Chapter 3
Early school leavers and drop outs from secondary education

Key Findings

Early school leavers

The problem of early school leavers is gradually becoming an important issue in the candidate countries of Central and Eastern Europe. It would appear that economic reform has also had an impact on young people's attitude to schooling. The financial difficulties of the families and their subsequent incapacity to support their children's schooling are mentioned as a cause of the high rate of early school leaving in Lithuania and Romania. Early school leaving can have important implications for the future of society and the economies of the countries in question as it can lead to the marginalisation of the parts of the population affected.

An analysis of participation rates of 15 year olds in education shows that every year 5% (equal to the EU average) of young people give up education at this age in the majority of the candidate countries, while in Bulgaria and Romania the figures reach 15% and 24% respectively. Some countries (e.g. the Baltic States and Hungary) have succeeded in reducing this percentage, while others (e.g. Bulgaria) are facing an increase.

The percentage of non-participation in education increases at the age of 16 (when secondary level vocational/technical or general education programmes begin) (an average of 14% in the candidate countries). At the same time, it is worth noting that the majority of the countries (except Bulgaria, Romania and Hungary) have lower non-participation rates than the EU average (12%).

Drop-outs

Annual drop-out rates from vocational education and training show that a large percentage (between 2.4% and 14%) of young people enrolled in vocational programmes discontinue their studies. This percentage is higher than that within general education, implying the low effectiveness of vocational training programmes in retaining young people. Nevertheless, vocational programmes leading to a double qualification present lower drop-out rates than vocational programmes leading to a vocational qualification only.

Gender differences

Young girls are more likely to remain in compulsory schooling and show lower drop-out rates from secondary vocational/technical and general education programmes.

Remarks on data availability and validity

In order to have a full picture of the problem of early school leaving, information on the number of young people who leave the system before obtaining a qualification is required. This includes:

- young people who do not complete compulsory education (either because they never went to school or because they left school before the end of compulsory education);
- young people who complete compulsory education but do not obtain a qualification; and
- young people who continue their studies after compulsory schooling in a vocational, technical or general education programme but leave it (drop out of it) before it ends.

The systematic and comprehensive collection of this information is highly complex. Nevertheless, many countries have undertaken one-off studies and/or have set up monitoring systems to measure the problem of young drop-outs. Unfortunately until now no data has been collected on drop-outs at international level which can ensure a satisfactory level of cross country comparability. Accordingly the analysis made in this chapter is based on information from:

- participation rates in education and training;
- annual drop-out rates from education and training programmes at ISCED level 3; and
- information from the 1998 National Observatory reports.

This should only be regarded as a first tentative approach to the issue and the results should be interpreted with caution.

3.1 Early school leavers

Graph 3.1

An approximation of the percentage of young people who leave the education and training system before accomplishing basic education (early school leavers), or who accomplish basic education but do not continue their studies to the upper secondary level, can be made on the basis of participation rates. Of course this kind of analysis has its limits if we consider that it does not take into account children of the Roma population or other marginalised groups which do not have a stable home and/or are not registered. Studies show that in fact the children of these groups are the ones most likely to stay away from education and training. Moreover this approach underestimates the early school-leaving phenomenon as some of the children, although enrolled in school, do not actually attend.

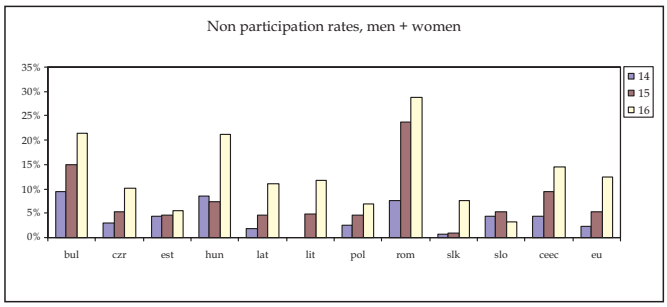
An analysis of the participation rates in education and training of 14 year olds, i.e. the age at which basic education ends in the majority of countries (except the Baltic States and the Czech Republic where it ends at 15), shows that the percentage of young people who stay away from school ranges from 2% to 10% (against an EU average of 2%). Only Lithuania has achieved full participation in education and training and the Slovak Republic is quite close to it. The countries with the highest rates at this age are Bulgaria, Romania and Hungary. Some countries (Bulgaria and Slovenia) noted an increase in the percentage of young people who did not participate in education and training in the period 1995-1997, while other countries (Hungary and Romania) have seen rapid improvements (see table 3.1).

Abstention rates for 15 year olds, (the age at which young people are in basic education or are starting a vocational/technical or general education programme at the upper secondary level), are higher than those of 14 year olds in all countries. In some countries the difference is more dramatic (e.g. in Bulgaria - 15% and Romania – 24%) while the majority have a rate of 5% which is also equal to the EU average.

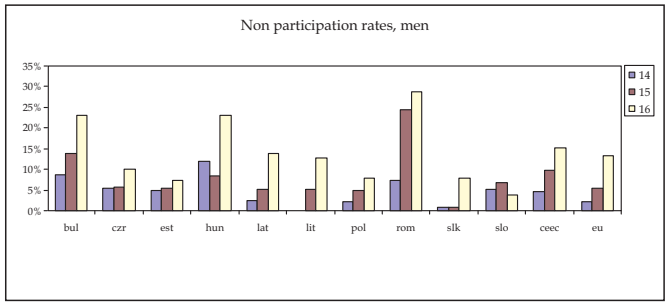
At the age of 16, young people have just started or are starting a vocational/technical or general education programme at the upper secondary level. The participation rates at this age are even lower and consequently the abstention rates are higher in all countries. They range from 29% in Romania to 3% in Slovenia against an EU average of 12%. The majority of the countries achieve a lower abstention rate than the EU average.

Young girls present lower abstention rates than young boys for 14, 15 and 16 year olds. (See Table 3.1)

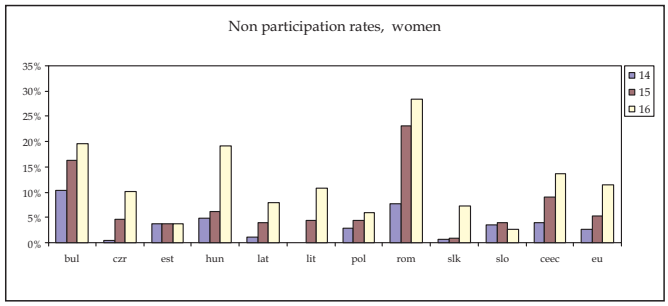
Graph 3.1 Non-participation rates in education and training of 14, 15 and 16 year olds (1997/98)



total	bul	czr	est	hun	lat	lit	pol	rom	slk	slo	ceec	eu
14	10%	3%	4%	8%	2%	0%	3%	8%	1%	4%	4%	2%
15	15%	5%	5%	7%	5%	5%	5%	24%	1%	5%	9%	5%
16	21%	10%	6%	21%	11%	12%	7%	29%	8%	3%	14%	12%



men	bul	czr	est	hun	lat	lit	pol	rom	slk	slo	ceec	eu
14	9%	5%	5%	12%	3%	0%	2%	7%	1%	5%	5%	2%
15	14%	6%	5%	8%	5%	5%	5%	24%	1%	7%	10%	6%
16	23%	10%	7%	23%	14%	13%	8%	29%	8%	4%	15%	13%



women	bul	czr	est	hun	lat	lit	pol	rom	slk	slo	ceec	eu
14	10%	0%	4%	5%	1%	0%	3%	8%	1%	4%	4%	3%
15	16%	5%	4%	6%	4%	4%	4%	23%	1%	4%	9%	5%
16	20%	10%	4%	19%	8%	11%	6%	28%	7%	3%	14%	11%

3.2 Drop outs from upper secondary education

Graph 3.2, 3.3, 3.4

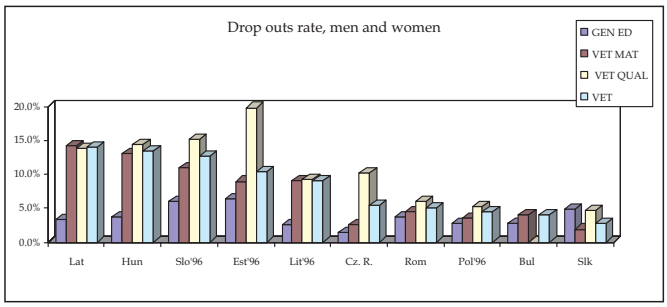
The information collected shows that the drop-out rates from vocational education courses are quite significant in at least half of the countries. The countries with the highest drop-out rates from vocational education and training programmes are Latvia, Hungary and Slovenia. Moreover drop-out rates from vocational education exceed (occasionally significantly) those from general education. Drop-out rates in general education range between 1.4% and 6.5% while in vocational education between 2.4% and 14%. (See Table 3.2).

These increased drop-out rates imply that vocational education and training is less successful at retaining young people compared to general education. This may be due to the fact that vocational courses attract the weakest students and/or that they do not offer interesting studies for them.

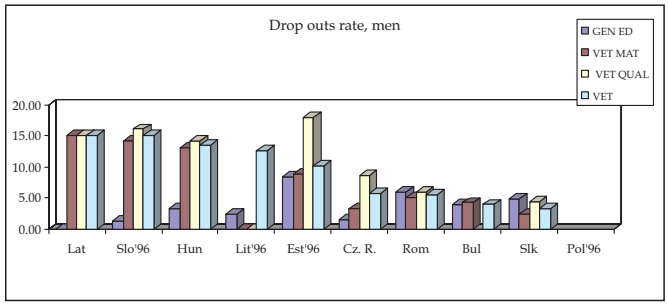
On the other hand, it should also be noted that drop-out rates from vocational programmes leading to a double qualification are generally lower than those from vocational programmes which only offer a vocational qualification (the exceptions are Latvia where they are higher and Lithuania where they are equal). The country with the highest difference in favour of the programmes leading to a double qualification is the Czech Republic. This can be explained by the fact that students from vocational education and training programmes which lead to a vocational qualification only often transfer to vocational education and training programmes leading to a double qualification (see definition of drop-outs).

Girls present lower drop-out rates from vocational programmes compared to general education programmes in all countries (except Hungary and Lithuania where they are equal to boys).

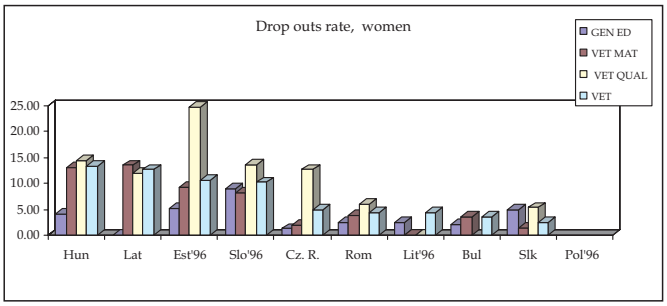
Graph 3.2 Drop-out rates in general and vocational education and training (1997/98)



total	Lat	Hun	Slo'96	Est'96	Lit'96	Cz. R.	Rom	Pol'96	Bul	Slk
GEN ED	3.4%	3.7%	6.0%	6.5%	2.5%	1.4%	3.7%	2.7%	2.7%	4.9%
VET MAT	14.3%	13.0%	11.0%	9.0%	9.1%	2.6%	4.5%	3.6%	4.0%	1.9%
VET QUAL	13.8%	14.4%	15.1%	19.8%	9.2%	10.1%	6.0%	5.2%	-	4.7%
VET	14.0%	13.5%	12.8%	10.4%	9.1%	5.4%	5.0%	4.4%	4.0%	2.8%

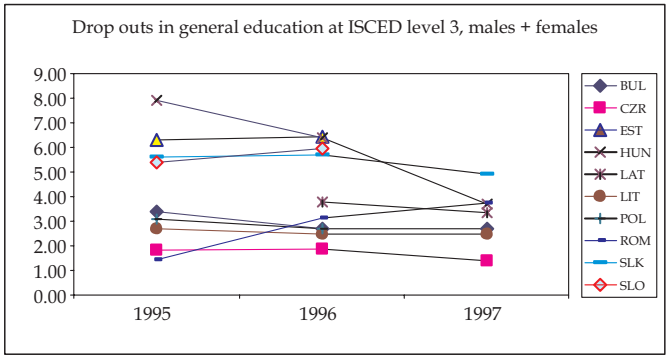


men	Lat	Slo'96	Hun	Lit'96	Est'96	Cz. R.	Rom	Bul	Slk	Pol'96
GEN ED	na	1.35	3.40	2.50	8.39	1.58	6.04	3.90	4.90	
VET MAT	15.12	14.17	13.10	n.a	8.82	3.33	5.17	4.30	2.50	
VET QUAL	15.14	16.11	14.30	n.a	18.05	8.67	6.02	-	4.40	
VET	15.13	15.09	13.60	12.60	10.27	5.77	5.53	4.30	3.30	



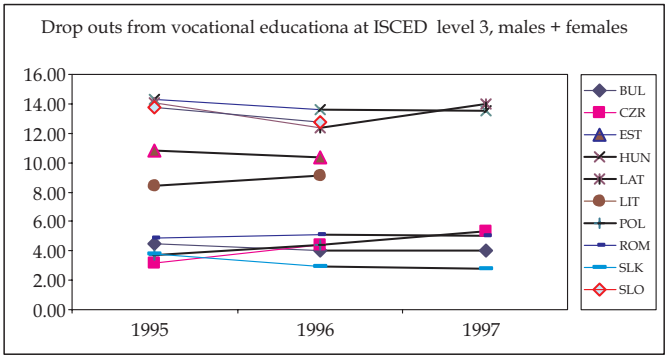
women	Hun	Lat	Est'96	Slo'96	Cz. R.	Rom	Lit'96	Bul	Slk	Pol'96
GEN ED	4.00	na	5.08	8.97	1.23	2.57	2.50	2.10	5.00	
VET MAT	13.00	13.42	9.14	8.11	1.98	3.83	n.a	3.60	1.40	
VET QUAL	14.40	11.93	24.68	13.67	12.63	5.90	n.a	-	5.30	
VET	13.40	12.63	10.54	10.18	4.91	4.41	4.30	3.60	2.40	

Graph 3.3 Drop-out rates in general education - Trends (1995/96-1997/98)



	BUL	CZR	EST	HUN	LAT	LIT	POL	ROM	SLK	SLO
1995	3.37	1.82	6.29	7.90		2.70	3.10	1.44	5.60	5.40
1996	2.70	1.87	6.45	6.40	3.77	2.50	2.70	3.12	5.70	5.96
1997	2.70	1.38		3.70	3.35	2.50		3.74	4.90	

Graph 3.4 Drop-out rates in vocational education and training - Trends (1995/96-1997/98)



	BUL	CZR	EST	HUN	LAT	LIT	POL	ROM	SLK	SLO
1995	4.45	3.15	10.85	14.30	14.10	8.40	3.70	4.84	3.80	13.72
1996	4.00	4.39	10.38	13.60	12.35	9.10	4.40	5.08	2.90	12.75
1997	4.00	5.35		13.50	14.01			5.04	2.80	

Definitions

Drop-outs are defined as young people who enrol in a programme and who give it up or fail the final exams. This definition of drop-outs refers to those of a particular education programme and not from the overall education system. In this sense, if a student gives up a programme and enrols in another, he/she is still considered a drop-out. This definition is limited in that in countries where transfers from one programme to another are common, drop-out rates are high.

Drop-out rate is the percentage of drop-outs in a given year out of the total number of those enrolled in a programme in the same year. These are therefore annual dropout rates and are lower than compound drop-out rates from a programme, which counts the total number of people who start a programme and do not finish it.

Extracts from National Observatory reports

Early school leavers (evidence extracted from the 1998 National Observatory country reports)

Latvia: 4% of a cohort leaves the education system at the end of basic education and 24% of the graduates from general secondary education do not continue their studies. Moreover, according to data from school inquiries, between September 1996 and September 1997, drop-outs from vocational schools totalled 12.5% of the total number of students. Most drop-outs occur in the first year of studies. Drop-outs after the first year of studies reached 52.5% in vocational schools.

Lithuania

6000 pupils from general schools, 5000 from vocational schools and 9000 from colleges and universities discontinue their studies during the school year. As compared with previous years the drop-out rate in vocational schools and colleges has increased. In total 1 in 10 students leave school every year due to poor progress or financial difficulties, which are becoming more and more severe in larger cities.

Poland

98% of children complete obligatory primary schooling, 96.6% of which continue their education in post-primary schools. A positive phenomenon is the decrease in young people giving up their education at an earlier stage. In 1990/91, 5.4% of those leaving primary school did not go on to secondary school. This percentage decreased to 3.4% in 1994/95 (athough they may have attended an adult study school).

Romania

Crighton (1998) found that about 17% of the students beginning school do not graduate. 2-3% of children do not enter school at all. A high proportion of those come from the Roma population. The economic crisis, the difficulties of families to support their children and the incapacity of the social welfare system to deal with these cases, lead young people to withdraw from school early. This phenomenon was particularly prevalent until 1993 but even since then, school drop-out rates are quite high, ranging from 5-6% in vocational education. It is particularly high in apprenticeship schools (about 7%).

Slovenia

According to estimations of the Department of Vocational Guidance of the Employment Service of Slovenia, over the last few years 6000 young people enter the labour market without any qualification annually. Following a 5-year period of monitoring of those who enrolled for the first time in secondary education in 1991, a total of 17.4% dropped out. The number of drop-outs from vocational training is higher (20.4%) than from general education (5.9%).

Chapter 4
Financing of Education and Vocational Training

Key Findings

Before the reform

Prior to the reforms in the candidate countries of Central and Eastern Europe, the education systems were highly centralised and almost exclusively financed by central governments. Ministries of education were the main source of funding, while other ministries were involved in certain areas (e.g. ministries of agriculture, industry, communications, health etc.).

Despite the reform, although the funding of vocational education and training has seen a diversification of sources, the State remains the main contributor mainly through the ministries of education, and, in the case of vocational training, some sectoral ministries as well.

However, economic decline and severe inflation, brought about by the fundamental changes in the candidate countries' economies, has rendered the budget insufficient to support the education system and has forced governments to find alternative means of financing the education system, such as:

- non-public options – private and partially subsidized education establishments;
- increasing decentralisation of finance with local governments and families playing a greater role.

Although private contributions are increasing, they still remain very low. Thus the majority of operational costs (staff salaries, educational materials, direct expenses, costs of practical training and facilities etc) are covered from the state budget. In some countries maintenance expenditures and capital investments are now the concern of local government and social partners.

In 1997, the share of GDP for education ranged from between 3.74% (Romania) and 6.97% (Estonia) against an EU average of 5.2% in 1995. Nevertheless, it must be noted that the absolute level of funding devoted to education is still much lower to that in the EU.

Spending on vocational education and training as a percentage of GDP was much lower than that of total education, ranging between 0.35% (Bulgaria) and 0.89% (the Czech Republic).

Public and private expenditure in vocational education and training

In order to cover funding gaps and bring vocational training and the labour market more in line with each other, most countries have included a provision in their law for education or training which envisages the co-operation of vocational schools with enterprises. However, the overall economic situation does not secure a satisfactory level of involvement of enterprises. All these factors put into question the quality of practical skills acquired through vocational training which are so important in view of economic integration with the EU and recognition of qualifications.

Moreover, by law private schools are allowed to function which are financed by the state budget and/or by fees paid by students.

These and other actions have lead overall expenditure on education to include an ever increasing private component which is very difficult to identify and measure. At the moment no reliable data is available to illustrate the importance of private funds in vocational training provision.

4.1 Expenditure on education as share of GDP

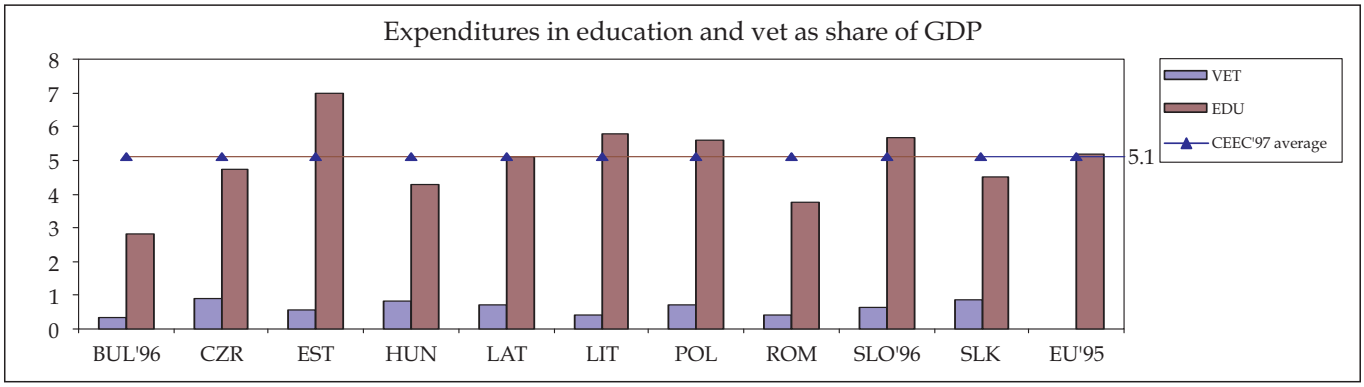
Graph 4.1, 4.2

Despite the dramatic and rapid changes in economy combined with other factors, such as enrollment rates and demographic changes, expenditure on education as a share of GDP increased continuously between 1990-94, although this fluctuated widely between countries. This can be partially explained by stable (or slightly decreasing) education expenses during a period of rapidly decreasing GDP.

This trend has diminished over the last years and in 1997 the majority of the countries faced a decrease in the percentage of GDP allocated to education compared to the peaks reached in 1995-96 (exceptions are Estonia, Lithuania, Poland and Romania). In the Czech Republic this decrease is partly due to the introduction of the 9th grade of basic education and the subsequent decrease in participation in secondary education. This implies that costs were reduced as secondary education is more expensive than basic education.

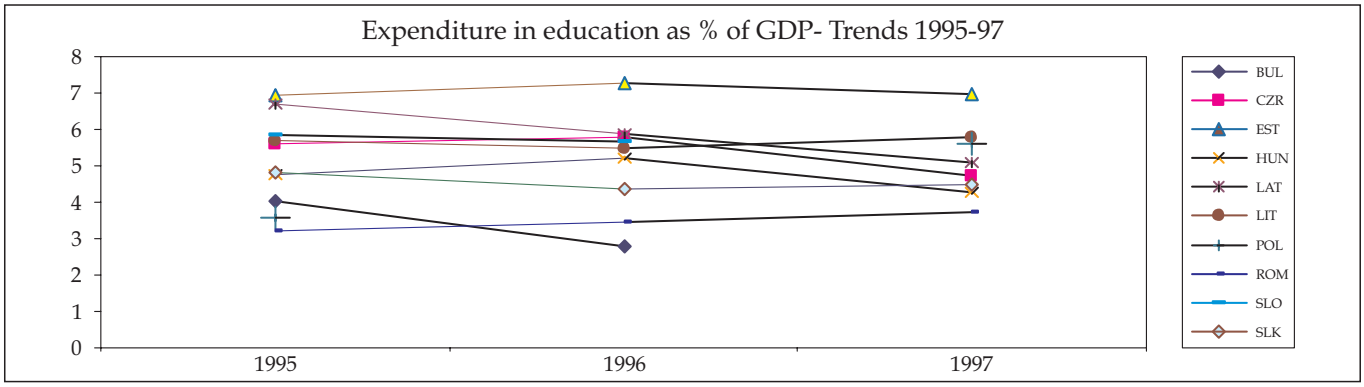
In 1997, public expenditure on education as a share of GDP ranged from 3.74% in Romania to 6.97% in Estonia. Spending in most countries exceeds or is approaching the EU average. In 1995 public expenditure reached 5.2% of GDP on average in EU countries, while in 1997 it accounted for 5.1% of GDP in the candidate countries (except Bulgaria and Slovenia). However, it should be noted that the absolute level of GDP in these countries is lower than that in the EU countries. Accordingly, although the percentage of expenditure on education is almost equal, the actual figures represent (occasionally significantly) lower amounts of money which are not sufficient to fulfil the needs of developing the education system.

Graph 4.1 Expenditure on total education and on vocational education and training as a percentage of GDP, 1997



	BUL '96	CZR	EST	HUN	LAT	LIT	POL	ROM	SLO '96	SLK	EU '95
VET	0.35	0.89	0.56	0.81	0.71	0.4	0.7	0.42	0.64	0.88	
EDU	2.8	4.74	6.97	4.28	5.1	5.8	5.6	3.74	5.68	4.5	5.2

Graph 4.2 Expenditure on education as a percentage of GDP, Trends 1995-97



	BUL	CZR	EST	HUN	LAT	LIT	POL	ROM	SLO	SLK
1995	4.03	5.6	6.95	4.75	6.7	5.7	3.57	3.2	5.84	4.83
1996	2.8	5.8	7.27	5.22	5.87	5.5		3.44	5.68	4.36
1997		4.74	6.97	4.28	5.1	5.8	5.6	3.74		4.5

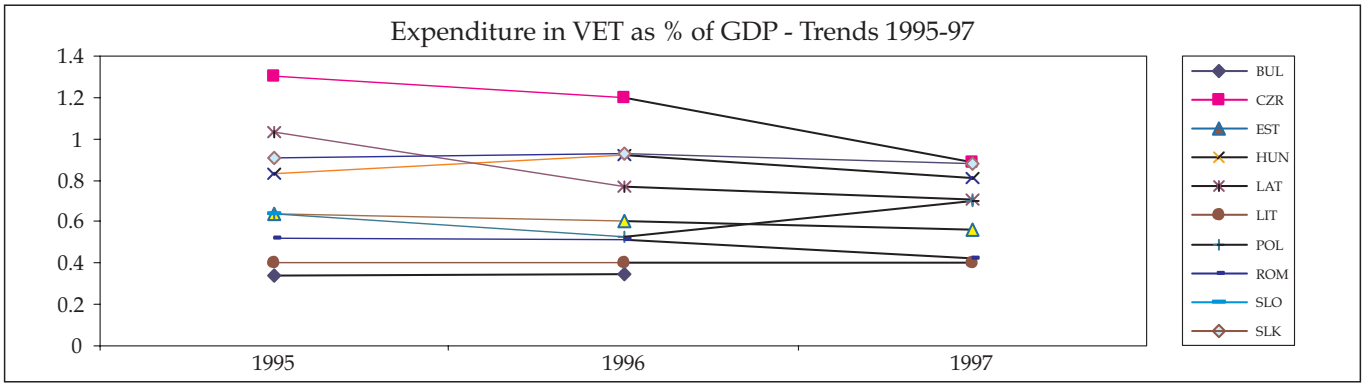
4.2 Expenditure on vocational education and training as share of GDP

Graph 4.3

The funding of the vocational education and training system followed the general trends of expenditure on education as described above. The share of GDP spent on vocational education and training increased for a short period but has now begun to drop off in most countries with the exceptions of Bulgaria, Poland and Romania where continued to increase (although not in a uniform way like education in general) and Lithuania where it remained constant over the 95-97 period.

Despite the relative importance of enrolment in vocational education and training and the over-emphasised role of vocational education and training in developing the economy, this remains an under-financed sector. The share of GDP expenditure on vocational education and training ranged between 0.35% and 0.89%. These percentages are significantly lower than those of total education (see previous chapter). It is also important to note that vocational education and training is generally more expensive than general education.

Graph 4.3 Expenditure on vocational education and training as a percentage of GDP, Trends 1995-97



	BUL	CZR	EST	HUN	LAT	LIT	POL	ROM	SLO	SLK
1995	0.34	1.3	0.64	0.83	1.03	0.4	0.64	0.52	0.64	0.91
1996	0.35	1.2	0.6	0.92	0.77	0.4	0.53	0.51		0.93
1997		0.89	0.56	0.81	0.71	0.4	0.7	0.42		0.88

4.3 Participation rates and expenditure

Graph 4.4, 4.5

In most of the Central and Eastern European countries there is a positive correlation between participation rates in vocational training and the level of expenditure. The rule is valid also for the three Baltic States, although the level of financing is slightly higher. This could be explained by the novelty of vocational training within their education systems and the efforts made by their governments to increase the importance of it.

The same rule applies for education as a whole. The number of students enrolled determines, to a certain extent, the level of expenditure. There are nevertheless some exceptions. For Denmark, Sweden, Finland and Estonia, (henceforth the 'Nordic group') the investment in education is almost twice as high as in other countries with similar participation rates.

Expenditure in Bulgaria and Greece is almost twice as low as in other countries with similar participation rates. The most extreme case is Poland with the lowest participation rates and highest level of expenditure (very close to the level of Nordic group) for its participation rate.

Romania is part of the general trend with very low investment but very low participation rates.

Due to direct correlation between enrolment and expenditure (at least in the candidate countries of Central and Eastern Europe) the burden on the education budget is increasing in line with the increased participation rate of the 17-19 age group in secondary education and the huge increase in participation in higher education. In order to ease the pressure on the budget, some countries have introduced tuition fees for students. However, in order to maintain equality, the State awards some support allowances for students from low-income families or from disadvantaged areas. Since, unfortunately, these groups are still the majority, the bulk of expenditure is still covered from the State budget.

Funding Mechanisms

The funding of the education system is highly centralised in the candidate countries of Central and Eastern Europe. With regard to vocational education and training, the main funding actors are:

- ministries of education;
- sectoral ministries;
- local governments;
- social partners (enterprises, families, etc).

Nevertheless, the main source of funding remains the ministry of education (e.g. 90% in Poland): all the others can be considered for the moment only "provisions" in the education law.

The principle on the basis of which funds are distributed to schools is also very similar across the countries. It consists in allocating funds to schools on the basis of the number of students, number of classes and type of courses provided. Accordingly it is called "per capita financing" or "per department/class financing".

Per capita or department/class financing has some very attractive features:

- it is very simple and is usually used in conjunction with history based funding;
- it ensures – to a certain extent- equal participation.

At the same time, there are some negative aspects:

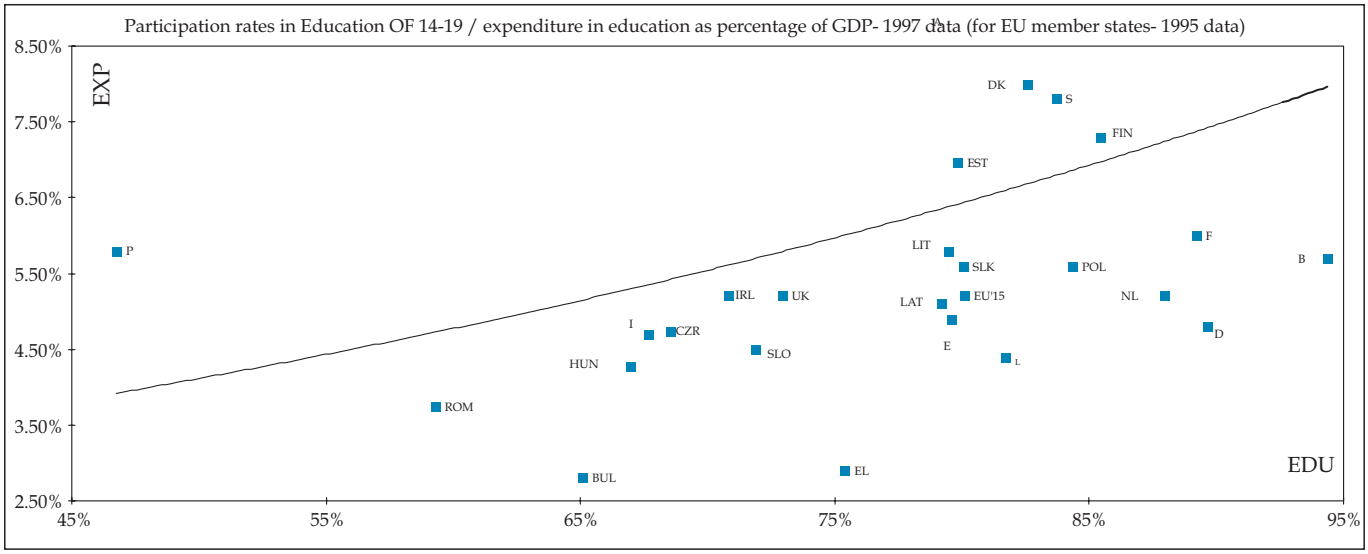
- increased enrolment in order to increase funding and not necessarily in correlation with labour market needs;
- very low efficiency in resource allocation and use;
- it is input driven rather then output driven thus neglecting quality.

COUNTRY EXAMPLES

Poland : Subvention from the national budget is allocated based on an algorithm set by Ministry of Education in consultation with gminas (local authorities). The algorithm takes into consideration the character of the gmina (urban or rural), the size of the school as well as the assumed growth rate of individual expenditure areas and, in recent years, the number of pupils in schools run by individual gminas. The algorithm may be changed yearly.

Czech Republic: The method of per capita financing of vocational schools is used primarily in the distribution of the total amount of financial resources from the Ministry of Education to the local level (School Offices). Since 1995 School Offices do not directly use national financial standard rates in allocating funds to specific schools, but rather individual calculations according to a standard formula. The purpose of this measure was to make the volume of distributed funds for operational costs more appropriate to the needs of specific schools, while respecting binding state indicators (i.e. per capita financing is used in combination with history based funding).

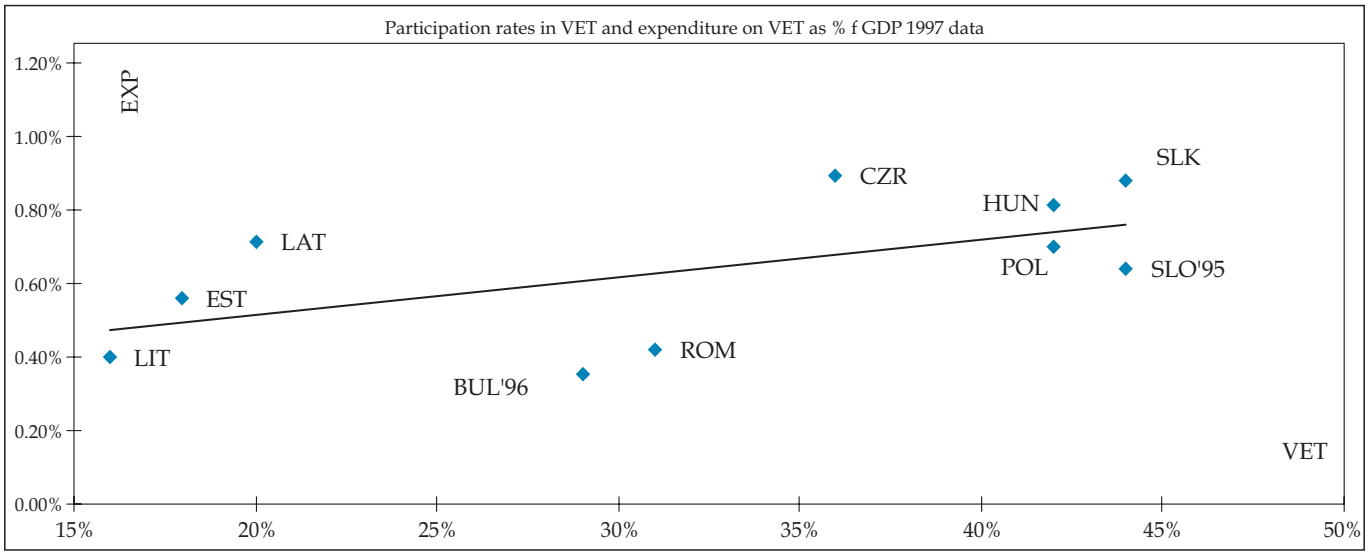
Graph 4.4 Participation rates in education and expenditure on education, 1996



	BUL*96	CZR	EST	HUN	LAT	LIT	POL	ROM	SLK	SLO*96	Belgium	Denmark	Germany
participation	65%	69%	80%	67%	79%	79%	84%	59%	72%	80%	94%	83%	90%
expenditure	2.80%	4.74%	6.97%	4.28%	5.10%	5.80%	5.60%	3.74%	4.50%	5.68	5.70%	8.00%	4.80%

	Greece	Spain	France	Ireland	Italy	Luxembourg	Netherlands	Austria	Portugal	Finland	Sweden	United kingdom	EU15
participation	75%	80%	89%	71%	68%	82%	88%	80%	47%	85%	84%	73%	80%
expenditure	2.90%	4.90%	6.00%	5.20%	4.70%	4.40%	5.20%	5.60%	5.8%	7%	8%	5%	5%

Graph 4.5 Participation rates in vocational education and training and expenditure on vocational education and training, 1996



	BUL*96	CZR	EST	HUN	LAT	LIT	POL	ROM	Slk	SLO*95
participation	29%	36%	18%	42%	20%	16%	42%	31%	44%	44%
expenditure	0.35%	0.89%	0.56%	0.81%	0.71%	0.40%	0.70%	0.42%	0.88%	0.64%

Chapter 5
Conclusions and Recommendations

Over the past 10 years massive and intensive reforms of the education and training systems have taken place in the candidate countries of Central and Eastern Europe. The reforms have had a double aim:

1. to ensure the provision of education and training following the collapse of the provision of vocational training by large state enterprises;
2. to adapt education and training systems to the requirements of the emerging market economies (new curricula, training methodologies, modern equipment etc.).

10 years after the reforms a number of conclusions can be drawn on the basis of the data available:

A satisfactory level of young people's participation in basic education has been ensured but early school leaving is still a problem

The nature of early school leaving differs between countries. In Bulgaria and Romania leaving rates are high at the beginning of the educational career. A large percentage of young people drop out from the education system during, or at the end of, basic education (i.e. 14 -16 year olds) while those who continue their studies to upper secondary level drop out rarely (demonstrated by the low drop out rates at secondary levels). Estonia, Latvia and Slovenia have high participation rates in basic education and high levels of transition from basic education to upper secondary education but they also have high drop-out rates from upper secondary education.

Unemployment rates among young people remain high despite the fact that they are better educated than older generations

An analysis of the educational attainment levels of young people demonstrates that only a low percentage of them enter the labour market without a qualification. On the other hand their unemployment rates are significantly higher than those of older generations. Despite the fact that the absolute number of young unemployed is lower than that of other age groups and that the duration of their unemployment is shorter, high unemployment rates reveal that young people face significant problems in their transition from education and training to working life. It also raises the question of the responsiveness of vocational education and training to the needs of the labour market.

Vocational education and training at the secondary level is the most usual option for young people (except in the Baltic States)

Traditional participation patterns in education and training prevail. A comparison between the educational attainment levels of the population and participation patterns of young people in education and training reveals that secondary level qualifications remain their favourite option (with the exception of Estonia and Lithuania where many opt for post-secondary level vocational qualifications). However, a significant shift has been detected from programmes which provide only a vocational qualification to programmes which provide a double qualfication (i.e. a vocational qualification for the labour market and an educational qualification, the certificate of secondary education which enables continuation to higher education). This can be explained by two factors: the desire of young people to continue their studies to higher education but "playing it safe" (i.e. in case they don't continue their studies at least they have a qualification for the labour market) or the desire to obtain the broader skills provided by these programmes.

Participation in higher education and training is increasing

The restructuring of post-secondary education (in terms of providing valid alternatives to university and enhancing opportunities for the acquisition of post-secondary vocational qualifications) has been one of the important points in the reform agenda of all countries. Although until now, participation rates in higher education remain relatively low, significant increases have been reported in many countries (Bulgaria, Latvia, Romania and Slovenia).

Some countries (Slovenia) report that there has been a high demand for post-secondary vocational qualifications which aim to fill the gap between secondary vocational and higher education.

Women present better results than men in educational terms but not in the labour market

Participation rates of women in education are higher than those of men in all age groups. Women participate more often in upper secondary general education and in vocational education and training leading to a double qualification. They are also more likely to acquire a higher level qualification. The educational attainment levels of the 25-29 year old female population has also improved. On the other hand, activity rates of young women are lower than those of men and their unemployment rates are higher. These observations imply that education is not sufficient to counteract labour market discrimination, and other phenomena such as the availability of jobs with characteristics which correspond to women's qualifications, a lack of targeted social policy (including facilities for child care) and tradition. Before final conclusions are drawn a more detailed analysis needs to be made on the type of specialisations acquired by young women and on their demand within the labour market. In case that missmatches are found appropriate vocational guidance should be provided to young women in their choice of specialisation.

A small percentage of the state budget is allocated to vocational education and training

Despite the importance that governments give to vocational education and training, the budget for it remains low in comparison to that of education as a whole. This is even more significant when the fact that the level of funding for education is already quite low and vocational training tends to be more expensive than other types of education is taken into account. Although governments are trying to mobilise funds from the private sector (e.g. enterprises and households), it seems that prevailing economic problems make the success of these efforts difficult. Furthermore, the availability of private funds, despite an increase, is still relatively limited. Nevertheless, there is no data available which can lead us to more concrete conclusions.

On the basis of these conclusions the following recommendations can be made:

1. Countries should invest more in decreasing the drop-out rate from the education and training system by improving the quality of both basic education and vocational education and training. The effort required is sizeable as both the socio-economic and family problems that cause early school leaving must be tackled, and which are often brought about by the reforms themselves. On the other hand, it is indispensable in order to avoid the marginalisation of the population groups particularly at risk.
2. High unemployment rates among young people demonstrate a low demand for labour and skill mismatches. In this context, modernisation of curricula and efforts to bring vocational training closer to the demands of the labour market must continue. At the same time it is equally important to develop the quality of vocational and career guidance offered to young people, based upon knowledge of labour market developments. Furthermore, appropriate employment policies are needed in order to facilitate the transition of young people from school to work. This is particularly important in view of the fact that the large state enterprises no longer deliver practical training thus depriving young people of valuable work experience.
3. Relatively lower unemployment rates of better-educated young people show that (at least in some countries such as Hungary, the Czech Republic, Latvia and Poland) there is a high demand for higher level skills. Countries should continue with the reforms in post-secondary education in order to offer young people more, and more diversified opportunities to obtain higher level skills and thus encourage their participation in this level of education. This would also help to reduce the number of young people who have graduated from upper-secondary general education to enter the labour market without vocational qualifications.

The analysis made above is based on limited quantitative information and can thus only provide general recommendations for policy actions. A more elaborated set of recommendations should be based on tailor made information on the specific subjects presented above. More detailed information on the following is required:

- the causes, dynamics and outcomes of early school leaving, the educational, socio-economic and family profile of young people who drop out from the education and training system and the dropout rate from different types of vocational training programmes;
- the characteristics of youth unemployment and the dynamics of young people's transition from school to work (including educational level, field of specialisation etc. Furthermore, details are required on not only whether they find employment, but also the type and quality of the employment they find and its relation to the qualification they hold. Finally, more information will be needed on employment policies for young people's integration into the labour market and their outcome on the employability of young people;
- input into the education process such as teachers, schools and financial resources (both public and private) in order to evaluate the internal efficiency of the system;
- training and retraining of the working population including continuing training (both of the employed and unemployed);
- more training needs analysis within the labour market;
- the continuation of vocational education and training funding through alternative sources;
- ensuring access to training for all (including disadvantaged groups).

Annexes