

AN APPROACH TO AN ADULT LEARNING STRATEGY FOR CROATIA

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INTRODUCTION

There is hardly a country in the European Union, the OECD or among the candidate and accession countries, which does not have a declared aim of developing and implementing an adult learning strategy. The reasons for this are clear. Increasingly economic development in industrialized countries involves technological progress in growing areas of the economy and restructuring in the declining sectors. Looking ahead, these countries will increasingly become knowledge-based economies, with a different structure of industry, and different organisational practices. There will be many more small firms, probably more self-employment, with a greater reliance on entrepreneurs to create wealth and jobs. Countries must have strategies to facilitate these changes but also to deal with transitional problems. Economic growth depends on reskilling the labour force with new and better skills, but there are also important social aspects that must be taken into account. Change can create tensions within society, and the pursuit of economic growth must be sensitive to considerations of equity between different groups and regions/areas; the prevention of social exclusion with some people being left behind by prosperity, without access to learning opportunities; and in some countries where there has been major political change, issues of developing citizenship. The rationale for an adult learning strategy covers all these areas.

Though the rationale for an adult learning strategy is well appreciated, all countries have difficulties in articulating what an adult learning strategy is and how it can be made operational. It is not difficult to itemise the various types of learning, which a strategy might include. This would include a wide range of activities delivered by many providers in the formal and informal learning sectors, for example adult vocational training, most often provided by employers for people already in work; basic skills training for adults whose education has been inadequate; training for unemployed people to help them find work; education for personal or social development; and higher and further education. Considering how these types of learning might help implement the strategy is of course important, but it is not enough to list sector-by-sector activities and call this the strategy. They should be embedded in a broader view of national requirements and strategic priorities, taking account of the economic and social imperatives.

The development of an adult learning strategy in Croatia has to be seen in the context of the country's future accession to the EU and the agreed EU lifelong learning policy and European Employment Strategy, which should provide a backcloth to Croatia's own adult learning strategy. The employment strategy agreed at the Lisbon summit has the general aim of stimulating employment growth and positioning the European economies to deal with the accelerating pace of change in technology and information systems. It identified a number of problems, including low employment rates, inequalities in the labour market such as insufficient participation in the labour market by women and older workers, long-term structural unemployment, regional imbalances, and slow development of service sectors, which have growth potential especially in information technology. All of these problems appear in Croatia, and while an adult training

strategy cannot on its own solve them; it can play a crucial role in support of overall government and private sector activities to generate growth and jobs.

One component of the implementation of the employment strategy is the EU lifelong learning policy framework. This has several building blocks. Among them are partnerships; facilitating the access to learning through better support systems; adequate resourcing; creating a culture of learning; and ensuring that learning offerings are of high quality. It is important to recognize that the EU strategy and framework are statements of broad principles. The task for member states, and Croatia in its pre-accession phase, is to move beyond these to a strategy which can be implemented in relation to the circumstances in individual countries.

THE COUNTRY CONTEXT

This section deals with the socio-economic trends in Croatia and how they might impact on skills and adult learning. The main factor here is of course the transition which is still taking place from a centralized and managed economy, with many state owned enterprises, to a market economy. Along with this go the political changes consequent on Croatia's emergence as an independent country. It is acknowledged that in the period before independence, the economy and society in Croatia was characterized by inflexibility and lack of dynamism, and in some respects this is still the case.

For example, the National Employment Action Plan 2004 points out that the Croatian labour market is in many respects inflexible. The rate of job turnover is amongst the lowest of the transition countries. People in jobs tend to stay in them for long periods, which means that young people, the unemployed or new labour market entrants have limited job opportunities, except on a short term or casual basis. Employment creation is relatively sluggish in Croatia. Small firms are more active in this area than state enterprises but they do less well than in other transition countries, at least in part because of bureaucratic and regulatory requirements connected with setting up new businesses.

The last decade has seen a substantial fall in employment, especially in those state enterprises which have been privatised or run down, and in agriculture, and it is likely that there will be further restructuring, so that there are some people now in employment who are potentially redundant. As a result of what has happened so far unemployment has risen substantially and the structure of unemployment has changed, with a large increase in long term unemployment where individuals have been out of work for more than a year: over half of the unemployed fall into this category. Where workers have been laid off from the large state enterprises, often heavy industry, they are likely to have multiple disadvantages in the job market. They are older than average; they have skills that are not in demand by other employers; they have had long service with their employer and hence no experience of job seeking. These are the likely long-term unemployed, for whom new jobs probably with small firms are often not appropriate without the acquisition of some new skills. They may also be likely to give up looking for work because of discouragement and become economically inactive. The employment rates for older age groups are low, as they are, for different reasons, for young people. The former have left the workforce early, the latter join it late through shortage of opportunities.

The Croatia employment service is a key player in handling unemployed people, and its systems are being modernized. But it is up against many difficulties. The shortage of job opportunities makes it hard to place unemployed people into work, especially long term unemployed who are not attractive prospects to employers. Approaches to provide new skills for the unemployed are not well developed, and the number of training opportunities falls well short of needs. Employers are not sufficiently engaged with the employment service, and without employer support the job of the employment service becomes much more difficult. There is insufficient time devoted to counselling and advice to the unemployed so that they can be offered opportunities appropriate to their needs. Most of these difficulties stem from a shortage of resources, though in the context of adult learning there may be some priorities, which should be more clearly reflected in employment service work.

Three other contextual issues are relevant to the background to the adult learning strategy. First, there are substantial inequalities within the country. Zagreb and other bigger urban centres are much the most prosperous areas, while smaller towns and rural areas have suffered from economic decline, both in terms of lower numbers in economic activity and higher unemployment. The population in these areas tends to be older than average, and is not mobile in the sense of being able to, or perhaps even wishing to, move to other parts of the country where job opportunities are more plentiful. Other areas are suffering from severe economic decline with the restructuring of the economy. These problems are multi-dimensional, and require to be tackled across a wide policy front, with adult learning being one part of the solution.

Secondly, war veterans. There are about 40,000 war veterans in Croatia, and while there is legislation to help them reintegrate into society and the labour market, they too have multiple needs. Most have poor educational qualifications, and the amount of remedial education and training available does often not meet the demand.

Finally, in a country such as Croatia, with a relatively new approach to full democracy and a market economy, there are major social gains to be made by policies which secure greater trust in democratic institutions, fosters active citizenship, and tries to prevent the exclusion of certain groups from the benefits of economic or social progress.

This brief account of the contextual background demonstrates why an adult learning strategy is fundamental to Croatia's continued economic and social development. Croatia has taken substantial steps towards a more competitive market-related economy, but the country is still very much in transition and further change is inevitable.

Improved competitiveness and economic development will require new skills and abilities, new ways of working and more entrepreneurship to ensure a more rapid rate of job creation. But at least in the short term the restructuring which results from economic change can lead to casualties, as we have seen above. There can be inadequate job opportunities for people released from declining firms and industries whose skills, if any, are no longer in demand. The inflexibility of the labour market described above is a reaction, entirely understandable, to the fear of change. If individuals are uncertain about their chances of finding a new job, it makes sense for them to hold fast to the job they have. This in turn reduces the chances of "outsiders" such as young people or the unemployed finding jobs.

THE CORE PROBLEMS IN CROATIA

The Government of Croatia, together with international organisations, has undertaken many studies of the state of the educational system, and there has been considerable debate on the reforms needed to bring Croatia up to the standards of EU and OECD countries. As far as adult learning is concerned, three key issues may be highlighted as requiring attention in the formulation of a strategy. It should be emphasized at the outset that Croatia is not alone in suffering the problems outlined below. Most European countries, including well-developed ones, are to some degree having to tackle the same issues in confronting their need to develop adult learning strategies.

The Policy Focus

The Croatian government and the Ministry of Science, Education and Sports (MoSES) are on record as recognizing the importance of adult learning or education. The White Paper on education (2001) contained extensive discussion of lifelong learning and the importance of developing a learning society. It also, however, recognized that adult education is the most neglected part of the educational system. The more recent Stocktaking Report by a group of Croatian experts similarly believes that the broad statements of principle about the importance of adult learning have not been followed up by concrete actions which would give adult learning the positive support it deserves.

The reasons for this are not far to see, and indeed many industrial countries have the same problem in making adult learning operational. One difficulty is that adult learning is so wide ranging. Its coverage is by definition lifelong, so that it has to deal with young people who have left, or dropped out of, school; adults who have skill but want to upgrade; adults who have no skills at all and who need basic literacy and numeracy; unemployed people of different ages and skills who need to be better fitted for the new jobs which are being created; war veterans; and others besides. Ministries of education are not structured to deal with this kind of wide-ranging and cross-cutting approach within their area of responsibility. They tend to be organized according to educational sector, so that they will have departments dealing with primary schools, secondary schools, further education, possibly higher education, and support services such as curriculum development, teacher training, and special needs.

A further problem is a certain lack of commitment within government and the ministries which should be concerned to divide responsibilities. The lead responsibility is with MoSES, but the effective development and implementation of an adult learning strategy goes well beyond this single ministry. Within government, other ministries, including the ministry of Finance, and those dealing with economic development, industry, regional development, small and medium enterprises, labour and social welfare all have an important role to play. There is no sign that this has been recognized.

Finally, there is in Croatia insufficient information on the demand for adult learning or the potential supply of opportunities. The future skill needs of the economy and society are not being

researched, and there is no central information on the training on offer. Some of the mismatches are pretty well known in general terms. For example, there is a lack of training opportunities in new technologies, new ways of working, and in encouraging entrepreneurship, and management training, especially for small and medium sized businesses. The needs of the long term unemployed are similarly broadly recognized to be basic or relatively low level skills training, and the provision of opportunities is clearly well below the potential demand. But exactly what the needs of the long-term unemployed are is not known since there is no assessment of their current stock of knowledge on which a training programme could build.

Resources

Lack of resources is a fundamental difficulty, which will have to be resolved in the development of a credible adult learning strategy. Expenditure on education budgeted for 2004 in Croatia is about 4.8 per cent of GDP, up by 1 percentage point compared to previous years, but still low compared to EU and OECD averages. This figure is also likely to be inadequate to meet the major reforms needed in all sectors of education, both for adults and young people. The Government is aware of the problem, which has inhibited education reform so far, and has the intention of increasing expenditure to around 6 per cent of GDP. Given all the other financial pressures on the public sector, this target will be hard to achieve, but the recognition of the shortfall in expenditure is encouraging.

The budget for adult learning is unknown. While MoSES may have data on adult education expenditure, there is no identification of total adult learning expenditure in the MoSES's financial information, which reflects discrete types of education – primary schools, secondary schools, etc. This is not at all surprising. Given that there is no explicit policy focus for adult learning, there is no demand within Government for transparent accounts in this area. Having said this, there are clearly aspects within the sectoral accounts, which relate to adult learning, for example the retraining of adults within the secondary school system. Other specific areas can be identified. The Ministry of Croatian War Veterans has a budget (KN 40 million in 2002) to provide professional training and employment for war veterans. Again, it is possible to identify the expenditure of the employment service on the retraining of unemployed adults. In both these cases, however, the financial resources available are not allocated in relation to a careful assessment of the needs, and the employment service provision for unemployed people is dwarfed by the scale of the problem: relatively few unemployed people are given the help they might need.

Adult learning is of course about much more than government's efforts. Individuals and enterprises both fund learning, but again there is no financial data on how much each contributes to the overall adult learning effort. A 2002 survey by the Croatian Chamber of Trade, covering 274 small and medium sized enterprises, suggested that 85 percent of costs of formal adult education was borne by companies themselves. For the private sector as a whole there is no further information though it seems likely that company expenditure on adult learning will be devoted largely or wholly to training for the specific needs of the company. How much individuals spend on their own training and development is again not known.

There is more information about the funds provided by donors. These include the EU CARDS programme which provides help in labour market restructuring, local partnerships and adult learning; the UK government through DFID in the social reform project; and a joint project involving several donors to promote the training of entrepreneurs in small and medium sized enterprises. It does appear, however, that the funds provided by donors, while contributing to the effort to improve adult learning, are in no sense following any overall strategy and it may be questioned whether there is a clear set of priorities which the Croatian Government and donors can follow in allocating funds.

To summarise, the position on resources is that there is not enough being spent on adult learning by government, enterprises, or individuals; and there does not seem to be a clear rationale for the allocation of resources between the various areas of adult learning. This is partly because there is no single point responsible for collating the total amount going to adult learning. In addition, there is no model for defining who is responsible for action and therefore expenditure across the field of adult learning and an important part of the strategy must be to articulate such a model.

Partnerships

The effective planning and delivery of all education and learning policies must involve many stakeholders and this means the development of partnerships. For example the basic responsibility for education in schools rests with the MoSES, but many other parties are involved – teachers, parents, pupils and localities. The views and interests of these and others must be taken into account in a partnership if schools are to do what is expected of them. Adult learning must also involve partnerships, but they are much more complex. The participants in adult learning range from school leavers to older adults, from managers to long term unemployed, from people requiring high level skills to those needing basic literacy. The providers are similarly diverse, including among them schools, colleges, institutions of further and higher education, enterprises, private training providers, and the employment service.

How does Croatia stand in the development of partnerships? There is quite an elaborate and complex structure of social partnership arrangements at different levels, including the Economic and Social Council at national level. At this level there is a great deal of discussion and debate at top level about the importance of education and learning, as evidenced by the publication of the White Paper and follow up documents. But this may be somewhat misleading in the context of workable partnerships. It was pointed out earlier that there is not really effective working between government departments in Croatia, and the lack of effective partnerships at all levels has been recognized by several recent reports including the European Training Foundation's (ETF) Peer Review of vocational education and training. In addition, the social dialogue structure does not seem to work effectively, and there is little or no discussion of adult learning within it.

In some ways this is not surprising. Croatia has only recently emerged from a highly centralized system of government and administration where there was very little tradition of partnership in education and training, the debates on education and training are still expert led, which may be inevitable but which gives the impression of experts and politicians talking to one another rather than addressing themselves to the people and the partners. Recent reports on Croatia by OECD and the EU have all identified the same set of problems surrounding the lack of true partnership

in education and training. The social partners are not sufficiently involved with government either in the development of the economy or in education and training, though the Chamber of Crafts and Trades does have a role. The trade unions in Croatia have a different role from their past activities, and though sector trade unions are quite strong, the decline of the old industries and the increased number of small firms makes it more difficult for unions to attract and retain members. In addition, there are five trade union associations or federations which often find it difficult to get a common view in social dialogue. The main problem, however, is that the structures of social dialogue are insufficiently strong. Though trade unions are in theory involved in various tripartite or consultative bodies through membership, in practice their influence is very limited. This is something which the MoSES will have to tackle: in the context of EU policies on learning, trade unions and employers have an important practical role to play in social dialogue, and given the absence of education and learning from such discussions there is a long way to go in Croatia.

Another significant issue raised in the context of vocational training which is equally important for adult learning is the need to see policies planned and delivered at local and/or regional levels as well as at national level. This does not happen in Croatia at the moment. There is no effective structure of debate below national level, and the lack of effective partnerships is even more evident at that level. The general conclusion in the OECD report on vocational training was that the system should be much more decentralized, and the same might apply to adult learning. Certainly adult learning opportunities have to be provided where people live, and it is not possible in any country to determine the right balance of supply and demand from national level. The strategy for adult learning has to judge how far it is possible to decentralize in an efficient and cost-effective way.

Support Structures

An effective adult training strategy must adopt a systemic approach to planning, implementing and assessing policy and its outcomes. There are some deficiencies in Croatia in the support structures which underpin education and training, and these may be briefly listed before being dealt with more thoroughly in the following sections.

- a national qualifications system is lacking; developments have only just started
- while there is much expertise on the pedagogy of education in Croatia and the Andralogical Centre and Education Institute among others are involved in adult education, there does not appear to be any central policy or resource for scientific research work and development projects in the field of adult learning
- quality assurance: the validity and effectiveness of much adult learning is not known
- there is little evaluation of what is on offer, and whether learning opportunities have benefited the individual or the economy.

THE PRINCIPLES OF THE STRATEGY

The overall objectives of the adult learning strategy may be summarized as being to improve the competitiveness of the economy and the labour force in Croatia; to raise the average skill level of the workforce and make people more adaptable and able to accept and cope with change; and to

promote social aims of equity and participation. These are in line with the general objectives of the EU economic and learning strategies.

To achieve these objectives and to help overcome the difficulties of the current situation in Croatia in relation to adult learning, the strategy should be based on a number of principles.

- There must be a clear policy lead from Government
- There must be effective partnerships between Government and other stakeholders in the formulation and delivery of the strategy.
- The provision of learning opportunities - the supply side - must be made more accessible, more flexible and less expensive.
- Adult learning must relate as far as possible to individual and enterprise needs rather than being provider-driven and following an education logic.
- There must be an appropriate balance between the economic aim of achieving a more competitive economy and the social aim of meeting individual aspirations and improving the quality of life.
- There must be a rational financing system that provides the appropriate signals to those involved in providing or undertaking learning, and which ensures value for money.

THE DEVELOPMENT OF THE STRATEGY

The strategic objectives will be achieved by a series of specific measures, and these will have to have their own action plans and timetables. But a strategy must be more than simply a shopping list of measures and Croatia has to establish a system which will enable a long-term approach to the formation and implementation of strategy. Thus, before discussing what these measures might be, it is necessary to deal with some of the structural problems which have been identified as inhibiting the development of an adult learning strategy in Croatia.

a. Establishing a Learning Culture

There appears to have been no real attempt to institute a learning culture in Croatia, but unless this is done an adult learning strategy is doomed to fail. The various Government publications on education have received publicity in Croatia, but this has not percolated to the general public. Indeed learning is commonly equated with education, and education with the formal education system. The concept of adult learning is either not understood or regarded as quite uninteresting by the media and public opinion. This is true for both many individuals and employers.

Individuals in many professions do take part in learning as adults, with people undertaking regular updating of their skills and knowledge. But most of those who have left the formal education system do not think of further learning, especially if they feel that the education system has failed them in the past. There are various reasons why people may not undertake learning, including lack of knowledge of what is on offer, opportunities not being accessible, cost, or simple lack of interest. There are exceptions of course. When a crisis occurs, such as a factory closure, there may be demands for action in the form of retraining; and some people in work who are highly motivated and concerned with their own development may take an active interest in further learning. There is little sense that individuals, or the trade unions which represent them,

feel they should be demanding learning or development of their skills, yet this is a very powerful driver towards a learning culture. If people demand learning opportunities there is more pressure on employers or the state to provide them.

For employers a survey of small and medium sized enterprises suggested that about half of them considered training as one of the strategic purposes of the company, and about the same proportion said that formal training was part of the company's strategy. This is a reasonably encouraging finding, though it also suggests that for the remaining 50 per cent of SMEs training is not important. This presumably means that they do not consider that developing their employees should be a most important part of their business plans in the interests of recruiting and retaining effective workers, and increasing productivity and output.

Promoting a learning culture must emphasise to people the significance of learning to economic progress, personal development, social enrichment and community cohesion. The promotion of learning in all its aspects should involve an action plan led by Government. It should produce this in association with the social partners and other stakeholders, and joint trade union/employer approaches at local level could be effective. The implementation of the plan must be highly professional, carried out by media organizations on contract to Government. Among the elements of such a plan might be learning festivals, sectoral and local learning campaigns, workshops and seminars, and demonstration projects by Croatian or foreign organizations and individuals which can show in concrete terms the benefits of investment in learning, without pretending that learning can solve all problems.

b. A Unified Approach to Strategy

If an adult learning strategy is to be planned and implemented effectively, there must be a lead responsibility within government for taking it forward and in Croatia this must be the MoSES, if necessary with a revised mandate. But other Ministries with relevant responsibilities must be fully engaged, in particular the Ministry of Economy, Labour and Entrepreneurship. One deficiency noted earlier is the lack of any forward view of the skill needs of Croatia. Some attempt must be made to take a national view, based on a view of the economic and industrial outlook. This will require a joint effort across several government departments. More broadly, if the bold statements in the White Paper are to mean anything, adult learning must be seen as a **Government** responsibility rather than the preserve of one or two ministries. The government as a whole must be interested in the development and resourcing of the strategy in the interests of underpinning Croatia's economic and social progress, and all ministries must contribute as necessary to the strategy and its implementation. The strategy must be a long-term commitment by government and its partners, and this requires continuity of policy, and a common approach across the political spectrum. It would be extremely damaging if the strategy were to become an issue of party politics.

The recent reorganization of ministries in Croatia may well be helpful in facilitating the joint working which is essential to an adult learning strategy, in particular the bringing together of the responsibilities for the economy and labour and entrepreneurship. But of course participating in the formulation of an adult learning strategy requires new approaches and new ways of thinking by all ministries concerned. MoSES, for example, has traditionally been concerned exclusively

with the formal education system. This is not surprising given the huge task of reform which has to be undertaken. But the vision has to widen if adult learning is to be pushed forward. There must be a central policy point in the MoSES, which has real authority to involve other relevant parts of the Ministry and to link with other ministries as necessary. This may well require a greater capacity for policy development within MoSES and an increase in resources, but if the Government is serious about an adult learning strategy this ought to be affordable.

The Government has set up a working group on adult education which could be the forerunner of a legally established national council. This could be an effective central point for debate and consultation on adult learning, depending on its remit and its membership. To contribute effectively to a national debate on adult learning, such a body would have to look more widely than adult education as normally understood, to training and informal forms of learning, and its remit and membership must reflect this. It ought to reflect the range of interests involved in adult learning to ensure an effective input to thinking, and legislation to establish it ought similarly to reflect the range of adult learning. Such a council could be a most useful sounding board for giving views to MoSES and others about strategy proposals, facilitating their implementation, and perhaps formulating its own ideas on strategy. It is however important that the strategy and policy lead remains within Government, with MoSES retaining responsibility for the national adult learning strategy with the other ministries, which should be involved.

c. Partnerships

It is now widely accepted in most countries that the delivery of learning must involve partnerships, and this is all the more true for adult learning. The range of possible needs is so broad, and the policy response so diverse, that it is not possible for solutions to be developed and delivered without the involvement of many interests. Croatia is not well advanced in the development of effective partnerships in learning. The OECD thematic review and the ETF review of vocational training both made recommendations for the creation of partnerships in this area, as well as highlighting the difficulties of doing so, but little progress seems to have been made. The adult learning strategy requires even broader partnerships, and the following paragraphs outline a possible structure, which might be considered.

At the national level the partnerships are between Government and the social partners. This would involve all relevant Ministries, including representatives of the regions and the employment service, and might be carried out mainly through a national council or some such body, provided, as suggested above, that its remit is learning, including training and informal types of learning, rather than simply the formal education system. It would certainly be counter-productive to have more than one top-level council in this area. At the same time there should be regular contact between the MoSES and the social partners to exchange information and develop ideas.

The task of this partnership would be to define the adult learning strategy, to select priorities in line with government guidelines, and to define responsibility for delivery. Its tasks might include:

- monitoring of the National Employment Action Plan

- general supervision of infrastructure and support structures (see below)
- with the MoSES/ Education Institute, overall CARDS and (later on) European Social Fund (ESF) planning and monitoring
- supervision of the work of lower-level partnerships.

Below national level, some partnerships already exist at county and local level, but there are substantial restrictions on their action. More important, they do not really form the kind of learning and skills partnerships which are required. These would involve the social partners, local government, the education sector (colleges, schools, further education and higher education), the employment service, private training providers. They would link with the regional development effort in the same way as the national partnership would have regard to the overall needs of the economy. These partnerships are particularly important as bringing the planning and delivery of learning closer to where people live and work. They would therefore have greater reality to the public. These partnerships might have the following tasks within national guidelines:

- identify the main learning needs for their areas through labour market assessment
- assess the supply of learning opportunities and how provision might be made
- coordinate research and survey work
- guide the employment service on the provision for unemployed people
- assure the quality of education and learning within the region
- possibly, allocate Government and donor funding within the region.

It is arguable that there should be a further level of partnerships below regional level. This would certainly relate learning provision to the requirements of localities, and this would be desirable and would resolve some current problems: for example, there is no doubt that the links between enterprises and schools in Croatia need much more development. There is however a risk having of too many partnerships in that the system becomes unwieldy and bureaucratic, with adverse effects on delivery.

This structure of partnerships is merely illustrative of how the approach might work in Croatia. But the creation of partnerships is not easy and the experience of other countries provides some lessons. First, partnerships must be taken seriously by all concerned and given a real job to do, so that they will attract high quality members to participate. If it turns out that they are talking shops with no real role, they will not work and partners with disappointed expectations will leave. Something of this kind happened with the employer-led bodies in the US and UK. Partnerships must be sustainable over the long term so that continuity is important. There must be a shared vision and a genuine desire to work together cooperatively, with a high degree of give-and take.

Secondly, partnerships cannot be created quickly. It takes time for partners to come to understand one another and for the mutual trust which is so essential for partnerships to develop. Since partnerships cannot be enforced on people but have to emerge, not all regions may have the same degree of enthusiasm or expertise. They may not advance at the same speed or necessarily end up with exactly the same form of partnership. Flexibility and differences have to be accepted.

Thirdly, and very important for Croatia, effective partnerships require capacity and expertise so that the partners can play a full role. Both the OECD and ETF studies pointed out that in the vocational education and training area neither employers nor trade unions currently had the capacity to play their proper role in partnerships below national level, though they might be able to operate at national level given the opportunity. This is still true, and it is therefore essential that there should be a substantial capacity building effort making use of international experts and experience before the partnerships are set in place. There should also be a great deal of informal discussion between potential partners about their expectations of the system.

MEASURES TO IMPLEMENT THE STRATEGY

The previous section dealt with the development of the strategy. This section discusses possible measures to implement the strategy in Croatia, in the light of the core problems identified earlier. There will be choices to be made. Should Croatia take a selective approach, pressing ahead with a few measures, or advance on a broad front? Where is likely to be the most cost-effective use of the limited resources? What are the Government's political, economic and social priorities in the field of adult learning? And which approaches seem likely to provide a good basis for further improvement? The following three sub-sections illustrate how some of the key problems in adult learning might be tackled, and where the responsibility for action lies.

a. Improving Basic Skills

Croatia has recognized that the country has a major problem of lack of literacy, with 685,000 people over the age of 15 who did not finish primary education (2001 Census). The reduction of illiteracy is a national strategic goal, the aim being that all citizens of Croatia should have education up to the end of primary school. As far as the economy is concerned, a further problem is that many people also lack numeracy skills and, even more likely, new types of basic skills such as computer literacy and problem solving. Lack of basic skills is particularly evident among the unemployed and the long-term unemployed. Employers will be most reluctant to hire such individuals not only because they may not be able to do currently available jobs but also because lack of basic skills may prevent the acquisition of further skill. The long-term aim ought to be to move towards the key competences identified in the EU report on the implementation of education and training 2010 work programme, namely competence in the mother tongue, competence in a foreign language, mathematical literacy and basic competences in science and technology, ICT skills, learning-to-learn skills, interpersonal and civic competences, entrepreneurship, and cultural awareness. This is an extremely demanding list, and one of the tasks of a strategy will be to identify the key needs of Croatia and how they can best be met.

The responsibility for dealing with the lack of basic skills among unemployed people and the funding of the remedy clearly lies with Government. In some senses it reflects the failure of the formal education system to provide adequate learning, and there is no reason why other partners should participate financially. Employers have no interest in low skilled unemployed and the individuals themselves do not have the resources or knowledge to acquire the necessary skills. The action in this area lies with the employment service which has contact with the unemployed registered with it, but not those who are unregistered.

How might the employment service approach the problem? The first requirement is that those with basic skill deficiencies be identified, and this will need some assessment by ES staff to ascertain the current level of skill and the type of further training which would be most beneficial. There may also be problems of motivation of the unemployed themselves. They may not want to “go back to school”; they may have become accustomed to a life without work; or they may be working in the grey economy. The ES may therefore have to persuade them that remedying their basic skill deficiency, while no guarantee of employment, will improve their chances of work. Provision should also be made for the unemployed who are not registered, though this is much more difficult. As pointed out earlier, many people who have left the labour force may have no interest in registering as unemployed, and may indeed be even more lacking in motivation as the registered unemployed. It is however necessary to consider how they might be attracted back into the labour force and provided with the skills they need, perhaps through appropriate marketing, since they currently represent an underused resource.

The amount of training in this area is currently not adequate. There must be an action plan to increase the supply of opportunities, involving partnerships as described above at the regional level and below. Employers have to consider what basic skills would increase the prospects of recruitment; the ES can provide information about the clients; and the providers can adjust their current offerings to meet the scale and pattern of demand. There is a range of possible providers - vocational schools, colleges, private training organisations – all of whom could provide opportunities on contract to Government, with the clients being supplied by the ES, and possibly through outreach activities to get to those who are not registered unemployed. There may be scope for special training organizations to be created by the MoSES, but there are advantages, and perhaps greater flexibility, in building on what already exists. However, the involvement of NGOs might provide additional resource. The partnership should keep a close watch on the effectiveness of the different providers.

b. Skills for the Market Economy

Some people who become unemployed may need more than basic skills training. They may have some skill which they could upgrade, or they may wish to change skill to fit them for employment in new and growing industries. People in this situation may need some help before they undertake training, in the form of assessment and counselling. It may be necessary to consider what their current level of skill is and whether they have sufficient prior learning to acquire new skill. They may not have a clear idea of what they would like to do and would therefore need advice based on their capabilities and potential. One possible source of such counselling would be the employment service but there may be other sources of counselling, which could be used, through private training and recruitment organisations, or in employers' associations or NGOs.

It is important to recognise that in a modern economy many skills are not the highly technical types which require long training. As the service sector expands more and more jobs need personal and social or “soft” skills which ideally should be inculcated in school but which many adults may lack, whether employed or unemployed. In Croatia, where the hospitality industry – tourism, hotels and catering – is likely to be a significant source of jobs in future, the provision of these soft skills is particularly important.

The improvement of the skills of those in work should be an important component of the adult learning strategy. The general approach in most European countries is that employers should be responsible for training their own employees since they know best what the training needs are. In addition, since the benefits of the more highly skilled worker accrue to the company, it should bear the cost of the training. This approach has however not been entirely successful in ensuring a satisfactory degree of in-company training. Some companies do not do as much training as required, preferring to try to attract trained workers from other firms; some do not appreciate the need for and value of training; and some, when under serious cost pressures, cut back training budgets as an apparently avoidable expense. Large firms are more likely to appreciate the need for employee development, but there may be problems particular to small and medium sized enterprises (SMEs), which result in a less than optimum training performance. They are less aware of the importance of employee development; they are unlikely to have specialist human resource development staff who could push forward such development; and it will be more costly and difficult to give employees time off to be trained in a small organisation. For a number of reasons, therefore, the amount of training in the economy, and in some enterprises, tends to be lower than required for economic efficiency and individual development.

In many European countries governments have intervened in company training to try to achieve a more efficient solution. What lessons can Croatia, which has the additional problem of companies trying to adjust to the market economy, learn from their experience? Possible approaches to intervention include:

- a. legislation? Some countries have passed laws requiring firms to allow employees paid leave for a certain number of days for training. This can be difficult to police, but the main problem is that without detailed and potentially burdensome regulation, there is no way of ensuring that the training is appropriate to the individual's or the economy's needs. The main reason for perhaps introducing such legislation in transitional countries such as Croatia, is to emphasise the importance of training; in a sense the precise outcome is less important than the message the legislation would give. It might be particularly relevant to small firms whose workers have less likelihood of receiving offers of training. Another approach might be to encourage enterprises to give their employees paid study leave to undertake learning which would be useful to the enterprise.
- b. subsidies for training? Should any subsidy be general, which is likely to be costly, or specific to particular kinds of training, and if the latter how should this be defined? A common problem with subsidies is deadweight, where the subsidy is given for training the employer would have carried out in any case, so that training costs are transferred from the employer to the public purse. Again, however, there may be transitional reasons for introducing subsidies as an explicit signal of encouragement to employers to train, particularly in small and medium sized enterprises, quite apart from the possible short-term inefficiencies. A related point is that the tax system should not hamper the acquisition of skills. For example, learners at People's Open Universities have to pay full VAT at 22 per cent, which is a considerable disincentive to participation.
- c. levy and grant systems? These impose a levy on employers and give a grant to those who train in required skills. The UK had such a system, but to the extent that it was successful

it was the planning structure, which emphasized the importance of training rather than the financial incentives which improved training. The levy was not high enough to change employer behaviour on training, and since most employers both paid the levy and got grants, the system became inefficient.

There is some evidence, therefore, that certain kinds of intervention to influence the training market are difficult to control, of doubtful cost-effectiveness, and that any positive effect they do have often diminishes over time. This does not necessarily mean that they should be ruled out in the case of Croatia. As pointed out above, financial incentives may be very useful to provide a clear signal to enterprises of the importance of training, even if they are not designed to be long-term instruments but simply a pump-priming device. Again, where there is clear evidence that financial considerations are inhibiting companies from training, the case for financial incentives could be made. One example would be to provide free or subsidized assessments of training needs or the existing stock of skills for SMEs. Another is the funding of the training of potentially redundant workers in enterprises facing restructuring, building on the Mobility Centres already piloted by the employment service, on the grounds that it is more sensible to try to deal with these workers before they leave and become unemployed. Joint funding between the employer and the employment service is desirable, perhaps involving workers going to vocational training on release from their companies, or trainers coming into the firm to provide learning. The curriculum of learning should be based on individual needs, as assessed by the employment service.

In the interests of the long-term development of adult learning in Croatia, it is important to involve employers by building on the partnership approach outlined earlier. If employers are involved with planning provision in their areas and can relate their training to a forward view of the national and local economies, the outcome is likely to be an improvement over the current situation. It may also be possible to reinforce the employer effort by non-financial incentives. For example, the UK has an award, Investor in People, given to companies by an independent agency. The company has to show that it has related its human resource planning to business planning, and that its employees are fully in touch with the objectives of the company and its plans for their own development. This award is valued by companies since it gives them national recognition as leaders in the field. A similar approach would be to make an award to companies in respect of the excellence of their training. These approaches would help to develop the culture of learning within companies.

Another way of encouraging learning is to provide financial incentives for individuals to undertake learning. These might include training loans which are particularly relevant to higher level skills which are expensive and where the learning is lengthy, such as higher education. Such loans can be difficult to administer and relatively costly since the loan is repaid, probably through the tax system, over many years. Other possibilities are individual learning accounts where government pays into a dedicated account which the employee can draw on to undertake approved training; and tax credits for expenditure by individuals on approved training. A common problem is how to define the learning which should be approved under such schemes, and their nature does not make them very suitable for lower level skills.

d. Training of Managers

This is a particularly important area of adult learning in Croatia. The disciplines involved in managing companies in the past are very different from those required of private companies operating in a market economy and faced by increasingly severe international competition. In the previous industrial structures managers did not have to concern themselves unduly with increasing productivity or training their workers for new tasks. The White Paper (2001) pointed out that owners of newly private companies were not themselves entrepreneurs and had insufficient understanding of the need to train their managers to deal with the changed situation. This situation is changing. Large companies are developing good systems of management training, and higher education institutions are developing management education studies leading to diplomas or MBAs, though there may be some question as to the quality of training. For SMEs there may be greater problems, for the reasons described above. The manager of an SME may have a wide range of responsibilities, and so should need a broad training. But it may be impossible for such a manager to take time off for formal management training, especially if there is no immediate pay-off to the company.

Perhaps more important than these formal courses is the facility for managers to acquire knowledge through non-formal short courses or seminars, by self-education and by manager networks which enable individuals to discuss their work problems and to compare solutions. It is of course essential the managers undertaking this kind of learning put into practice what they have learned. This is often a problem: the courses are forums of discussion but not followed through to improved management practice. This may be a much more practical route for management training in SMEs.

Notwithstanding the improvements in some parts of Croatian business, the general perspective is that management training, and the need for managers to engage in continuous learning, is not taken sufficiently seriously. The National Council for Competitiveness criticized the quality of management in relation to the objective of improving competitiveness, the White Paper (2001) suggested that in the area of management training Croatia lagged behind other transitional countries, and that this was a type of adult learning which should be given special attention.

This is a sound judgement, and there are several possible action points which might be pursued.

- An assessment should be undertaken of the formal management education courses provided by colleges and higher education establishments to ensure that their offerings are in line with best practice in other more developed economies.
- Links should be established between Croatian institutions and those in other countries. Such links already exist to some extent, but management education expertise is transferable, and Croatia should take advantage of the progress that other countries have made.
- Consideration should be given to establishing centres for management education and training at regional level, bringing together such providers as already exist rather than starting from scratch, and developing their offerings to suit companies in the regions and localities. The structure of industry differs between regions and localities and so does the nature of firms. Some regions will have many more SMEs than others. Management training should be tailored to the needs of the regions and localities. The task of establishing such centres and deciding on provision should be for the partnerships as

discussed above. In this area as in others, the keynote is flexibility of provision. They could be particularly important in offering training in entrepreneurship to encourage the creation of new small businesses.

- Networks of companies involved and interested in management education should be established at regional or local level. This would fall naturally to the Chambers of Commerce or employers' associations to organize. As part of this, it might be possible for larger enterprises which have in-house management training and education programmes to act as "mentors" for other companies who are less advanced, and in particular for SMEs, to encourage and guide them in their efforts to improve.

THE INFRASTRUCTURE OF LEARNING

This section deals with a number of areas which are important in the provision of adult learning, and the efficiency and quality of delivery.

a. The providers of learning.

There is a wide range of providers of adult learning in Croatia, both formal and informal, though the extent to which they operate will vary between different parts of the country.

- People's Universities at county level offer formal and, more commonly, non-formal training. There is no central source of information about the number of participants in these institutions, the types of programmes and the quality of provision.
- Vocational schools and colleges, which educate young people, also provide places for adults and this education leads to a qualification.
- Private education and training providers have sprung up in the last ten years to help with the transition to the market economy. Their focus seems to be on providing for the needs of enterprises in the market economy. No data exist on the number of individuals who undertake training with private providers. While unemployed people are unlikely to be able to afford the cost of training, anecdotal evidence suggests that many individuals do pay for training with private providers, especially since they tend to concentrate on the skills which are most in demand, such as information technology, foreign languages, and a range of business training. Their customers will mostly be people with secondary education or higher, who want to acquire new skills or upgrade those they already have. Again, however, there is no data available on the operations of these providers.
- Enterprises provide training for their own employees, though as the discussion above indicated not all companies do this and there are deficiencies especially in the SME sector.
- Various informal and voluntary organisations offer learning opportunities, including the Forum for Freedom of Education and the "Rosa " Centre dealing with education and counselling for self-employment of women. The role of such voluntary organizations is particularly important in that they operate at local level and integrate learning with the development of the communities they serve.

The adult learning strategy must make use of all these types of providers in meeting the needs of individuals and the economy, but there are some problems in doing this. First, there is little

information on the number of providers in particular parts of the country, what they are doing, who their clients are, and how effective the provision is. Filling this information gap should be a major task for the regional partners. Once this information is available, it should reveal whether there are serious gaps in provision, as one suspects there are in some less prosperous parts of Croatia, and how these gaps should be filled. Once the structure of providers is mapped, the regional partnership should work to create networks between them, and with those demanding learning.

Secondly, where provision exists it may not be up to the task of meeting skill and learning needs. An example is the providers of vocational education and training whose activities were examined by the OECD and ETF reviews. These found that the curriculum offered by vocational education and training providers was not well geared up to the new skills; they were not sufficiently linked to their local economies; the teachers were poorly paid and insufficiently well trained; and in general the system lacked flexibility in how students could move through and within it, and in its response to changing demands. These criticisms may well apply more widely within the provider system, and a key priority for action in this area is the training of trainers, so that there is greater assurance that learning offerings are based on up-to-date teaching practice.

b. Qualification standards, assessment and evaluation

It is important that stakeholders in the learning system should have confidence in its operations. Individuals who undertake learning opportunities want to know that what they have learnt is recognized to be of high quality and of benefit to them. Employers will want to know, when recruiting someone who claims to have some degree of skill, that the qualification is genuine. Anyone undertaking formal learning will want to know whether the provider is efficient and effective in what it is supplying. To ensure this in Croatia requires the further development of support measures across the learning system.

First, **qualification standards**. Most industrialized countries have moved away from qualifications based on time spent in training to systems based on national standards. These apply to both young people and adults. Apart from standards for levels of learning in individual countries, there are of course also international classifications at a broader level. Croatia does not have a framework of national qualifications and this is an area on which work must be carried out. The lead must come from the centre, either from the MoSES, or more likely from a national body which would involve the social partners. This is a difficult process as international experience shows. A balance must be struck between analysing and creating standards for specific skills or industry sectors or occupations without creating a system with built-in rigidities which inhibit movement within the labour market. It is necessary to create a classification system which is flexible and which reflects the fact that individuals will change industries and skills far more than in the past. The classification system must facilitate this movement, and should not be based narrowly on current skill or industry patterns. It should involve a systematisation of the skills and knowledge relevant to the needs of a modern economy.

It also has to be recognised that the “soft” skills described earlier may not fit into the traditional structure of qualifications and standards, and indeed that employers may not need qualifications for this kind of skill. They may be able to pick up the potential of a recruit in the hiring process,

and be prepared to top up the level of skill if necessary. The qualifications framework should nevertheless consider the inclusion of such areas as language skills, information technology skills, teamworking, and communication skills as well as the technical skills appropriate to the occupation or job. Another aspect of assessing an individual's suitability for a job is their existing stock of learning. While they are not well developed, systems of assessment of prior and experiential learning can provide evidence of the skills and competences individuals possess. In addition to being important in fitting jobs to people and vice versa, this kind of accreditation helps access to learning, by providing a demonstrable base on which further learning can be built.

Related to this is the issue of **the status of providers**. Should there be a national approach to recognizing or approving providers or their learning programmes? Providers of adult learning outside the formal education system are not obliged to seek recognition by MoSES though they frequently do in the interest of giving their programmes greater credibility. For private providers it can be argued that they will succeed if they are effective in giving people the training which gets them jobs, and that this is sufficient. But in practice individuals are very unlikely to know whether a provider is good or not: the information is not available to them, or may be misleading. There is no doubt that when a provider is receiving public funds there has to be scrutiny of the offerings and the provider's outputs: is the training being provided in the numbers and to the quality expected? Obviously it is necessary to avoid an unduly burdensome and bureaucratic system that discourages providers, but international experience shows that an unduly light regulatory regime can result in fraud and the discrediting of the programmes.

On the whole, it seems desirable to have a system of accreditation or certification for providers, with national guidelines and regional administration where a provider is serving a limited geographical area. This should try to ensure that private providers are financially sound, that they are not making exaggerated claims in any publicity literature, and that their pedagogy and instructional approaches are appropriate. It may at some stage be possible to relax the registration regime once providers have established themselves as effective participants in the learning partnerships, and demonstrated their effectiveness in getting trainees into jobs.

Finally, **monitoring and evaluation**. There are various levels at which monitoring and evaluation should take place. At the national level, there should be a mechanism for reviewing regularly the progress of the adult learning strategy as a whole. This should cover both the process – for example, have the national and regional partnerships been established as intended – and the outputs of the system. This kind of evaluation is difficult but it is an essential part of the strategy process, and it can start quite simply by monitoring the outputs of providers, to establish how many people are being trained in particular skills, and whether those whose training was intended to get them into work have in fact got jobs. This will help establish whether publicly funded adult learning programmes are meeting their objectives and giving good value for money. More rigorous evaluation can follow, and evaluation should feed back into decision-making and if necessary lead to adjustments in the strategy. To give credibility to evaluation it should be conducted on contract, with funding from learning programme budgets if necessary, by a body independent of government or the social partners. This can be awkward if evaluation suggests that the strategy or particular measures have not achieved their intended objectives, but it is essential if lessons of experience are to be learned.

FINANCING PRINCIPLES

The discussion of the measures, which might implement an adult training strategy, has already raised issues of the funding of adult learning, but it may be helpful to summarise here the main conclusions on the financial aspects of learning.

First, though the amount being spent on adult learning is unknown, there is a general recognition that expenditure is far below what is necessary to meet current needs let alone any new developments emerging from a more extensive strategic approach. The first step should be for the government to estimate the current expenditure on adult learning in both the public and private sectors. If possible, this might be linked with obtaining better information on the numbers participating in learning. This would give some idea of the resources being devoted to adult learning and on whom the money is being spent.

Secondly, who should pay for what. The general principle is that the government should meet the cost of training or learning for those who do not have an employer who might pay, and who are unable to pay for their own development. This would include unemployed people, war veterans, and those made redundant in industrial restructuring. Quite apart from the financial difficulties these people would have in meeting learning costs, there are substantial social reasons why government should bear the cost, in the interests of maintaining communities where unemployment is high, reintegrating people into work and society, and ensuring access for them to new skills.

Another principle is that employers should pay for the training or upgrading of their own employees on the grounds that the enterprise will benefit from the higher productivity of the trained worker. This principle does however have to be qualified in the light of the observed fact that many employers do not undertake the necessary amount of training. There may therefore be reasons for considering financial incentives to change employer behaviour. These might be grants or loans to employers, levies on those who do not train, or co-funding for some types of training. To the extent that such financial incentives are used, they must be carefully controlled to avoid waste of public funds, and may well be most effective when targeted at particular skills rather than being general support to any training.

Individuals also have an incentive to invest in their own skills if they see opportunities in a different area. A proportion of the clients of private training providers in Croatia are people who are funding their own training in expectation of a better job and higher salary later. There are several types of financial incentive in OECD countries for individuals, but very few of them are suitable for unemployed people or those with low skill.

Thirdly, donors. Learning in Croatia receives support from many donors, among them the EU with the CARDS programme, the ETF, national governments, foundations, etc. One important task for MoSES in formulating the adult learning strategy is to map the current pattern of donor support, and to take ownership of it and monitor progress in accordance with the priorities of the strategy. There are several areas discussed above where donor provision or support of technical and expert advice would be particularly useful. These include labour market assessment, the development of national qualifications, quality assurance, and monitoring and evaluation.

KEY CONCLUSIONS

Development of the Strategy

1. A timetable should be agreed within Government for the increased resources to be spent on education and learning and the share of adult learning should be defined.
2. A promotional campaign should be undertaken to spread knowledge and understanding of the importance of learning for individuals, employers and the country as a whole.
3. A “learning partnership” should be established within Government, bringing together relevant ministries and the various stakeholders. This should consider the areas for priority action and resourcing in adult learning.
4. The policy capacity of the Ministry of Science, Education and Sports should be strengthened to allow it to develop strategy in adult learning.
5. The role and membership of partnerships below national level should be defined.
6. The capacity of the social partners and others to engage in effective partnerships should be enhanced as necessary, using international experience and donor/expert assistance.

Implementation

1. The existing policy to improve literacy should be extended to the enhancement of basic skills, including life skills, especially among unemployed people.
2. War veterans should be given priority in obtaining new skills.
3. In the context of skills for the market economy, priority should be given to the development of management training, in co-operation with employers. This might include the establishment of regional management centres, and the funding by Government of entrepreneurship training. International experience and expertise should be used.
4. Depending on the evidence of demand for particular skills which seem likely to be in short supply and which employers cannot provide, some finance could be provided by Government on a short-term basis.

Infrastructure

1. The employment service should be fully resourced to deal with numbers of unemployed people, and encouraged to seek to help those who are not registered but are without work. Employment service staff should be enabled fully to assess the needs of unemployed people and to provide appropriate counselling.
2. Modernisation of public providers of learning for adults – vocational schools, colleges and post-secondary institutions – should be pursued as a matter of urgency, so as to make them more flexible in their response to the demand for new skills. A key priority is the training of teachers and trainers in this area.
3. Private providers of learning should be encouraged.
4. The development of a system of national qualifications should be continued, with employer engagement, as a long-term aim.
5. Monitoring and evaluation of learning programmes should be pursued, to help ensure that they are meeting their objectives in a cost-effective manner.