Financing and institutions as key elements of the future of adult education – some empirical observations

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Agenda

- Background and Research Questions: Financing and Participation in Adult Education in five States with Different Welfare Regimes
  - Nordic (FIN, SE), Liberal (UK-Sco, AUS), Continental (AT as a focus)

- Theoretical Perspectives on Financing of Adult Education and Informing Policy making

- Research Design and Methods: Estimations from Comparative Databases, Supported by Direct Inquiries in the Selected Countries

- Results
  - Comparison of expenditure by actors’ categories in selected countries
  - Stylized patterns of participation in the selected countries
  - Summary of empirical results

- Discussion and conclusions: the welfare regimes, the market, and confusion about institutions
Background and Research Questions
empirical study

**Background**: detailed studies about total expenditure for adult education in our own country Austria (AT)…

- …based on the compilation of data from different sources: state budget, labour market policy, enterprises (EU-CVTS), individuals (EU-AES)…

- …with a focus on the contributions by different actors (state, enterprises, individuals)…

- …have given high proportions from enterprises, individuals and labour market policy, but a very low proportion from the state budget…

- …so we wanted to acquire comparative information as a kind of benchmark for a political appraisal …

**…research questions** of the empirical study were…

- (1) to get an empirical picture of patterns of financing and to put Austria in perspective

- (2) to relate financing to participation

- (3) to get some hints about policies, with a focus on the alternative mechanisms of market vs. institutional financing, supporting individuals vs. institutions
Theoretical Perspectives on Financing of Adult Education and Informing Policy making

- The empirical study was based on two strands of reasoning...
  - assumptions from OECD about **market failure** and the proposition that a 1:1:1 distribution of funding between **state : enterprises : individuals** could limit this failure
  - the 'bounded agency' approach, that assumes institutional **embeddedness of AE in welfare regimes** (Nordic vs. Liberal), and consequences for policies and participation (support and strengthening AE institutions vs. focus on the market)

- ...with overall expectations...
  - **Nordic**: comparatively high resources for AE, high proportion from public sources, high and equal participation
  - **Liberal**: much resources from the individual contributions in the market, eventually with less participation and probably more inequalities
  - **Corporatist Austria**: spending less than in Nordic countries, contributions from enterprise sector, medium participation and high inequality, both dimensions ev. better than liberal countries because of corporatist coordination

- [...no systematic comparison of total expenditure available so far]
Research Design and Methods:

- ...two steps:

- (1) the comparative **estimation of the expenditure** by the actors’ categories (individuals, enterprises, the state, labour market policy) per capita of the population

- (2) expenditure related to available **indicators of participation**, to identify rough patterns across the selected countries from the different welfare regimes, and to confront the above expectations
Research Design and Methods: Comparative Data bases & Direct Inquiries

- sources for information about financing:
  - (1) **state**/public expenditure: (a) the **public budget**, (b) the expenditure of **public employment agencies** for AE; data collected by email-survey
  - (2) **enterprises**: two waves of European **Continuing Vocational Training Survey** (CVTS2&3, 2005-07)
  - (3) **individuals**: European **Adult Education Survey** (AES, 2007)
  - (4) **Australia** comparable sources were TEPS: Employer Training Expenditure and Practices 2001/20, and HHES: Household Expenditure Survey 2003/04

- access to the national data by consultations (oral or email) with representatives from ministries, statistical offices and employment agencies of respective countries
Research Design and Methods: Definitions, estimations and data adjustment 1

- **Definition of adult education:**
  - non-formal vocational and general AE from AES (EC 2005 an STATA 2009), participant age 25 years or older (some demarcation problems with formal AE)

- **Definition of expenditure:**
  - individuals and enterprises cover only direct costs, public expenditure also indirect costs (e.g. LMP living expenses), overestimation public and underestimation private expenditure

- **Public/state expenditure:**
  - no standardized comparative sources except LMP training, collected by email-survey

- **Individuals’ expenditure:**
  - EU-AES survey includes expenditure of households for non-formal adult education, different years 2005-07, Australia 2003-04.

- **Enterprises’ expenditure:**
  - EU countries CVTS 2005-07, Australia TEPS 2003, underestimation as not complete economy included (CVTS only 10+employees, and private sector, TEPS not whole economy).
Research Design and Methods: Definitions, estimations and data adjustment 2

- **Time and units of comparison (situation before the 2008+ crisis):**
  - year of comparison adjusted to 2009
  - purchasing power (PPP) adjusted using parities for GDP and related indicators in 2009
  - different size of countries: US $ PPP per capita of the 25-64-years old population

- **Participation:**
  - European sources (AES and CVTS, Australia mostly not comparable, Great Britain instead of Scotland)
  - Only crude variables available: sex/gender, marital status, citizenship, country of birth, language, education credentials, employment status and criteria as position, occupation, size of enterprise
  - in non-formal adult education the distinction between vocational and general AE was also used
  - participation in formal AE was also considered
Results 1

expenditure and participation
expenditure by actors’ categories

- Expenditure per capita of 25-64y population in $ PPP-purchasing-power-parities adjusted to 2009
expenditure by actors’ categories ($ PPP)
state budget and labour market policy

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Corporat  Nordic  Liberal  av
expenditure by actors’ categories ($ PPP) enterprises and individuals (private)

- **Individuals**
- **Enterprises**
- **Labour market policy**
- **State budget**

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**Note:** The data represents expenditure by different categories for various countries.
expenditure by actors’ categories ($ PPP) total sum per capita 25-65y population 2009

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Corporat  Nordic  Liberal  av
expenditure by actors’ categories (%) percentage

- **Individuals**
- **Enterprises**
- **Labour market policy**
- **State budget**

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<tr>
<td><strong>Corporat</strong></td>
<td>21%</td>
<td>34%</td>
<td>37%</td>
<td>35%</td>
<td>42%</td>
<td>38%</td>
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<td><strong>Nordic</strong></td>
<td>8%</td>
<td>15%</td>
<td>42%</td>
<td>5%</td>
<td>34%</td>
<td>18%</td>
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<tr>
<td><strong>Liberal</strong></td>
<td>9%</td>
<td>9%</td>
<td>5%</td>
<td>35%</td>
<td>5%</td>
<td>34%</td>
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<tr>
<td><strong>Av</strong></td>
<td>10%</td>
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<td>2%</td>
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Comparison expenditure and participation

- ...[different] ordering of countries due to total expenditure
Comparison: total expenditure

Average = 100

SCO/GBR  89%
FIN  95%
AUS  100%
SWE  100%
A  116%

Total expenditure
Average
Comparison: state expenditure

Average = 100

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<th>Total Expenditure</th>
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<tbody>
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<td>26%</td>
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<td>FIN</td>
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Comparison: private expenditure

Average = 100

Private expenditure

Total expenditure

State expenditure
Comparison: expenditure & participation formal + nonf.
Comparison: participation formal + non f.

Average = 100

Total expenditure
Average
Participation F + NF
Comparison: participation formal

Average = 100

Total expenditure
Average
Participation F + NF
Participation FORM.
expenditure and participation relationship
Non formal AE: expenditure (all categories) and participation not related
FORMAL participation and total expend.  private expend.  state expend

FORMAL participation

R² = 0,006

R² = 0,0

R² = 0,0122

R² = 0,829

R² = 0,8353

R² = 0,6982

positive relation

FORMAL AE: total & private neg.related
Selectivity of participation
formal, non formal, nf vocational AE

- education
- sex/gender
- age

Austria (corporatist) always by far highest selectivity/inequality, most in formal AE, less in vocational AE than in total (F+NF)

GBR (liberal) not commonly more selective than Nordic, except age in vocational AE [Finland exceptional high participation aged in enterprise]

education and sex/gender no marked systematic difference in inequality between GBR and Nordic
Selectivity by education EU countries in FORMAL and NON FORMAL AE

- Participation tertiary (T) / lower secondary (S1) in FORMAL (F) and NON FORMAL (NF) AE

![Graph showing selectivity by education background in EU countries](image-url)

- Inequality by education background,
  - Formal AE
  - Non formal AE
Selectivity EU countries in NF vocational AE education, sex/gender, age

Legend: f/m = female participation / male participation
a/j = participation old (55-64y) / participation young (25-34y)
t/<s = part. tert.educ. / participation less than secondary education
expenditure and selectivity (only possible for education)

- …private expenditure: Austria outlier (strong positive relation expenditure x inequality, formal participation might be positive…)

- …state expenditure: also Austria outlier, however, might be negative relationship: higher state expenditure > lower inequality

- …however, education important, not representative for other dimensions of inequality?
expenditure and selectivity by education (T/S1)

NON FORMAL

T/S1 NF

R² = 0.9272

private expenditure

FOR MAL

T/S1 F

R² = 0.9946

Ausgaben priv.

NON FORMAL

FOR MAL

private expenditure

Ausgaben priv.
expenditure and selectivity by education (T/S1)

**NON FORMAL**

For private expenditure:
- T/S1 NF
- $R^2 = 0.9272$

For state expenditure:
- T/S1 NF
- $R^2 = 0.5808$

**FORMAL**

For private expenditure:
- T/S1 F
- $R^2 = 0.9946$

For state expenditure:
- T/S1 F
- $R^2 = 0.4801$
summary and discussion
summary, discussion of empirical results

- First, the overall expenditure per capita was highest in Austria, in line with the highest expenditure by individuals, much against expectations, signifying rather a neoliberal policy approach than a corporatist one.

- Second, there is no overall relationship between participation and expenditure in the selected countries, except that higher state expenditure is related to increased participation in formal AE.

- Third, in terms of policy strategies the results do no point towards deliberate systematic patterns:
  - Austria shows the most ‘neoliberal’ pattern, despite none of the actors would follow deliberately this strategy.
  - In the liberal countries high state expenditure is combined with low to medium overall expenditure and low to medium overall participation.
  - The corporatist regime is related to high inequality of participation in terms of educational background, which is consistent with this regime; the market seems not to work particularly efficiently in this regime, as the costs of (low) participation are high.
reflection of results

- Overall aim finding answers to background question:
  - support AE by (neoliberal) individualistic market incentives for learning vs. (progressive) state support of education by strengthening of provider institutions?
  - …maybe question wrong? Not ‘vs.’ but ‘+’?

- What does it mean that expectations about ‘welfare regimes’ were not supported by empirical findings? Possible points for reasoning:
  - data limited and/or not valid? one point in time, different sources > replication with extended/better data!
  - expectations too crude? how reformulate?
  - theoretical assumptions misleading or too simplistic? focus on macro-meso-micro-level?
    - *bounded agency* approach: too rigid assumptions about stability/distinction of regimes?
    - too little knowledge about the macro level?
    - *do the multilevel models of participation (Ellen Boeren et al.) help? too much emphasis on micro-level and market rationality?*
    - *combination of welfare regimes with varieties of capitalism (coordination-liberal)?*

- …own path of thinking:
  - do adults still need ‘education’? if yes, who are/should be ‘educators’?
  - how much is market/rational choice itself an ‘educational approach’?
The End

Thank you!
Material

http://www.equi.at/de/team/Lorenz+Lassnigg
ANNEX

- stylized patterns
- costs of participation (in German Kosten der Teilnahme)
stylized patterns of participation

- Combined picture of
  - Total expenditure and total participation (tt)
  - Private individual expenditure and total participation (pit)
  - State expenditure and formal participation (sf)
Results 2
stylized patterns of participation

Figure 1: Schematic representation of funding and participation patterns

Legend: positioning of countries signals levels of…

- tt = total expenditure & total participation
- pit = private individual expenditure & total participation
- sf = state expenditure & formal participation

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<th>Low</th>
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Results 2
stylized patterns of participation

- **Nordic**
  - medium to high participation, medium expenditure,
  - homogenous pattern of state, individual market and total expenditure, formal and formal participation
  - Sweden higher participation and higher state expenditure than Finland

- **Liberal**
  - similar patterns on different levels, Scotland/Great Britain higher participation but similar expenditure compared to Australia
  - within countries private and total expenditure and non-formal and total participation lower than state expenditure and formal participation
  - state and market focus on different areas of AE

- **Continental/Austria (corporatist)**
  - reverse pattern to the liberal countries
  - low state expenditure and formal participation
  - high private and total expenditure medium low non formal participation
  - marked ineffective and inefficient structure…
costs
Kosten der Teilnahme
FORMAL, NICHT FORMAL

ÖST

Personen: Kosten der TN (EUR)

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Formal
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Kosten der Teilnahme
BETRIEBLICH, direkt, opp., total

ÖST

Personen: Kosten der TN (EUR)

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Betriebe: Kosten der TN (EUR KKS)

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Kosten/TN | Kosten/Besch
Ausgaben und Teilnahmestunden
BETRIEBLICH, direkt

ÖST

Personen: Kosten der TN (EUR)

Betriebe: Kosten der TN (EUR KKS)

Formale Bildung

Nicht formale Bildung

Betriebliche Bildung: direkte Ausgaben