

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 Data bases, 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 and 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

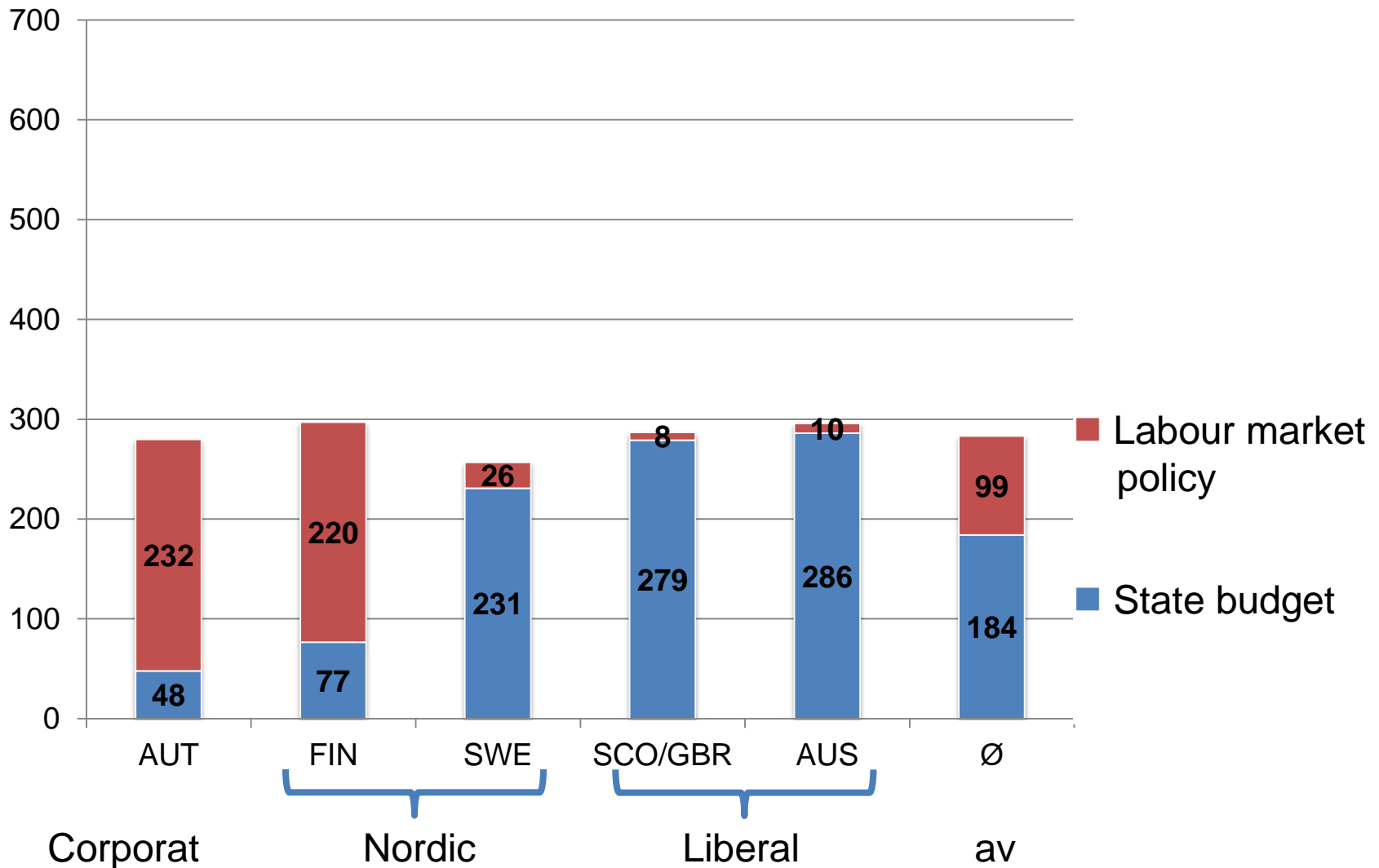
expenditure and participation

expenditure by actors' categories

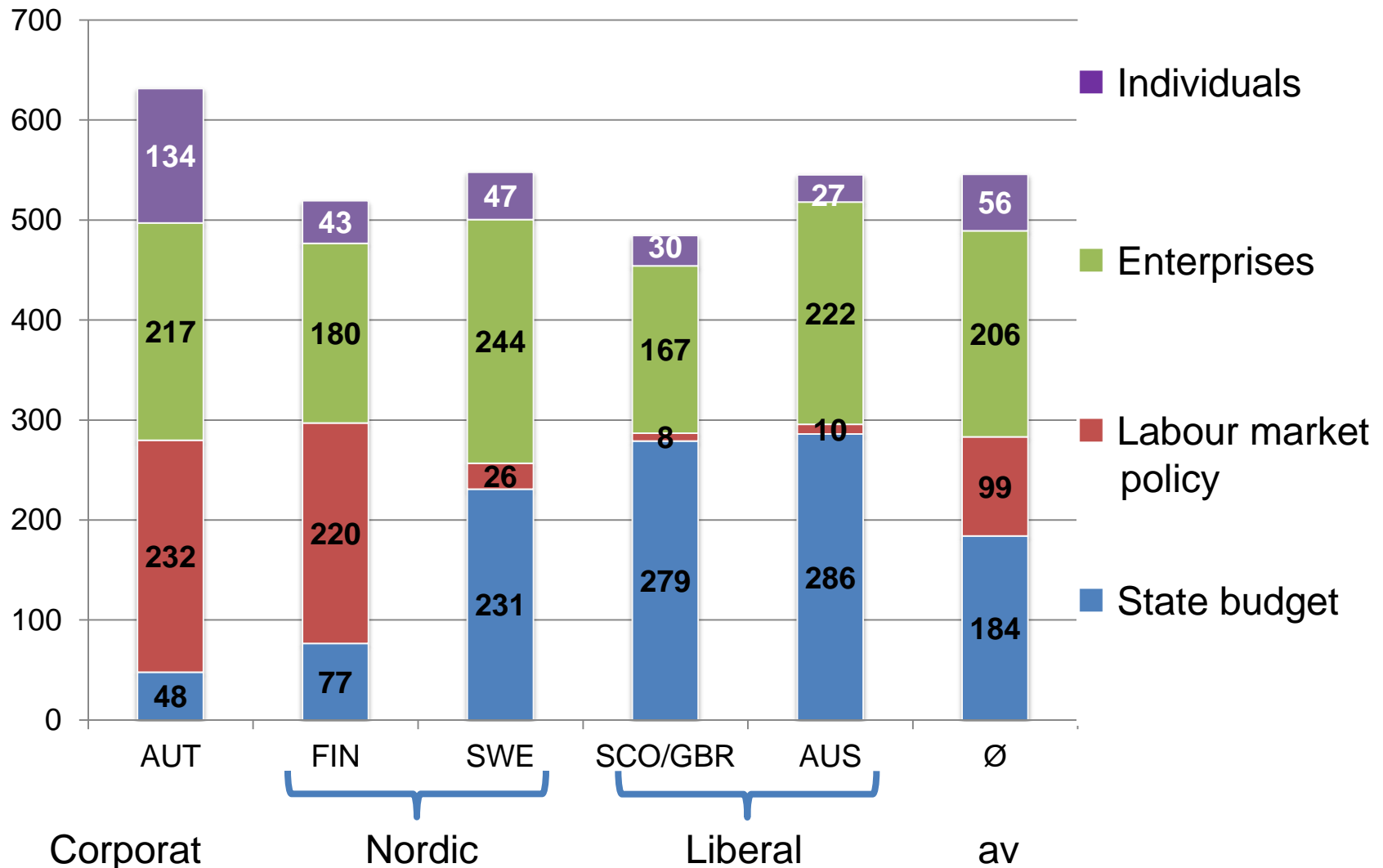
- Expenditure per capita of 25-64y population in \$ PPP-purchasing-power-parities adjusted to 2009

expenditure by actors' categories (\$ PPP)

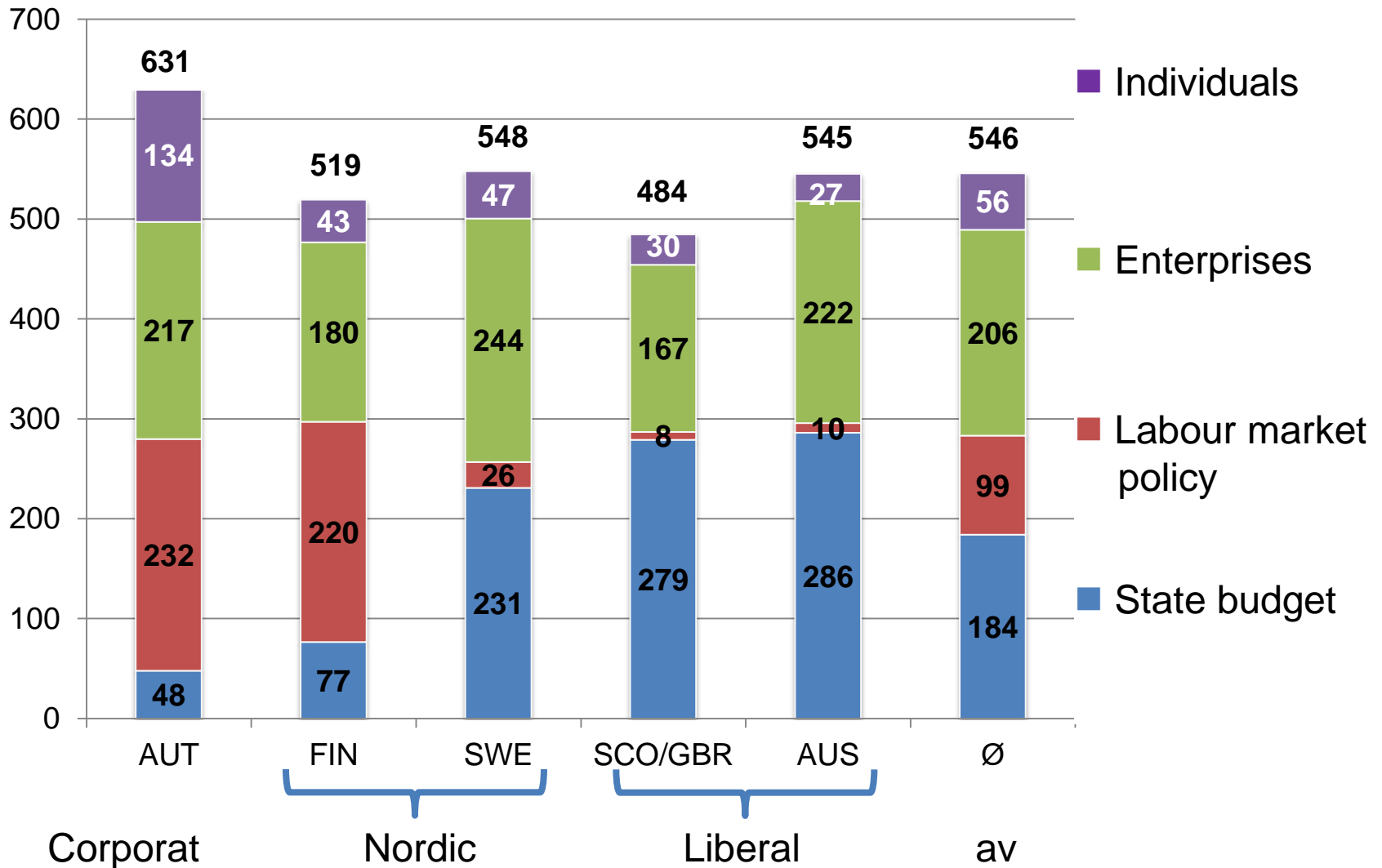
state budget and labour market policy



expenditure by actors' categories (\$ PPP) enterprises and individuals (private)

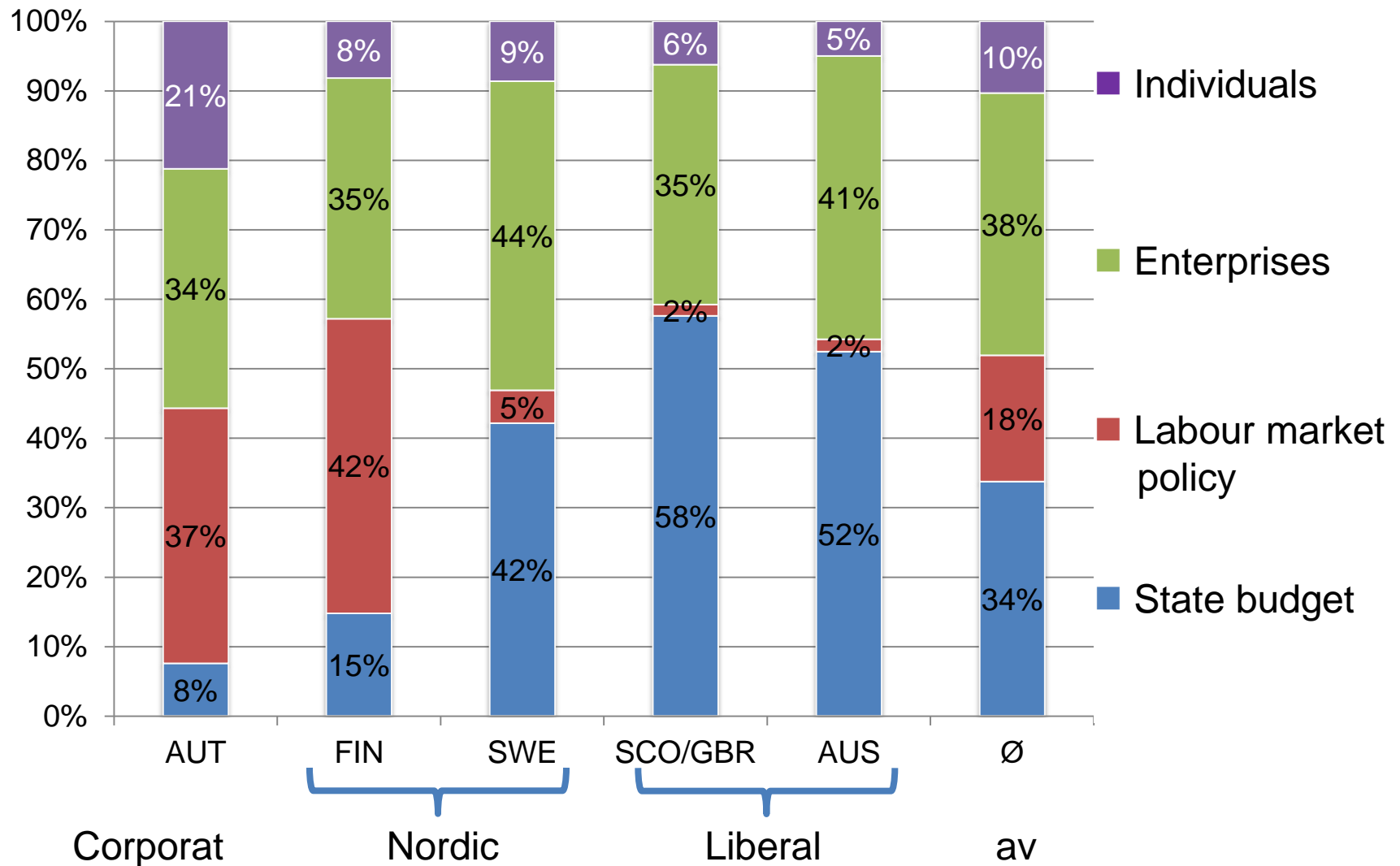


expenditure by actors' categories (\$ PPP) total sum per capita 25-65y population 2009



expenditure by actors' categories (%)

percentage

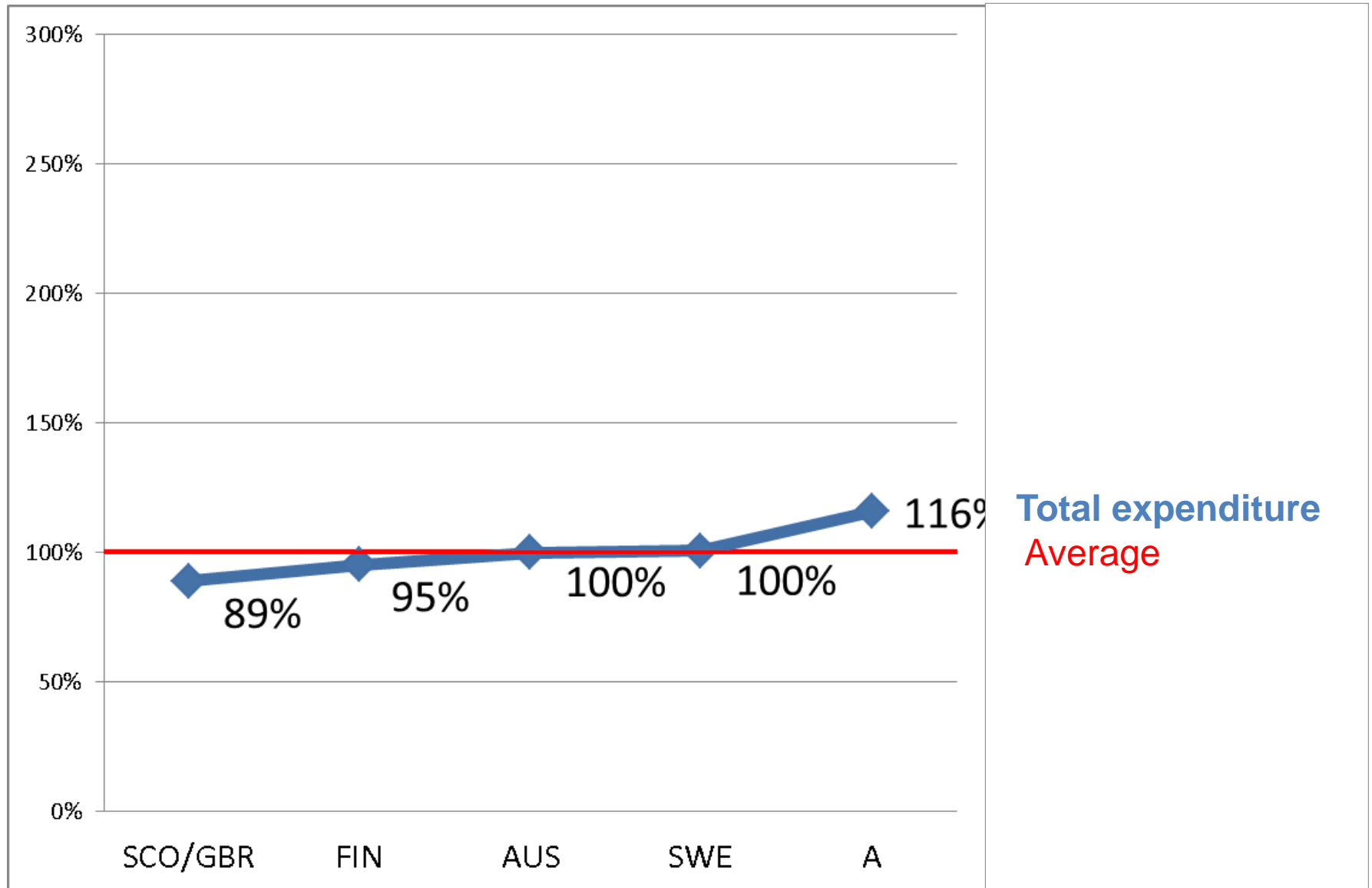


Comparison expenditure and participation

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

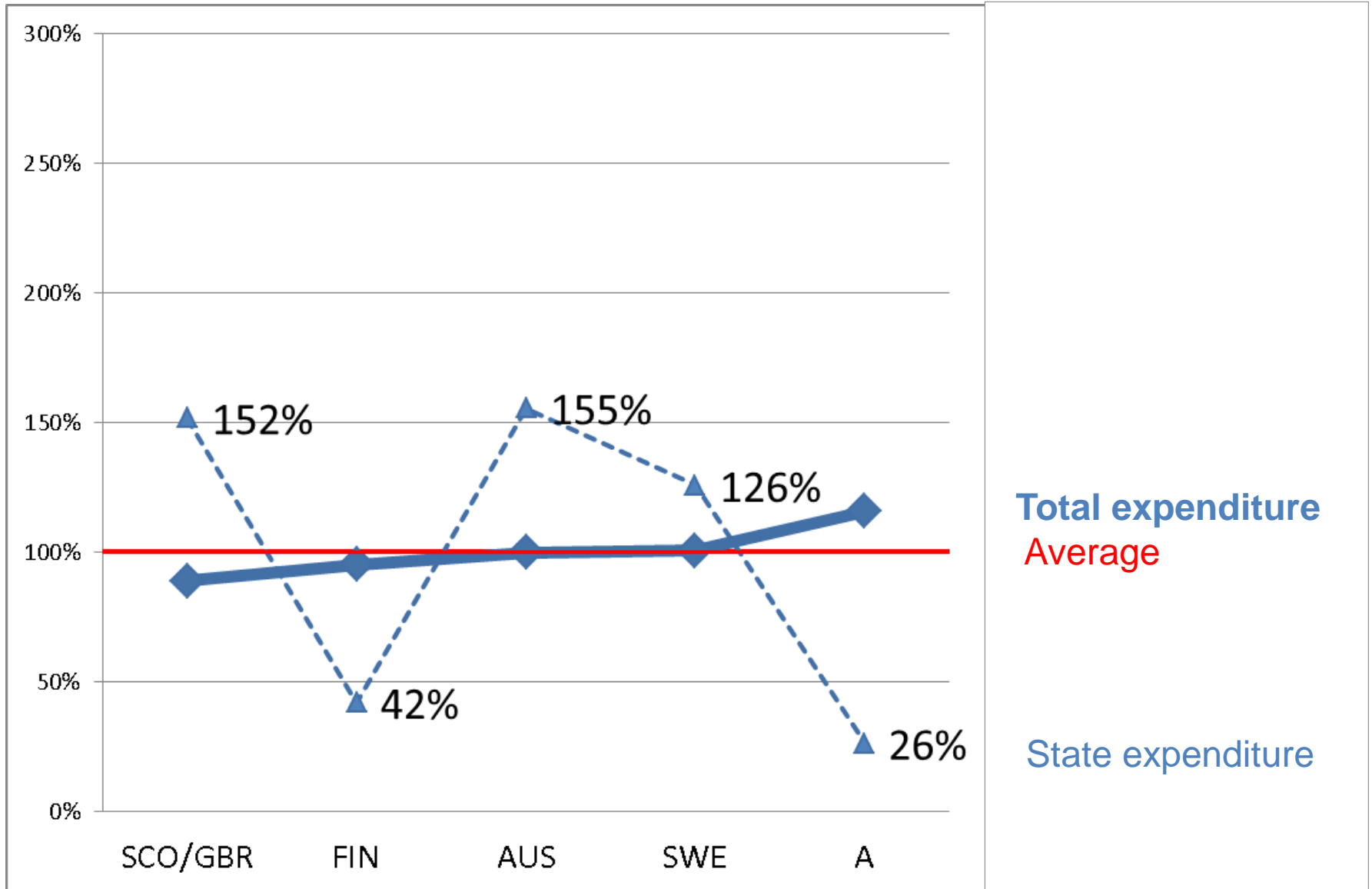
Comparison: total expenditure

Average = 100



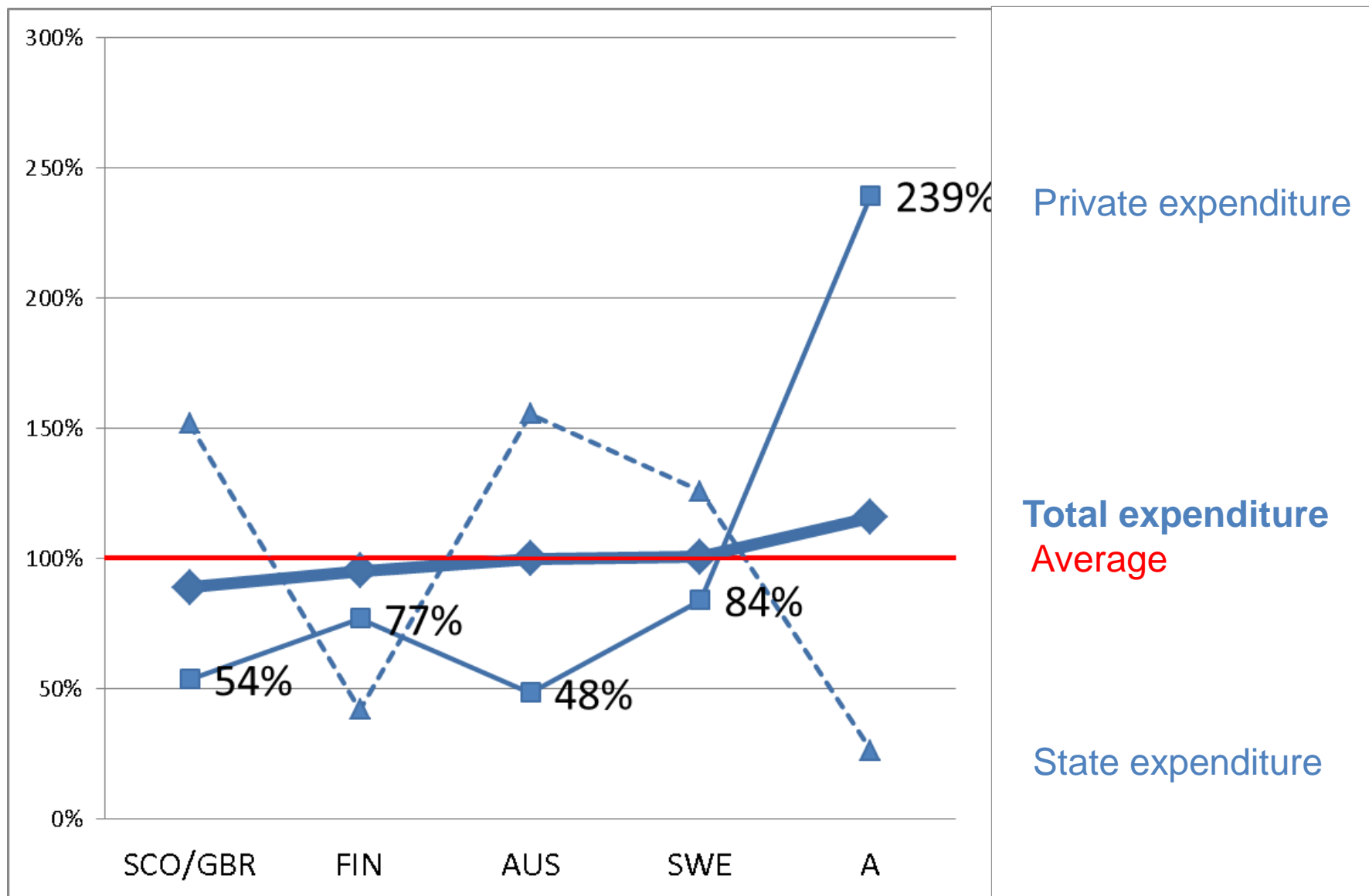
Comparison: state expenditure

Average = 100



Comparison: private expenditure

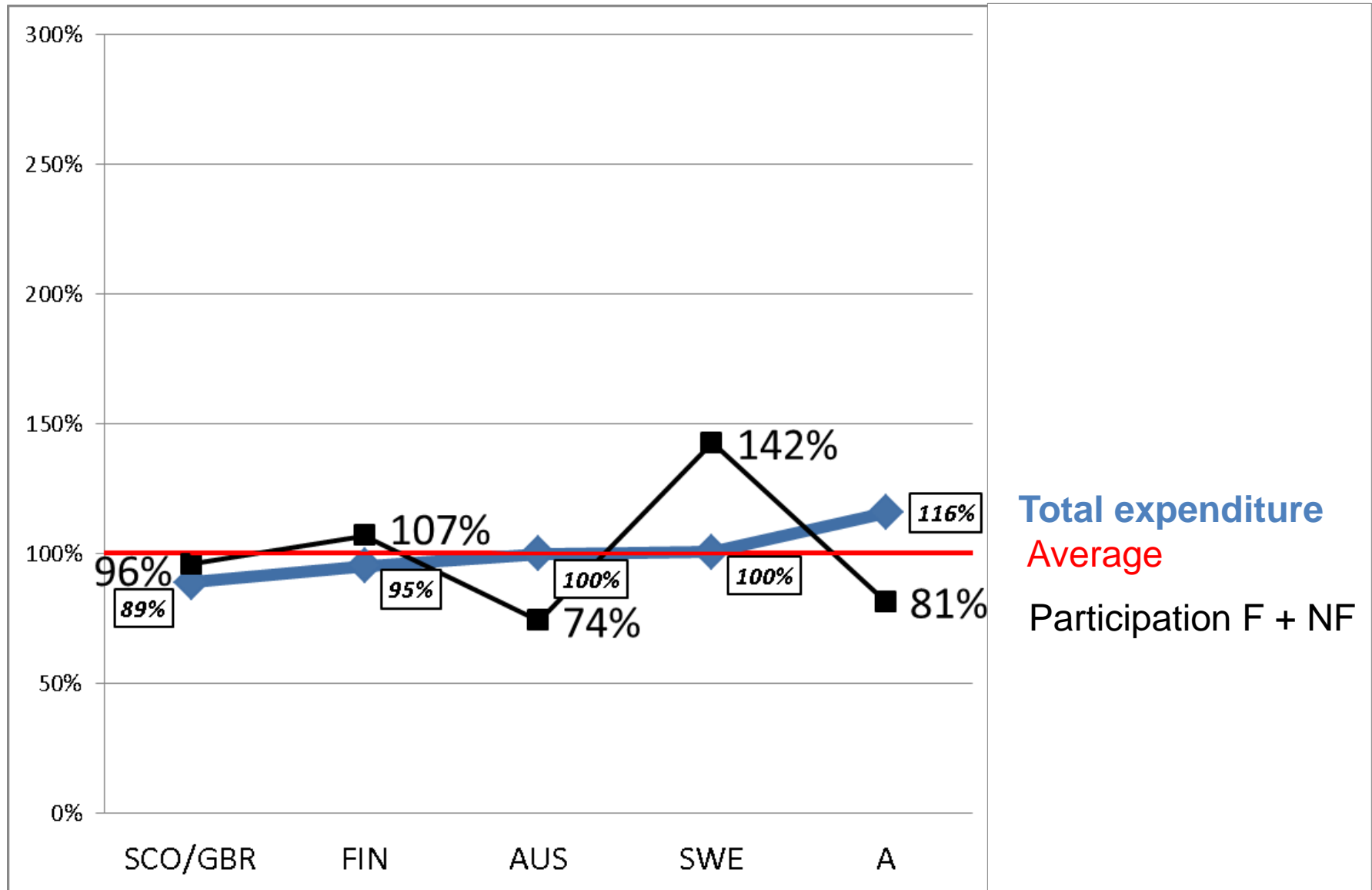
Average = 100



Comparison: expenditure&participation formal+nonf.

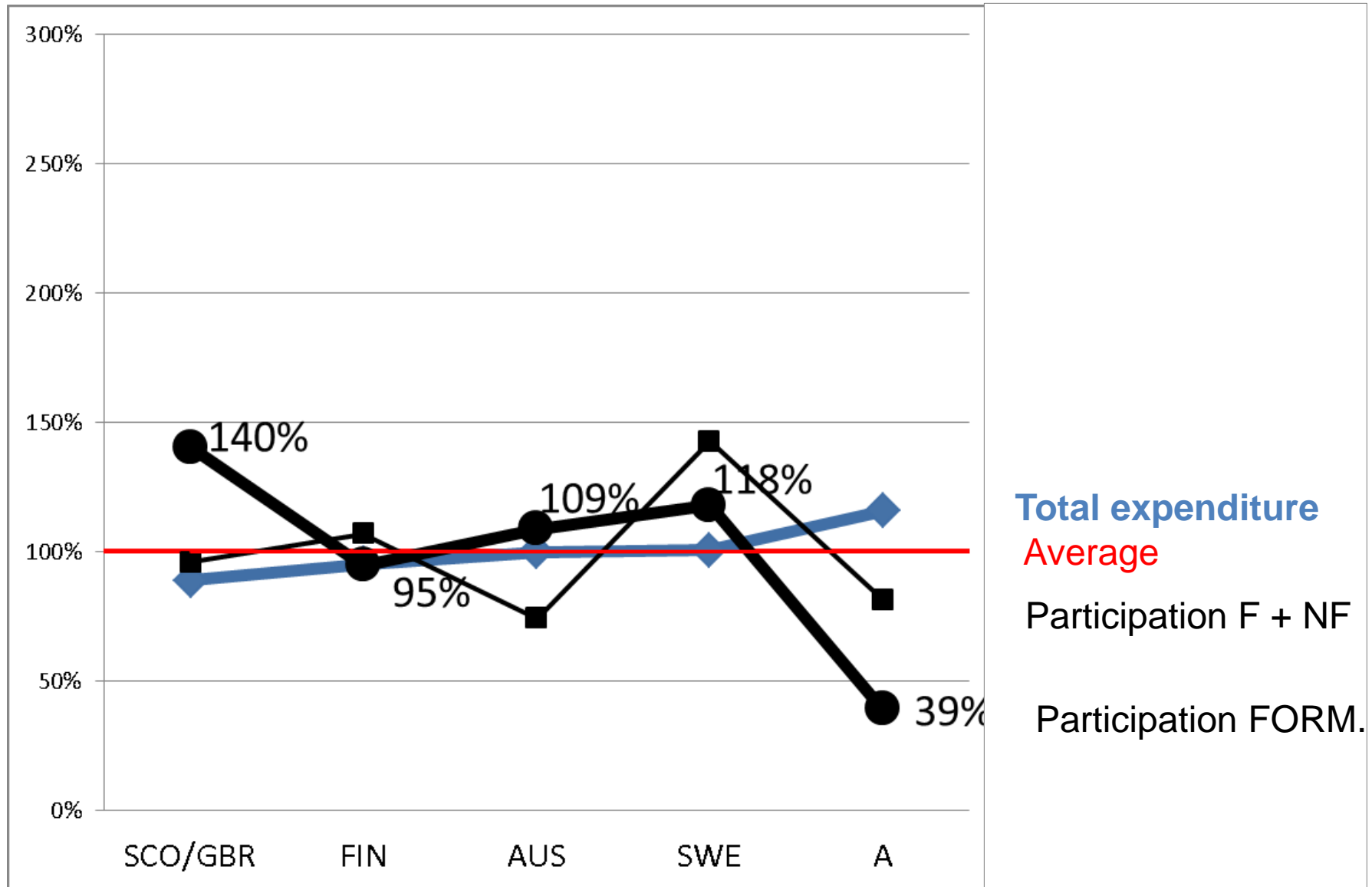
Comparison: participation formal + non f.

Average = 100



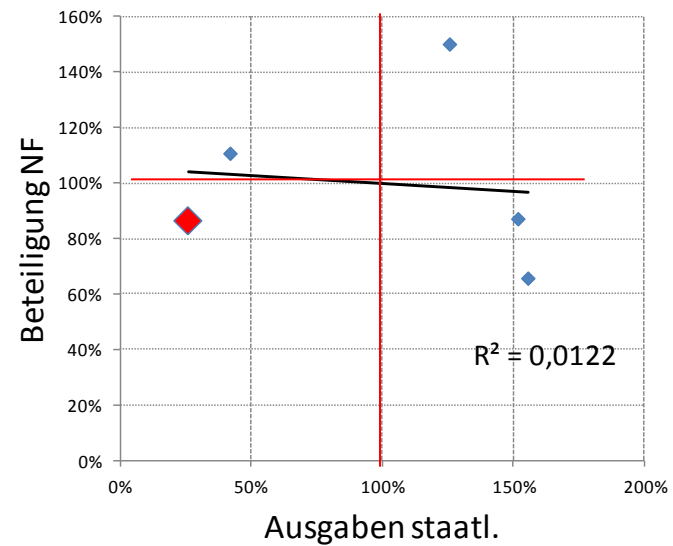
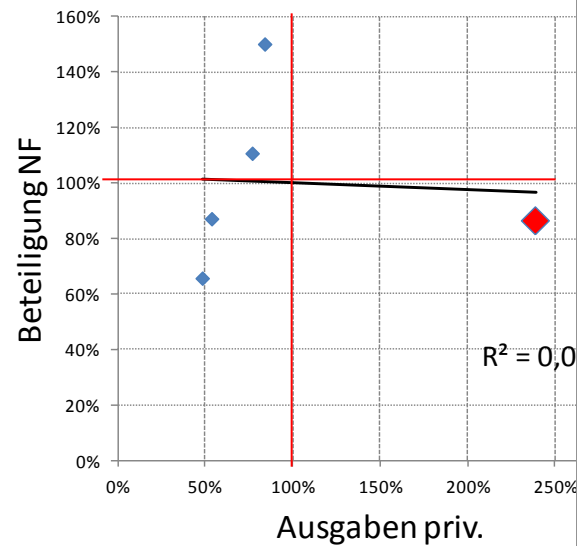
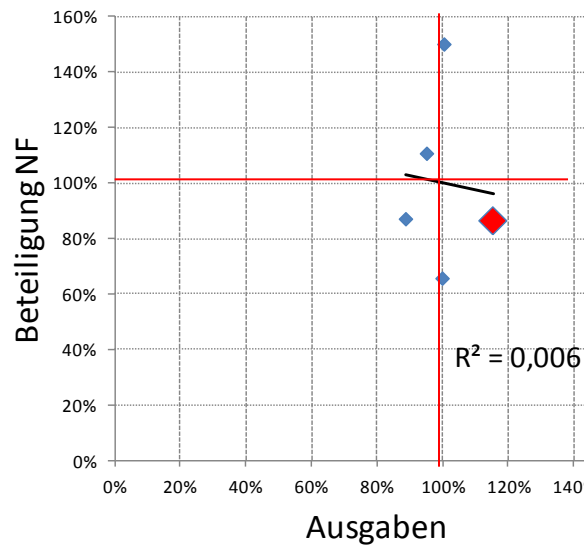
Comparison: participation formal

Average = 100



expenditure and participation relationship

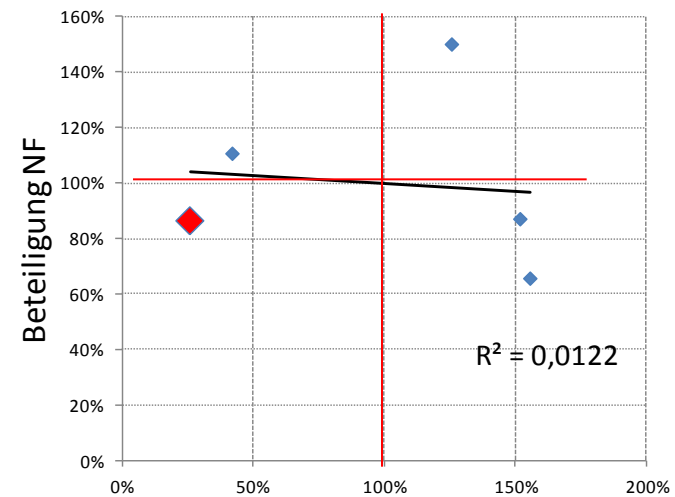
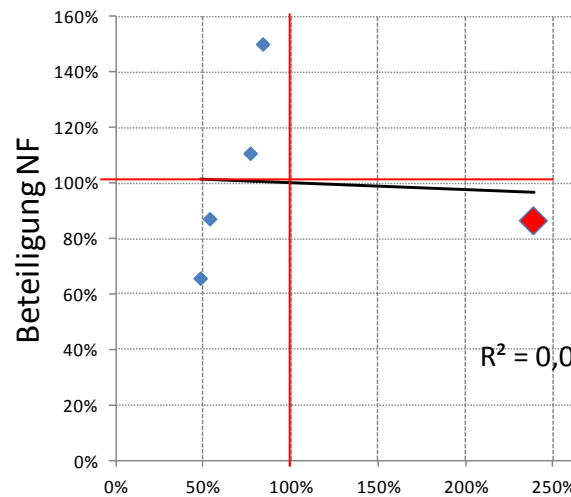
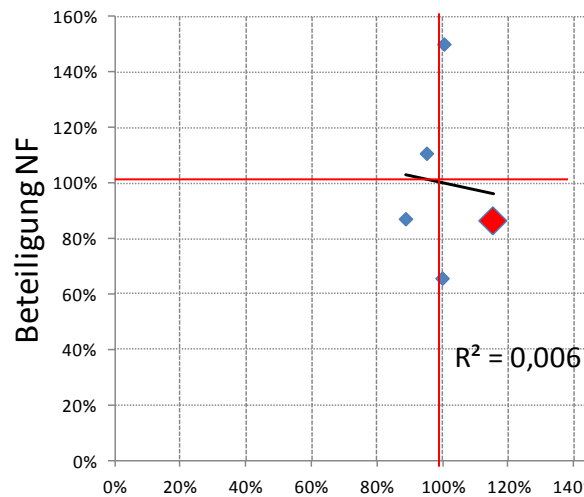
NON FORMAL participation and total expend. private expend. state expend



**Non formal AE:
expenditure (all categories) and
participation not related**

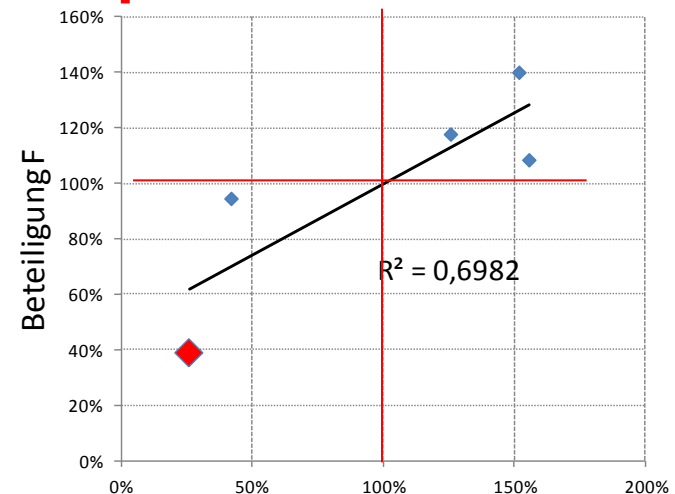
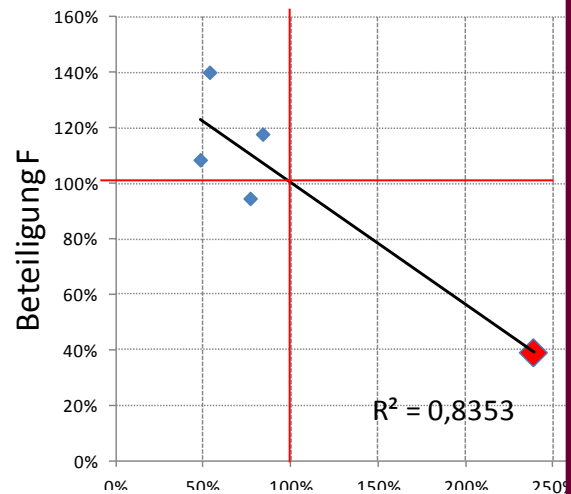
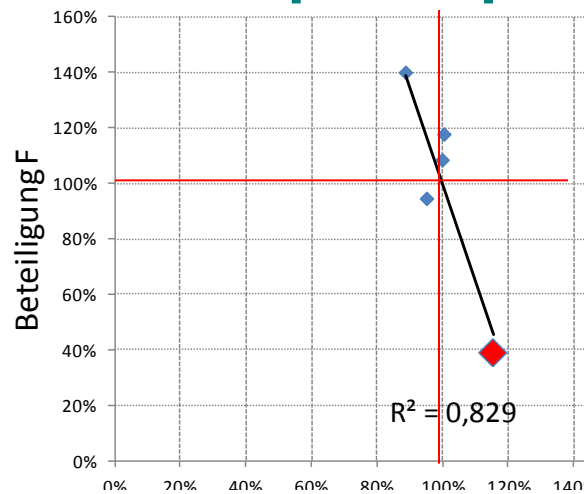
FORMAL participation and total expend. private expend.

state expend



FORMAL participation

positive relation



Formal AE: total & private neg.related

Selectivity of participation

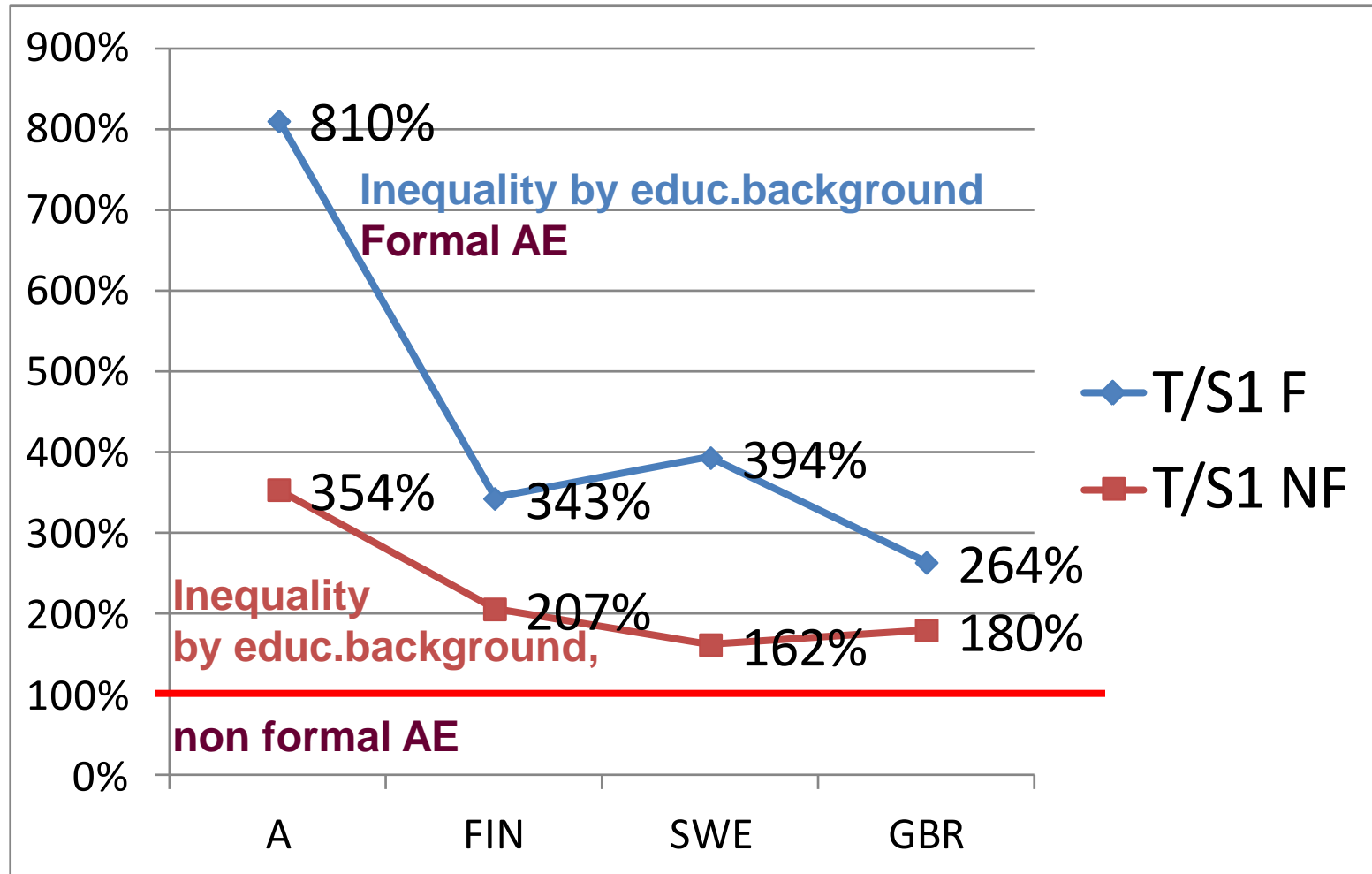
formal, non formal, nf vocational AE

- education
- sex/gender
- age

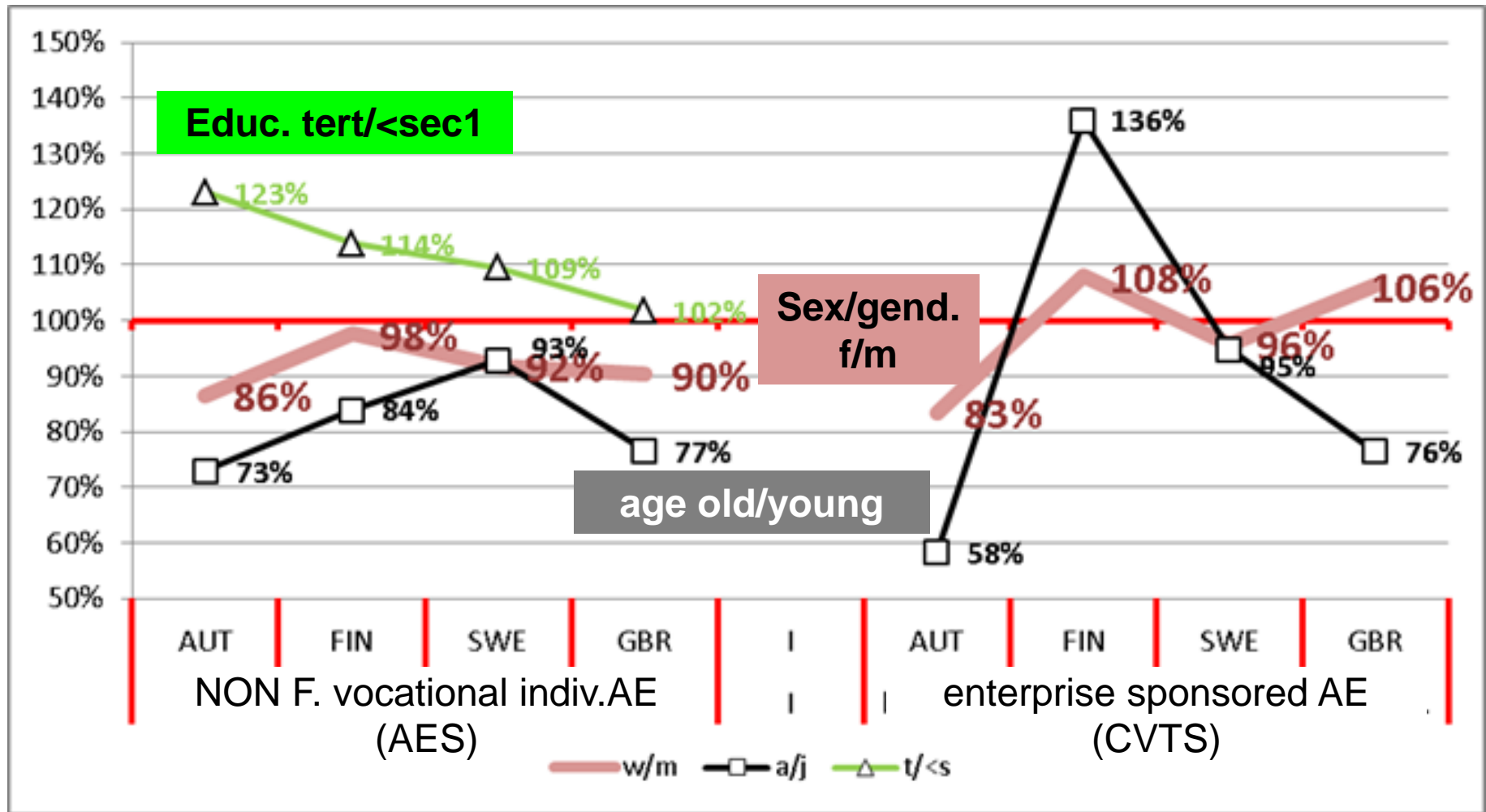
- Austria (corporatist) always by far highest selectivity/inequality, most in formal AE, less in vocational AE than in total (F+NF)
- GBR (liberal) not commonly more selective than Nordic, except age in vocational AE [Finland exceptional high participation aged in enterprise]
- education and sex/gender 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



Selectivity EU countries in NF vocational AE education, sex/gender, age



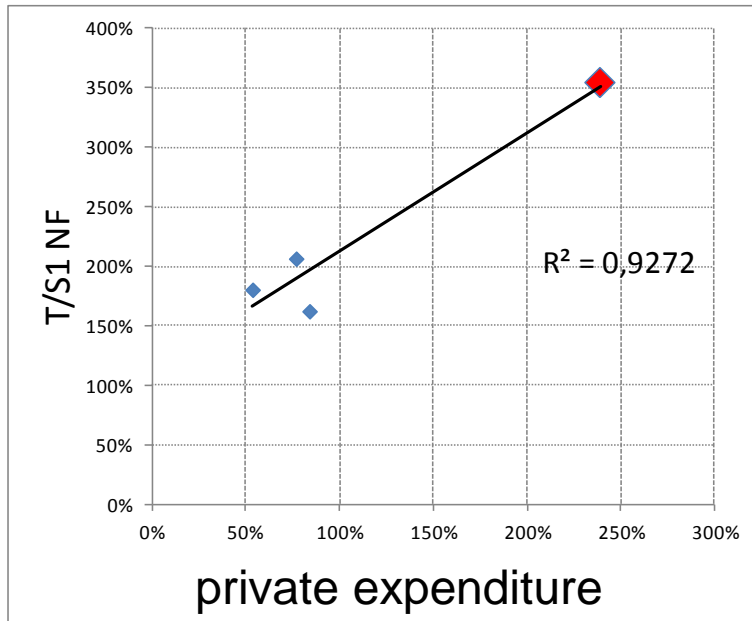
Legend: f/m = female participation / male participation
 a/j = participation old (55-64y) / participation young (25-34y)
 t/<s = part. tert.educ. / participation less than secondary education

expenditure and selectivity (only possible for education)

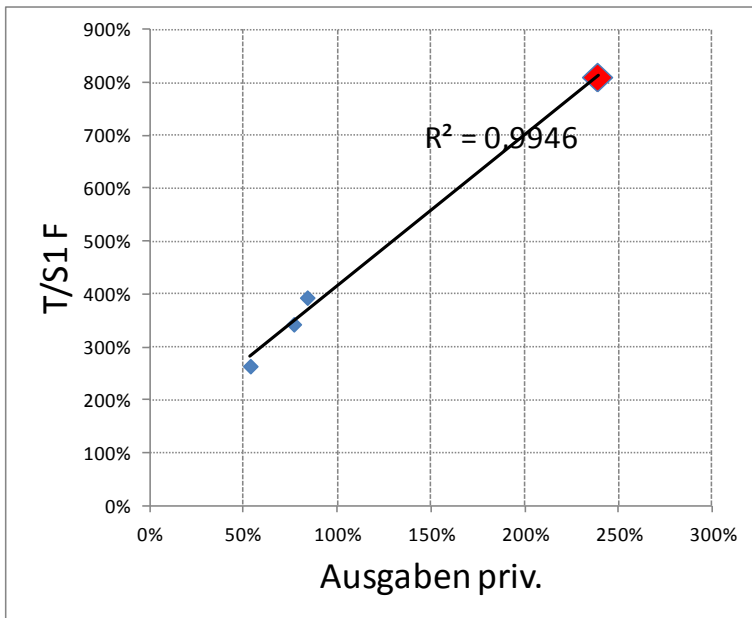
- ...private expenditure: Austria outlier (strong positive relation expenditure x inequality, formal participation might be positive...)
- ...state expenditure: also Austria outlier, however, might be negative relationship: higher state expenditure > lower inequality
- ...however, education important, not representative for other dimensions of inequality?

expenditure and selectivity by education (T/S1)

NON
FOR-
MAL

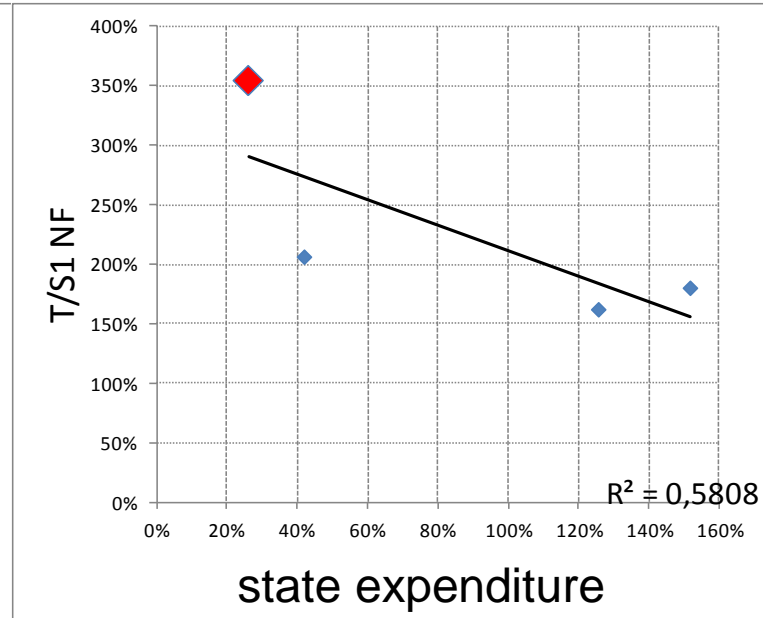
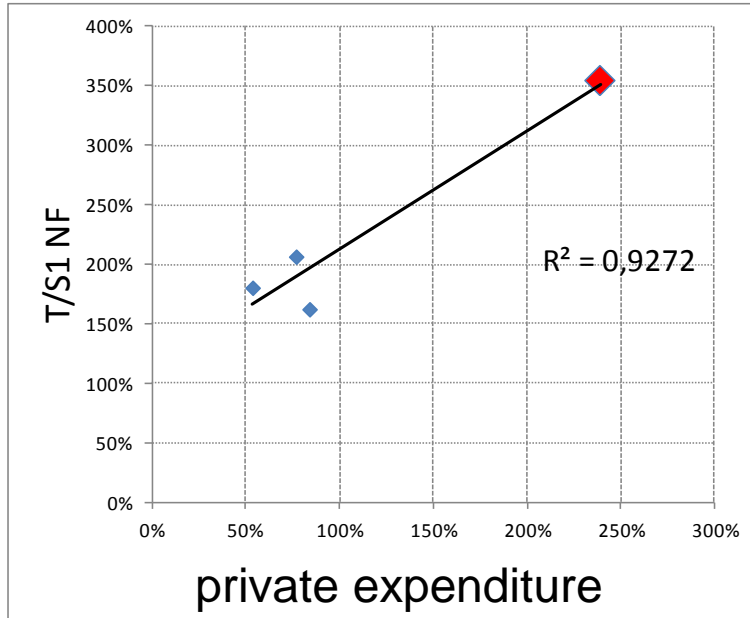


FOR-
MAL

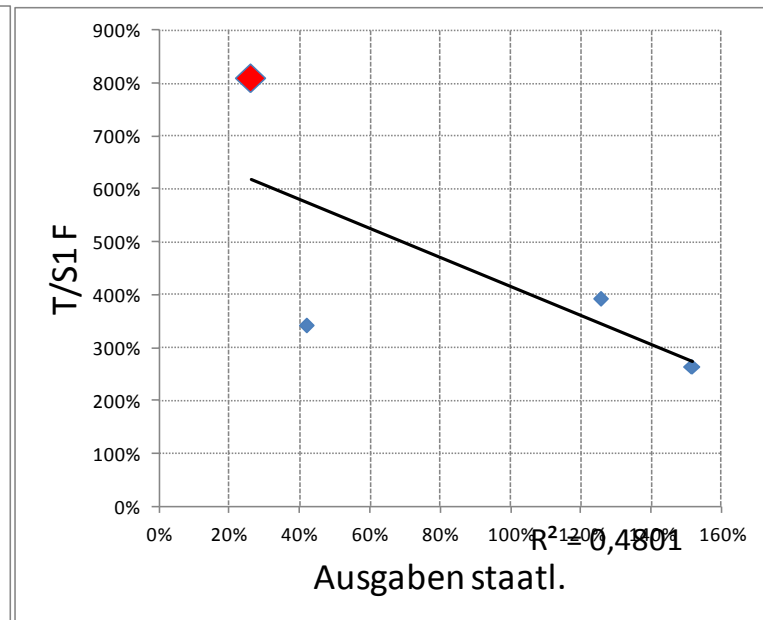
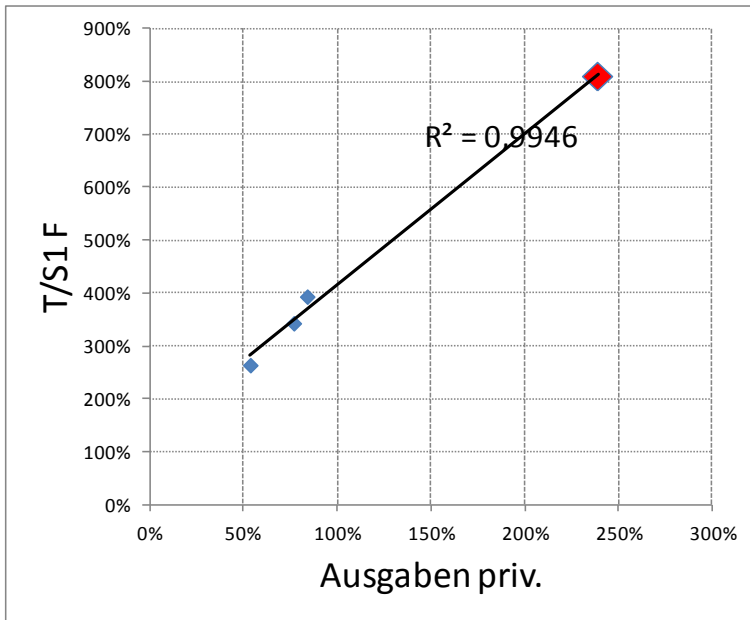


expenditure and selectivity by education (T/S1)

NON
FOR-
MAL



FOR-
MAL



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 not 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



Material

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



ANNEX

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

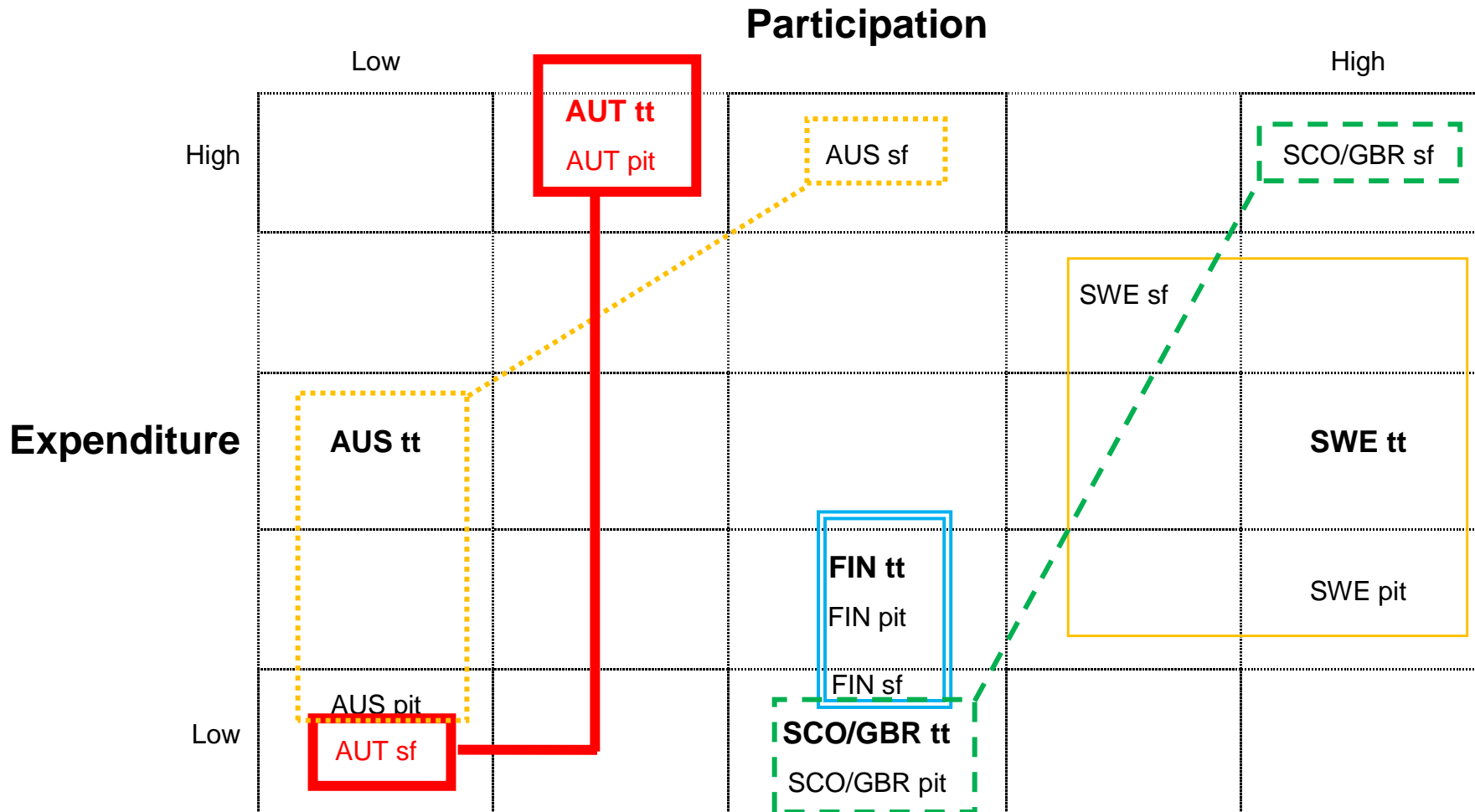
stylized patterns of participation

- 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

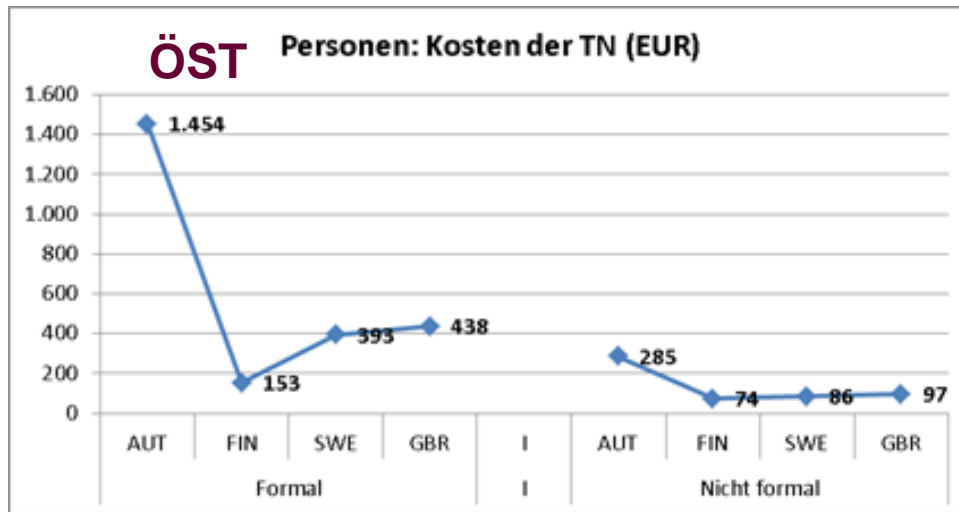
Results 2

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...

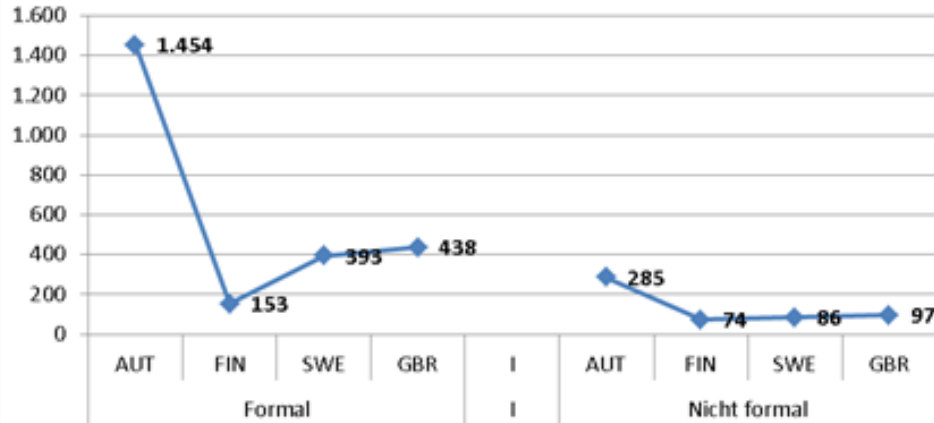
costs

Kosten der Teilnahme FORMAL, NICHT FORMAL

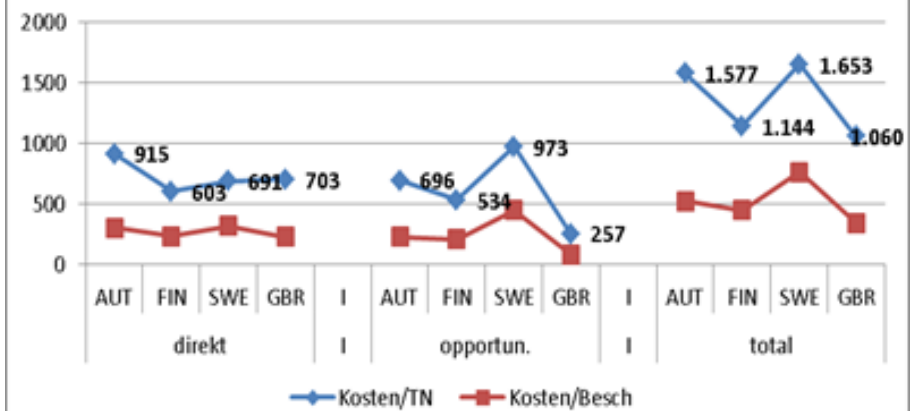


Kosten der Teilnahme BETRIEBLICH, direkt, opp., total

ÖST Personen: Kosten der TN (EUR)

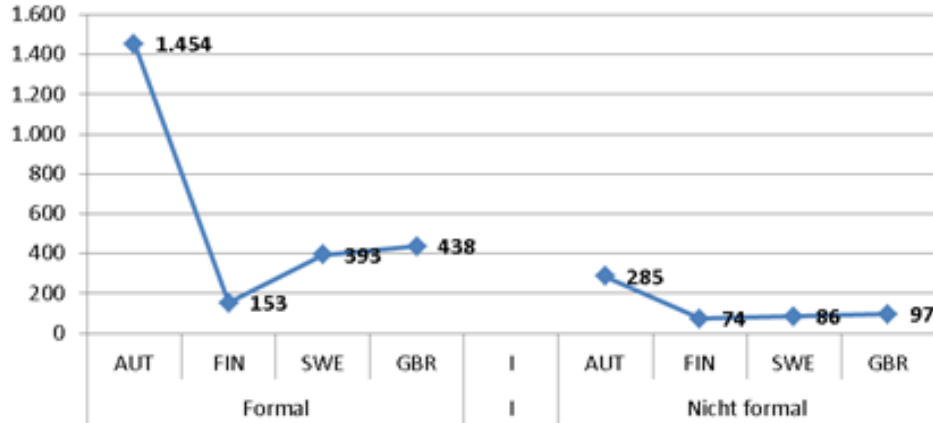


Betriebe: Kosten der TN (EUR KKS)

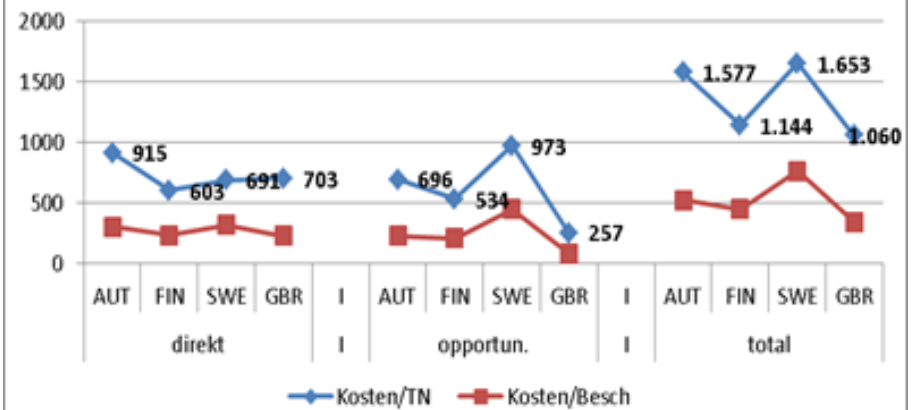


Ausgaben und Teilnahmestunden BETRIEBLICH, direkt

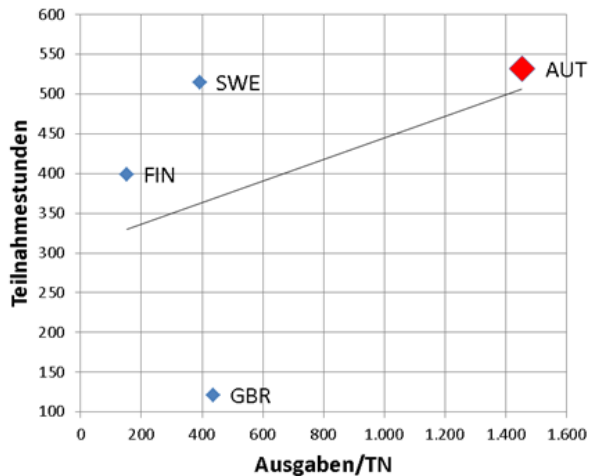
ÖST Personen: Kosten der TN (EUR)



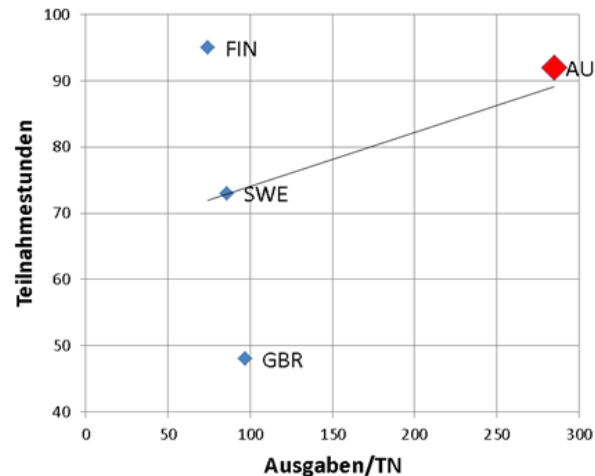
Betriebe: Kosten der TN (EUR KKS)



Formale Bildung



Nicht formale Bildung



Betriebliche Bildung: direkte Ausgaben

