is above average as far as training is concerned.

ŽDB a. s. Bohumín is an important Czech machinery and metallurgy company. It produces railway wheel sets, heating technology, wires and derived products, rolled profiles and steel. Most of its products are exported. The company employed 6 251 employees in the middle of this year. The number of employees has decreased slightly in recent years. The average age of employees is 40. Some 20% of employees have basic education, some 50% have vocational training, 22% have completed secondary education and 8% have university education. The proportion of employees with higher levels of education is increasing.

The share of employees who participated in CVT in 1996 and 1997 was 21-40%; and 41-60% in 1998. In 1997, employees spent 9 018 days in training courses. Training of managers accounted for a third of the total volume of training, 40% was devoted to training of technicians and clerks, and approximately 27% to training of workers. External trainers trained the managers, technicians and clerks, while internal trainers trained the workers. The company uses its own premises for training.

Courses prepared in cooperation with external training institutions (ranked by frequency): human resource management, modern management methods, marketing and sales, foreign languages, computer technology, financial management, taxes and accounting, quality management, logistics, implementation of new technologies, labour-law relations.

The company spent CZK 17.3 million on CVT for its employees. This figure rose to CZK 18.5 million in 1997. The plan for 1998 is CZK 21.5 million – this exceeds 2% of total payroll. (*Note: approx. 35 CZK = 1 ECU*)

The company gets information on offered courses from direct offers by training firms, from specialised magazines and from personal contacts. The company is generally satisfied with the training firms, having only minor reservations. When choosing training firms, the company stresses the ability to “tailor” the training programme to the needs of the company. The training firm must be reliable and its courses must be effective. The price of the courses, the presentation of the offer on time and well presented, and membership of the training firm in one of associations are minor factors that are also considered.

The company has developed a strategy of qualification development of its staff. This strategy represents part of general company strategy, monitored by top management. This strategy has however, only been partially fulfilled. Employees are motivated to improve their qualifications primarily by wage rises and opportunities for promotion. Fear of losing their job is another factor (unemployment rate is around 11% in the region).

4. The individual focus

The Czech population is quite willing to invest in CVT, but this is changing more slowly than the economy and labour market. Sociological surveys (25) show that **people's attitude towards training** changed only slightly during the 1991-1996 period. 65.5% of adults were willing to invest in training to improve their own career in 1991 and this percentage remained virtually unchanged – 66.0% in 1996. The willingness to improve foreign language skills to improve promotion chances rose from 50.6% (1991) to 51.3% (1996). People's attitude towards training had therefore not changed greatly, although new requirements for skills and knowledge due to the rapid advancement of information technology, much more intensive relations to foreign partners, new trends in management etc., emerged in the period monitored.

The **importance of training for career advancement** and personal income has been increasing in the Czech Republic in the 1990s. While until 1990 formal evidence of educational attainment and political outlook were dominant, the importance of real knowledge and skills is now increasingly important. In 1988 one year of school attendance increased a man's salary by 4% and a woman's salary by 5.7%. In 1996 this had risen to 5.3% for men and 6.7% for women. The importance of length of employment decreased for both men and women. In 1988 the length of employment was more important for salary than education, but in 1996 the situation was the reverse (26).

The Czech population is still conservative and more likely to concentrate on short-term problems than on long-term, strategic issues which will provide some benefit after several years. Although the majority of the Czech work force has much more freedom to decide about their job and life, they still stick to old habits. Training is a long-term investment and its importance is therefore underestimated. This is reflected in the demand for general training courses. Courses that bring immediate results are the most in demand. Examples: explanation of new laws or other regulations, courses to obtain certificates required to perform specific work duties, current information about new software etc. There is less interest in courses to enhance communication skills that may be helpful in many professions, as well as enriching one's personality. A general approach to a career linked to one specialisation is still prevalent, although narrow specialisation is a disadvantage in any future change of job. 70% of participants on management courses expressed the opinion that a manager benefits more from a specialised career (linked to a particular discipline) than a non-specific one (involving experience in many disciplines), and that a manager must be primarily a professional in his/her area.

Those interested in CVT can currently choose from the offers of many training institutions, both state and private. There is a free market in the area of CVT and competition has led to rich and diversified offer of training courses. This offer, however, has to be available and acceptable to the individual if they are to use it effectively.

As far as **acquaintance with the CVT offer** is concerned, training courses are mostly advertised in newspapers and magazines. Those interested in CVT get basic information on concrete training courses, their subject, location, duration and price. Another mode of presentation of CVT is the Internet, where more detailed information about the CVT offer can be published. Though the number of users of the Internet is growing, it is still limited. It is

limited mostly to companies, and there are relatively few households that have access to the Internet. There is no network of public Internet access points.

Information and guidance centres that are part of district Labour Offices in districts represent another source of information on CVT. These centres gather information on CVT from regional training institutions and present this in several ways: as lists of schools' training programmes, catalogues and leaflets of training firms, video recordings etc. The effect of this information is limited, although those interested in CVT can find considerable information on regional CVT in this way. This is because these centres are visited mostly by job seekers, not by employed people. Individuals would benefit from enhancement of information services on CVT offer through the implementation of a system that would be updated regularly and accessible via a network of information points. The creation of such a system, supported by European Commission, began in the Czech Republic in 1998. The National Training Fund and its National Coordination Unit of the Leonardo da Vinci programme founded the National Information and Guidance Centre. The main aims of this centre include improving information services in the field of training possibilities (including CVT) and employment possibilities by linking the activities of existing information and guidance institutions within the sector of education, labour and industry.

The availability of CVT for the individual is influenced by its **price**. The majority of freely advertised training courses are fee-paying. When up-to-date training techniques, quality textbooks, an individual approach to participants and costly teaching aids are used, the prices of courses rise. The price is at times so high that not every person interested can afford it. Lower quality courses are usually cheaper. Training firms therefore look for other financial resources, e. g. from various national and international training projects and programmes. Example: support of availability of quality programmes for managers co-financed by PHARE offered by the National Training Fund to participants in selected training institutions and courses (see Section B.1).

Organisation of training courses (**location and time**) influences the availability of CVT to individuals. More participants will attend courses held at a location that is close to them and at a time suitable for them. Distance courses are especially suitable. These courses are developed, but they require the training institutions to prepare textbooks, interactive computer programmes etc. Distance courses sometimes use textbooks prepared abroad. Experience to date shows that such textbooks are of good quality but must be adapted to Czech conditions.

The quality of training courses is an important factor for those interested in CVT. Employees of training institutions have different levels of experience, as these institutions emerged from privatisation and reorganisation of former state or branch training institutions and many of them are quite new. This results in a varying quality of the courses on offer. Those interested in CVT, whether individuals or companies, have no information about the actual quality of courses but usually learn about this during the course itself.

Incentives for individuals to participate in CVT are not developed in the Czech Republic. Existing incentives supporting participation in CVT are mostly indirect (e.g. a potential increase in salary, which is not guaranteed). Programmes to support participation of individuals in CVT are infrequent. Only a small number of people are involved.

5. Projects to improve CVT in the Czech Republic

5.1 NRCG Project

Lack of information for those interested in CVT is one of the factors restraining CVT in the Czech Republic. The National Training Fund organised a seminar in 1997 which was aimed at identifying the level of awareness of those interested in initial vocational training and CVT, e.g. the availability of information about vocational training, about training providers, their training programmes, conditions of availability of training etc. Among other findings, the seminar revealed that those interested in initial vocational training are well informed, but there is insufficient **awareness of the CVT offer**.

Under the initiative of the European Commission, supported by the Ministry of Education, and the Leonardo da Vinci programme, the National Training Fund established the National Resource Centre for Guidance (NRCG). The NRCG has two basic functions, similar to centres operating in other EU and partner countries: (i) to contribute to improving information and guidance services in the field of vocational training and employment by supporting cooperation between existing information and guidance institutions and (ii) to mediate, support and link information on the possibilities of vocational training and employment in the Czech Republic and abroad. An important component of activities of NRCG is linking and developing information and guidance services in the area of CVT.

In the second half of 1998, the NRCG started its operations with the preparation of a **systematic overview** of all existing information and guidance services in the field of initial and continuing vocational training and employment. As well as covering activities in the CR, the publication also includes an overview of various projects supported by grant schemes from abroad. In the section on CVT the publication provides a structured overview and of those sources that contain information on training institutions and offer of courses. It also outlines existing analytical documents, current projects and several training programmes, available to the public.

5.2 CVT project for owners/managers of small and medium sized enterprises

Small and medium sized enterprises play a key role in the economic growth of the whole European Union and create majority of jobs. Their role in the Czech Republic is increasing and attention is paid to supporting their foundation and development. Their importance for encouraging employment and the development of different regions is generally accepted. CVT focused on the **target group of owners/managers of small and medium sized enterprises** is a key factor in the development of such enterprises.

In some countries of the EU there are training and support programmes based on the transfer of management knowledge and experience of managers of big enterprises to owners/managers of small and medium sized enterprises. The National Training Fund is working on a project aimed at preparing a proposed programme to enable the **transfer of management knowledge and experience** to owners/managers of small and medium sized enterprises. This project should be completed in April 1999. Support for the implementation of its results in small and medium sized enterprises would contribute to an improvement of CVT in the mentioned

target group and thus support the development of small and medium sized enterprises as a whole.

5.3 Human resource development projects in sectors

The improvement of the quality of training and guidance services on the Czech market requires support for the development of projects providing counselling and training know-how originating from the best Czech and foreign knowledge and experience and verified directly in Czech companies belonging to individual economic sectors. The know-how created in this way, adapted to current situation and needs of companies of individual sectors, would significantly improve the offer of CVT.

The creation of complex and systematic know-how verified in pilot companies represents a long-term and costly task that is beyond the usual resources of training and counselling institutions. The National Training Fund is already implementing some such projects, e.g. in the construction, health care and industry sectors. These projects focus on **human resources development including CVT**. It is also necessary to prepare and implement similar projects in other **sectors of the economy** and it would therefore be desirable to support the creation of other human resources development projects focusing on these sectors. This support should also focus on the dissemination of the results of these projects, to training and counselling institutions and to companies and organisations in the individual sectors.

D. Concluding remarks

Several **conclusions** can be derived from the previous chapters of this study. CVT is an area of vocational training that is developing fast in the Czech Republic. CVT significantly improves economic growth and the competitiveness of companies, and supports employment. The majority of its participants are already employed. There are several positive features to CVT development (e.g. rapid expansion of the CVT offer, an increase in the number of those participating in CVT) but there are several obstacles hindering its development. These include uncontrolled development caused by the lack of a legal framework and insufficient support of CVT development by the state. The effectiveness of CVT at the regional level is decreased by insufficient identification of training needs and the inadequate structure of CVT. CVT in enterprises is only weakly linked to company development strategy. CVT of employees of small and medium sized enterprises is not sufficiently advanced. There is a lack of information on the CVT offer. These limitations inhibit the faster development of CVT and improvements to its structure and quality.

This study has shown that there are problems to be solved in the Czech CVT. These problems have to be solved by the Czech institutions, but improvement of Czech CVT would benefit from **support from the European Training Foundation (ETF)**. It is recommended to support several concrete projects that would enable CVT improvement in the Czech Republic:

- A project focused on improvement of CVT structure according to specific training needs in one important region through a survey of the training needs of employers and an analysis of the offer and demand on the regional labour market;

- A project focused on improving information availability on CVT through support for the creation of a database of training institutions and their training programmes in the field of CVT;
- A project focused on improvement of CVT of owners/managers of small and medium sized enterprises through programme that would enable the transfer of management know-how from big enterprises to owners/managers of small and medium sized enterprises;
- A project focused on support of human resource development in companies in selected sectors through the development and implementation of training and counselling programmes;
- A project focused on improving financial incentives for CVT development through an analysis of the impact of several options of financial incentives for CVT development, especially CVT of employees in companies.

The areas of most of the projects mentioned are already being developed in the Czech Republic, so the essential prerequisites for their success already exist. All of the projects, if they were supported by the European Training Foundation, would positively influence CVT development in the Czech Republic. In spite of different local conditions in different countries, some CVT issues are similar in all countries and so it would be advisable to prepare some of the projects at an international level. International projects would make it possible to compare and utilise experience gathered in other participating countries. The projects would benefit from the possibility of including foreign experts and institutions from EU member states, especially countries where CVT is advanced.

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