

# Financing Adult and Continuing Education - Some Comparative Results

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# Agenda

- results from a recent study about
  - the total expenditure for adult and continuing education and training (ACET) in Austria,
  - a comparison with four other countries (two Nordic, two liberal):
    - Finland,
    - Sweden,
    - Australia
    - Scotland/UK.
  
- threefold research question:
  - How and from which sources can we assess the total expenditure?
  - How does Austria compare with countries from different welfare regimes, and with relative high participation?
  - How do the patterns of expenditure relate to aspects of participation in ACET?

# ‘Theory’

## questions-propositions-explanations

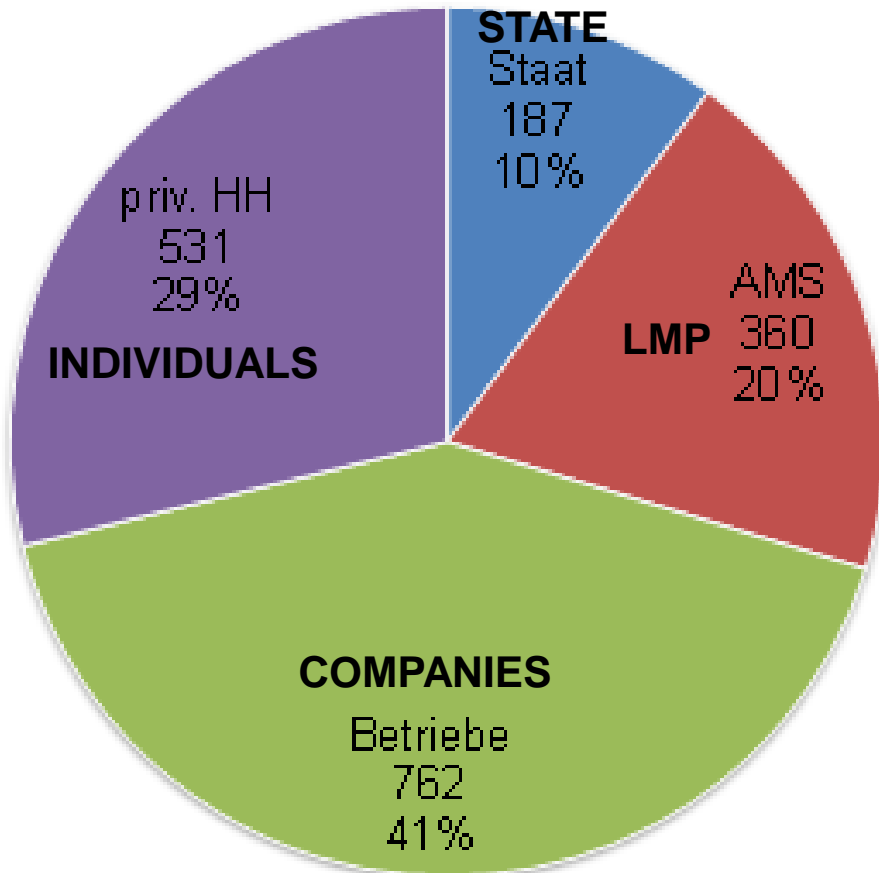
- financing and policies for the support of adult education
  - sufficient financial resources necessary, not sufficient
  - also other obstacles against participation (e.g. time constraints)
- three kinds of sources (public, employers, individuals)
  - specific: labour market policy, mostly raised from employers and employees.
- propositions: sources should be somehow balanced, and market failure might be overcome by public support
  - poses question: how does the proportion between the sources look like?
- types of welfare regimes (conservative, liberal, Nordic) induce expectations about some rough basic patterns
  - strong market contribution in the liberal regime,
  - strong state contribution in the Nordic regime,
  - the Austrian conservative-corporatist regime somewhere in between.
- are more resources related to higher/equitable participation?

# Amount of resources

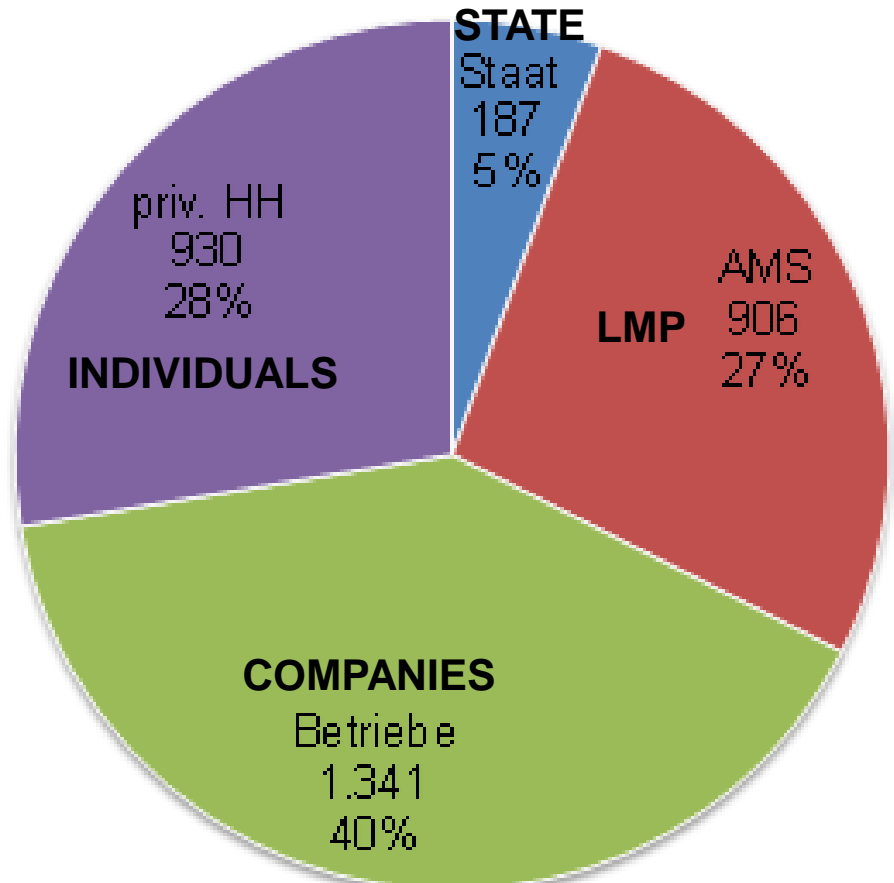
- 2009 ergeben sich 0,7% des BIP an direkten und 1,2% des BIP an direkten und indirekten Ausgaben/Kosten zusammen
- „Erhöhung der Ausgaben für Bildung gemäß OECD-Indikator von 5,4 Prozent des BIP im Jahr 2007 auf 6 Prozent des BIP im Jahr 2020“

# Austria: distribution of expenditure state-LMP-companies-individuals

**Direct expenditure** 1.840 Mio. Euro



**Direct + indirect** 3.364 Mio. Euro



Direct: only training purposes

Indirect: including opportunity costs  
wages, leisure time

# How and from which sources can we assess the total expenditure?

# Methodology, data

- Austria: sequence of research projects, built up basis for aggregating the total expenditure (Lassnigg et al. 2006, 2008, 2012).
- data for comparative study
  - administrative data about the public budgets,
  - European Continuing Vocational Training Survey (CVTS3, 2005-07) data about employers' contributions
  - European Adult Education Survey (AES, 2005-07) individuals' contributions
- sources grossly available for the countries compared, some problems
  - Scotland must have been mixed with UK data ,
  - Australian data found for financing, not for participation (data 2001, 2003, 2006)
  - sources fit together quite well,
  - major omissions: employers' contributions (below 10 employees and public)
- similar studies: UK (IFLL-project; Williams et al 2010), Germany (Hummelsheim 2010)

# Challenges with data and comparison

- definition of ACET: taken from the Austrian analysis:
  - non formal ET and 25-64-years population
- technical: bringing the different data bases on a consistent time line
  - deflated all data to 2009 (\$purchasing power parity = PPP 2009)
- how to compare countries?
  - standardized the financial indicators to the 25-64 population (PPP/head pop),
  - compare relative indicators of expenditure per population
- analysis:
  - background experience from Austria  
enquiries (telephone, email) with administrators in countries provided main sources
  - data acquisition and analysis
- explorative; gives basis to discuss and to built on further



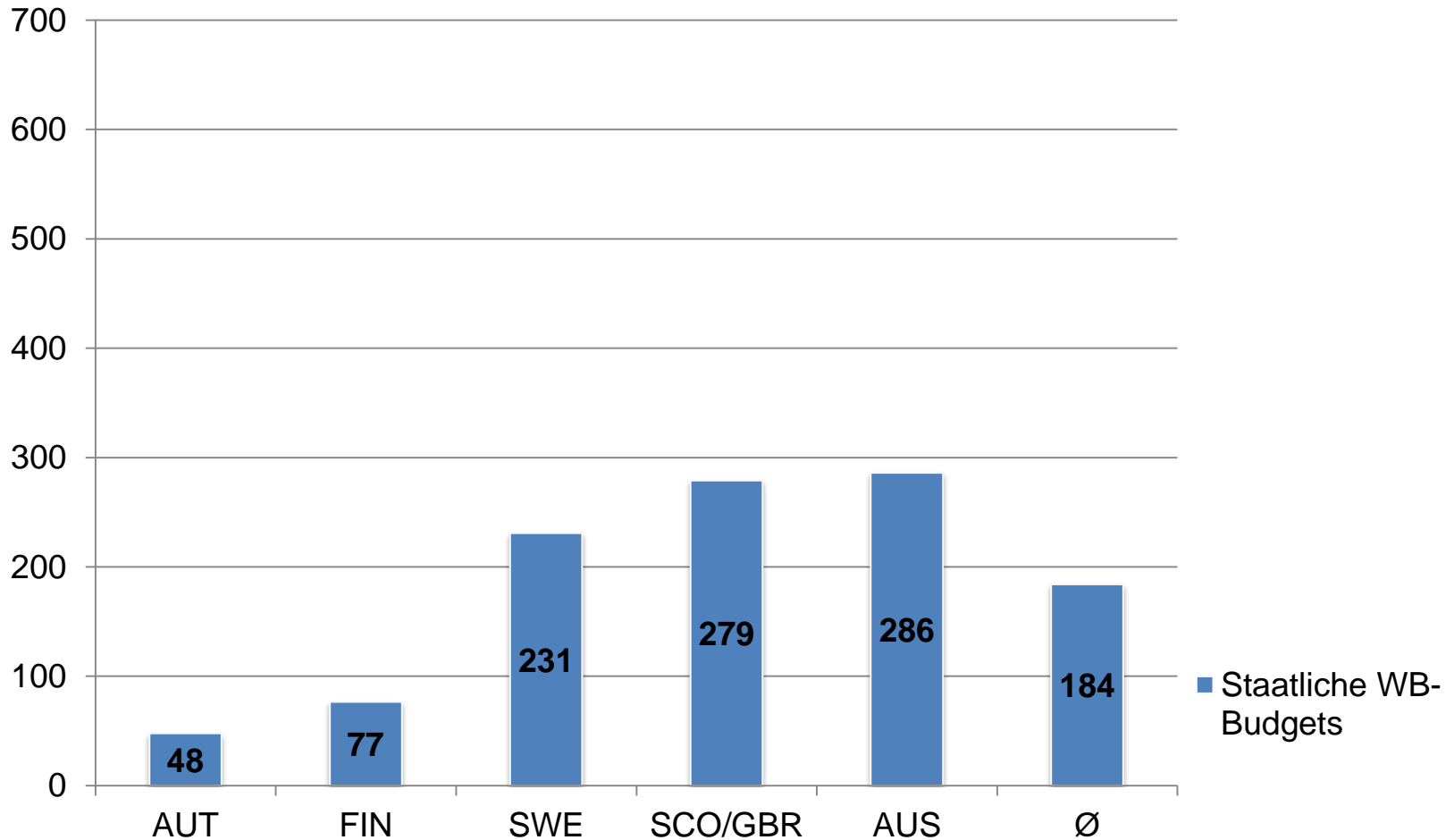
# How does Austria compare with the selected countries?

- descriptive
- different welfare regimes
- relative high participation

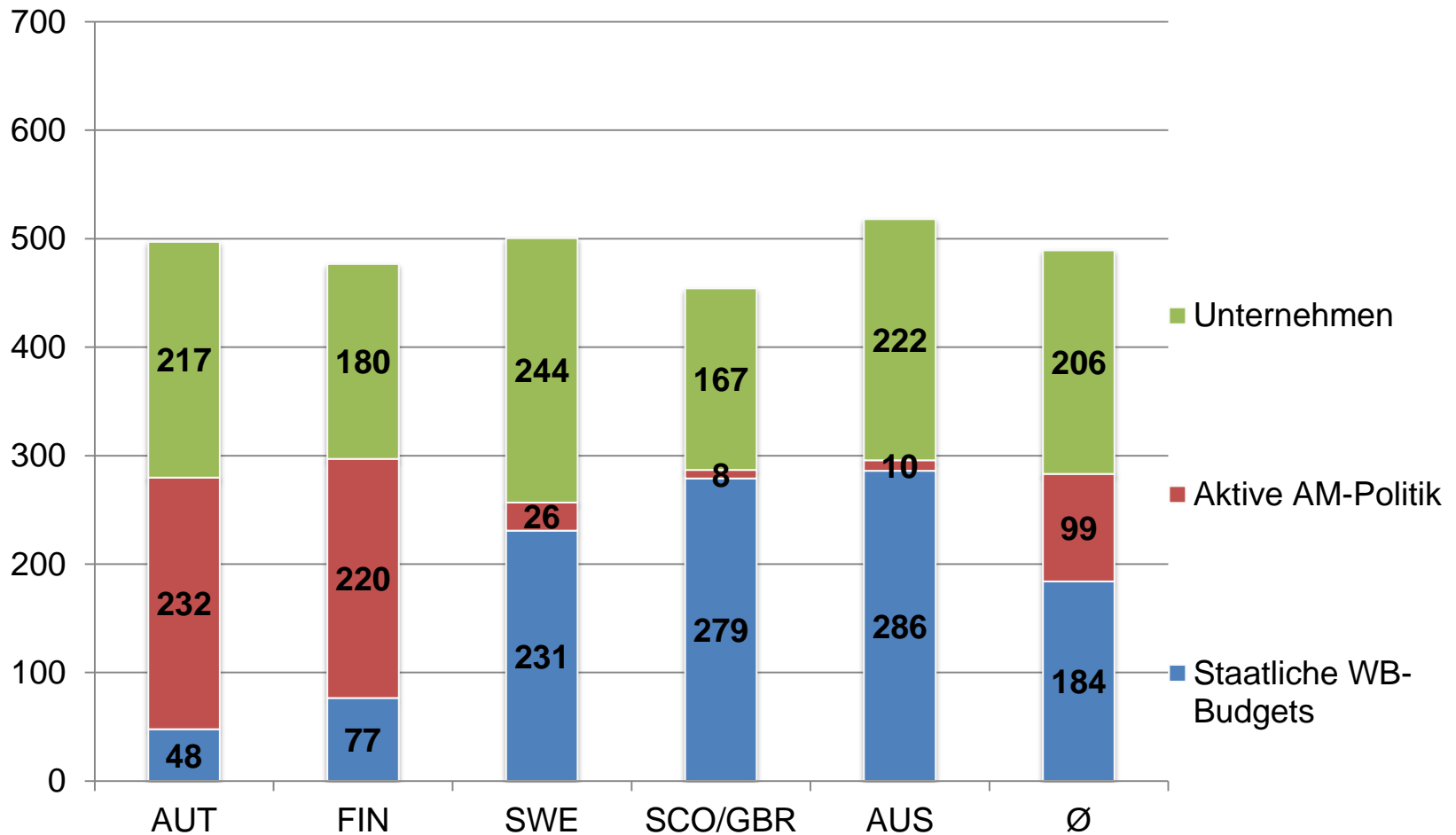
# Main results expenditure

- the pattern is very similar, with the exception of Austria, when we count LMP as public expenditure
- highest total expenditure for ACET in Austria per population among the countries compared
- individual expenditure is much higher in Austria and public expenditure is very much lower than in the countries compared
- if we would count LMP as corporatist (the state redistributes the contributions of employers and employees), then the state differs more strongly
  - with Finland similar to Austria and
  - Sweden similar to the liberal countries which are highest with state expenditure
- if we count enterprise contributions as most marked market contributions, the liberal countries are not very much market oriented

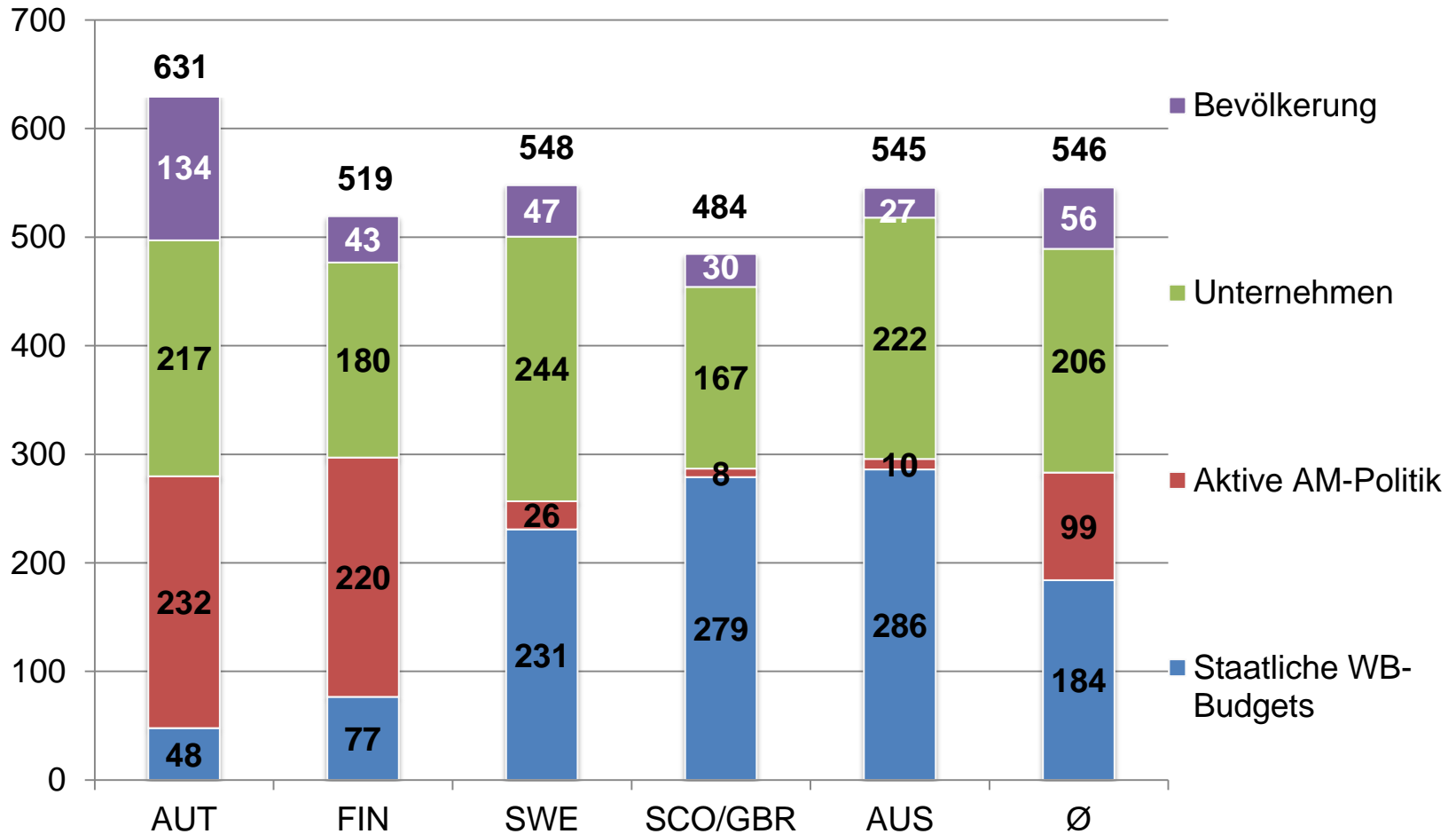
# Financing per capita (25-64), state contribution (\$PPP 2009 per head of population)



# Financing per capita (25-64), state + LMP + companies contribution



# Total financing per capita (25-64), state + LMP + companies + individuals

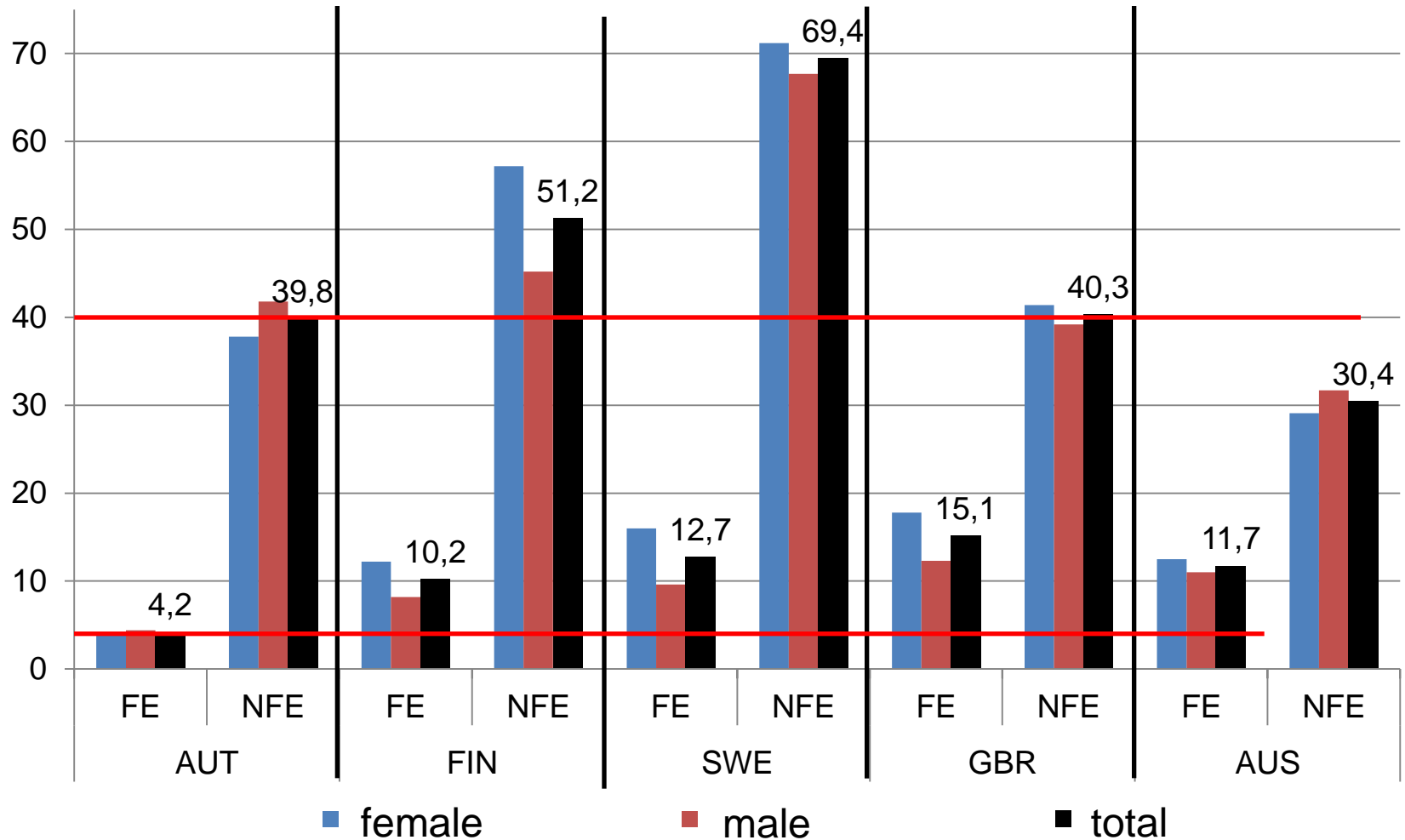


# How do the patterns of expenditure relate to aspects of participation in ACET?

# Main results participation

- the relationship of expenditure to participation is weak, except a consistent positive relationship of public expenditure to participation in formal ACET,
- non formal Participation is highest in the Nordic countries, the liberal are similar or lower than Austria
- formal participation is lowest in Austria, similar in the others

# Participation of adults in Education (25-64), AES, % formal and nonformal Educ, 12 Months

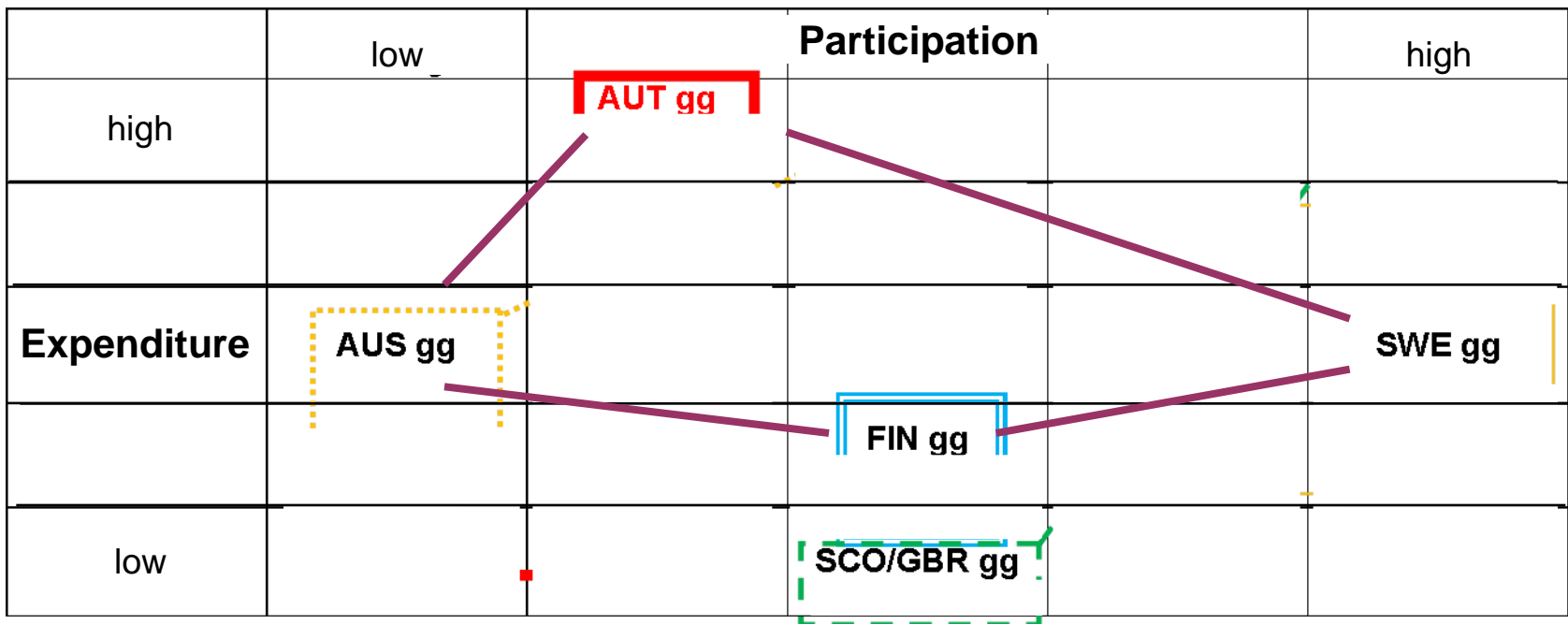




# Expenditure and participation in 5 countries, stylized picture

**Total  
Expenditure  
Participation**

- Overall no relationship
- Austria: high expenditure, low participation
- state expenditure increases formal participation



Legend: gg = tt = total expenditure, total participation;

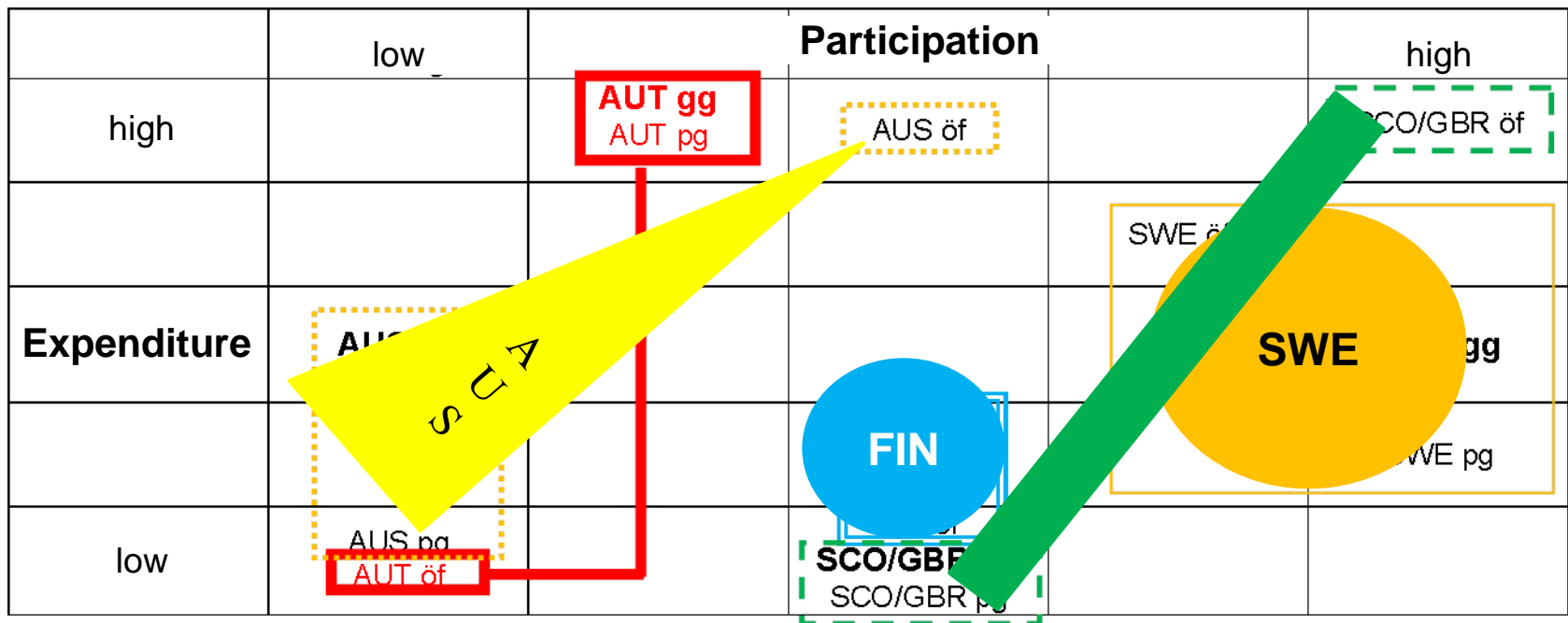
# Defininitions formal, non formal

- **Formal education** is defined as education provided in the system of schools, colleges, universities and other formal educational institutions that normally constitutes a continuous "ladder" of full-time education for children and young people, generally beginning at the age of five to seven and continuing to up to 20 or 25 years old.
- **Non Formal Education** is defined as any organised and sustained educational activities that do not correspond exactly to the above definition of formal education. Non-formal education may therefore take place both within and outside educational institutions and cater to persons of all ages. Depending on country contexts, it may cover educational programmes to impart adult literacy, basic education for out of school children, life-skills, work-skills, and general culture.
- [http://epp.eurostat.ec.europa.eu/cache/ITY\\_SDDS/en/trng\\_aes\\_esms.htm](http://epp.eurostat.ec.europa.eu/cache/ITY_SDDS/en/trng_aes_esms.htm)

# Expenditure and participation in 5 countries, stylized picture

**Total  
+state, private  
Expenditure  
+ formal  
Participation**

- Overall no relationship
- Austria: high expenditure, low participation
- state expenditure increases formal participation

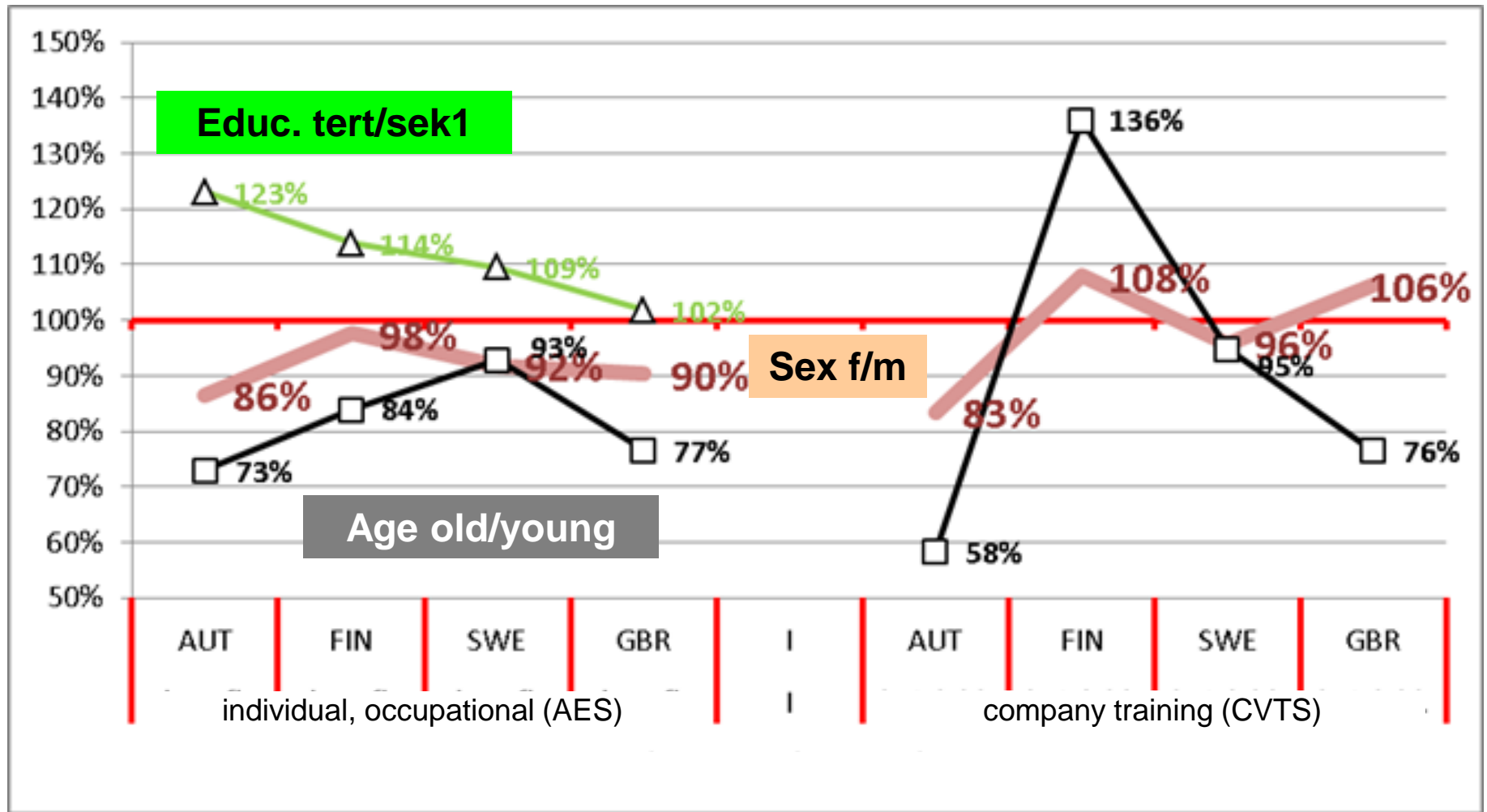


Legend: gg = tt = total expenditure, total participation;  
 pg = pt = private expenditure, total participation;  
 öf = sf = state expenditure, formal participation

# Indicators for selectivity of participation sex, age, education

- Austria always worst case, despite highest expenditure
- Australia not available
- other countries no clear differences

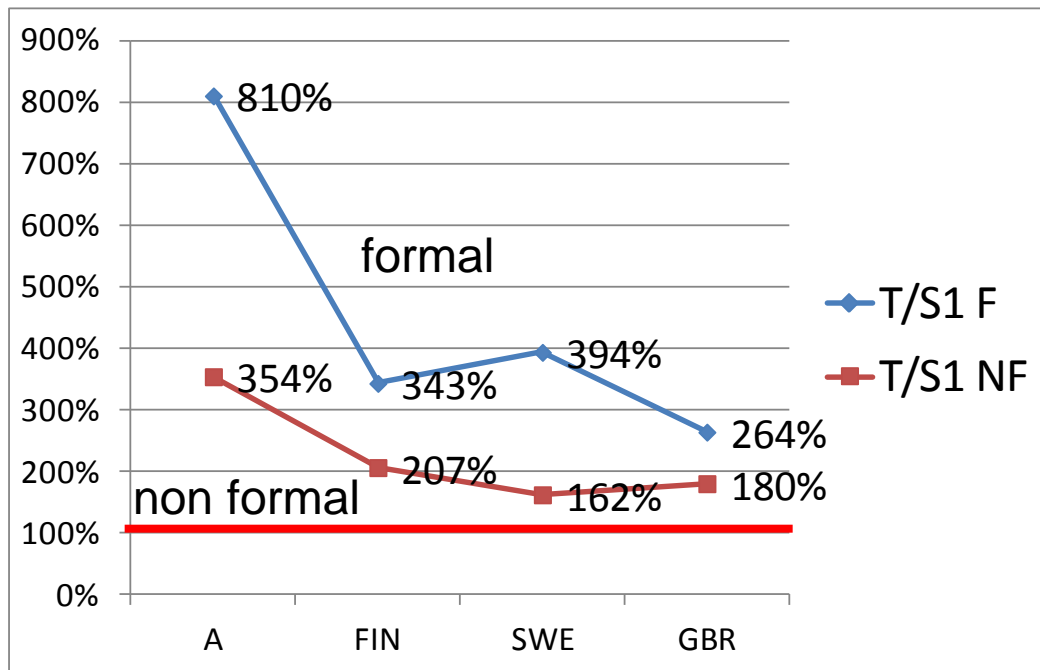
# Indicators for selectivity of participation sex, age, education



Legend: f/m = participation female / participation male  
o/y = participation old (55-64y) / participation young (25-34y)  
t/<s = participation tertiary educ. / participation below secondary

# Selectivity of participation by education in formal and non formal AE

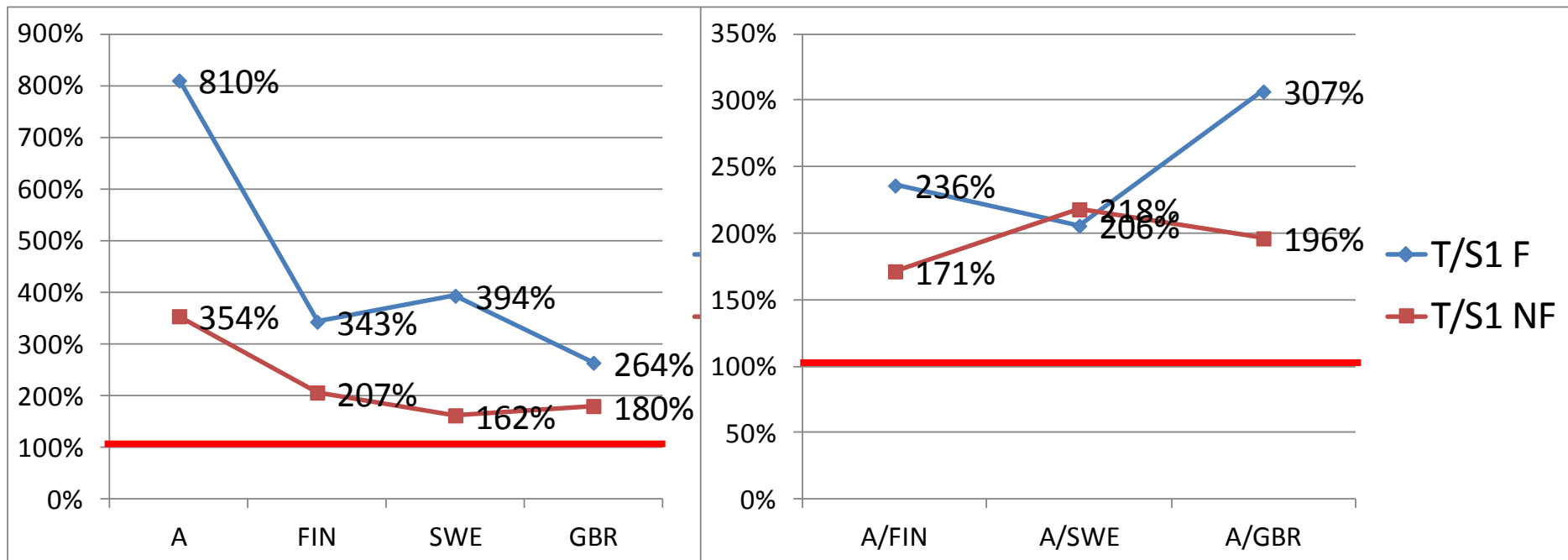
## Participation TERT. / SEKUNDARY for countries (index)



# Selectivity of participation by education in formal and non formal AE

Participation TERT. / SEKUNDARY for countries (index)

Index Austria / Index other countries



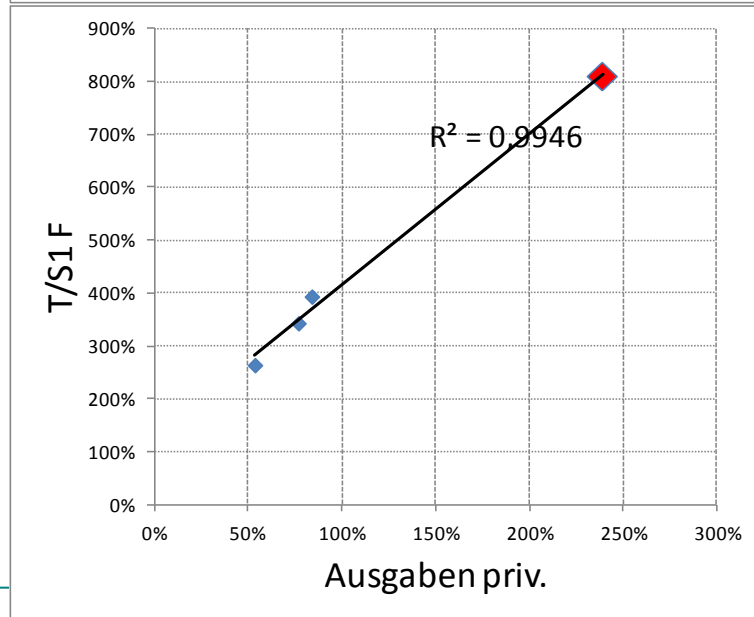
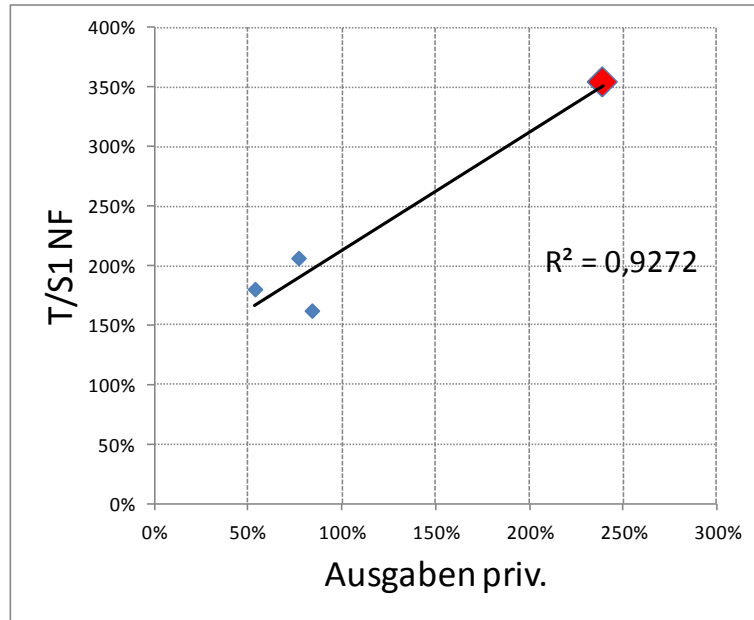
- Austria always worst case, despite highest expenditure

# Expenditure and selectivity



# Expenditure and selectivity

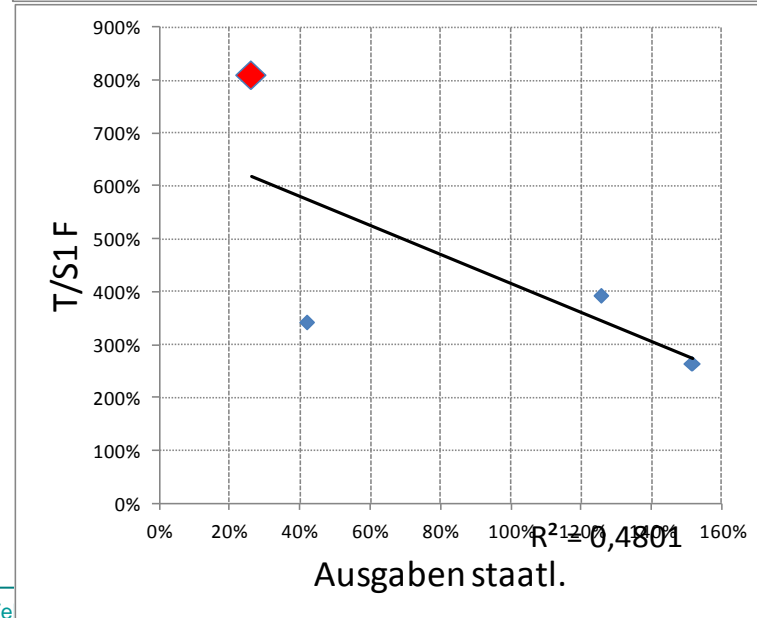
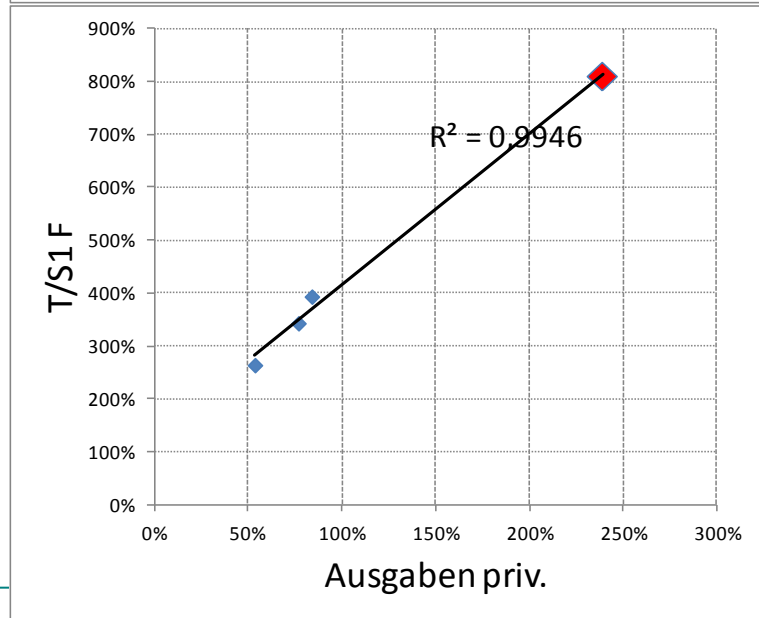
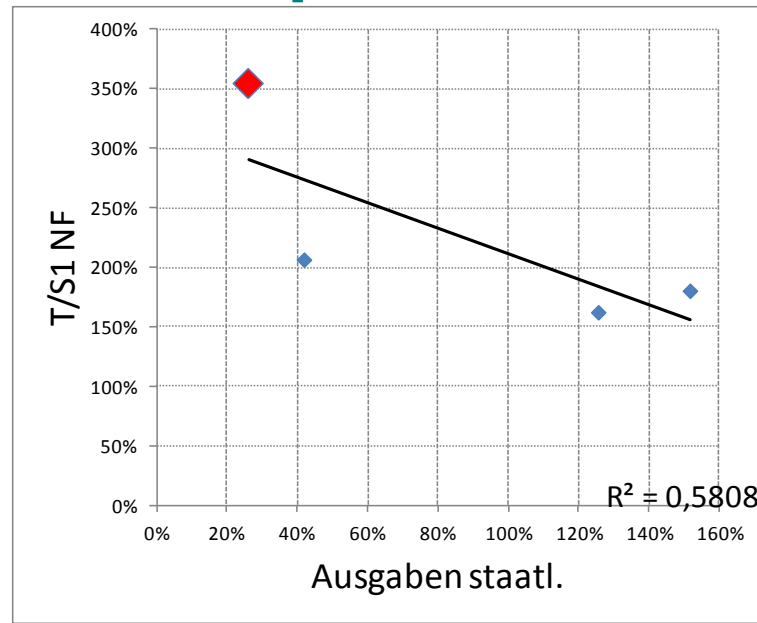
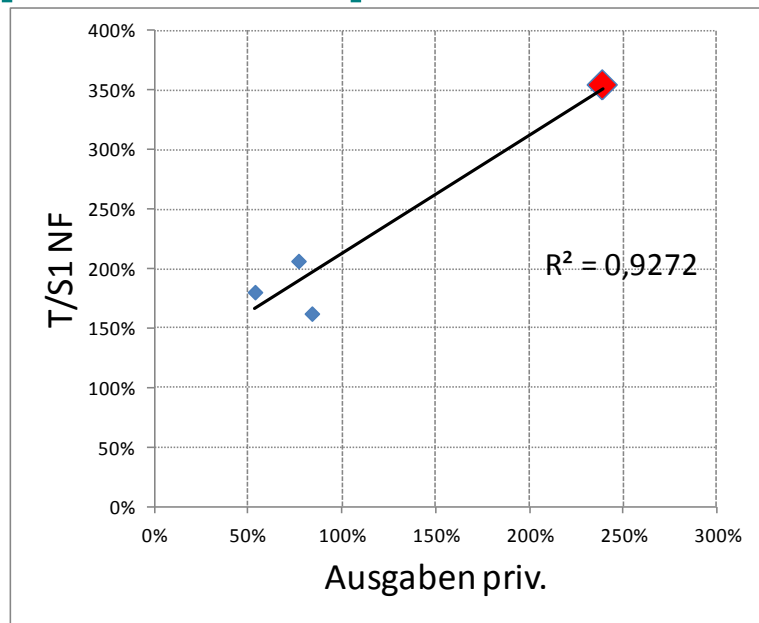
## private exp.+ selectivity+



# Expenditure and selectivity

private exp.+ selectivity+

state exp.+ selectiv.-



# Results

## welfare regimes

- five regimes, three represented
  - Represented: Nordic (Sweden, Finland), Liberal (Australia, Scotland/UK), conservative (Austria);
  - not represented: South European type and Transition type
- some patterns between regimes, however, also heterogeneity within the regimes
- in conservative regime women are consistently less participating in CVET across the life cycle as compared to men (not reported here)
- typical patterns of employers investment for different qualifications, the conservative regime investing in medium and low qualified, the liberal and Nordic regime investing in low qualified, and the Southern regime investing in highly qualified (not reported here).

# Discussion 1

- Austria most ‚neoliberal‘ structure, without being a political strategy
- All comparison countries have early in 1990s started with LLL-strategies
  - Schweden, Finnland, England massive programmes with high resources for low qualified people (Knowledge Lift, Noste, Skills for Life)
  - in Scotland reform strategy for equality of opportunity
  - in Australia currently Adult Literacy Strategy developed
  - in Austria start of strategy development in 2011, resources extremely scarce
- Comparison of selectivity might show that programmes contributed to reduction of ‚Matthew-Effect‘
  - little ‚hard evidence‘ about impacts

# Discussion 2

- Complex relationships, causal relationships not known, only tentative conclusions
- In Austria increase of individual contributions not reasonable solution
  - state contribution very low, question whether LMP expenditure is reasonable substitute for state contribution
- Relationship state contribution, formal participation, equality of opportunity should be looked at more deeply
  - Do we need strong public institutions for equality of opportunity?
  - what were the impacts of market reforms in Nordic countries for adult education?
- Why is expenditure so high in Austria? Monopolist structures in ,the market‘?

# Literature

- Lassnigg, Lorenz/Vogtenhuber, Stefan/Steiner Peter M. (2006): Weiterbildung in Österreich. Finanzierung, Beteiligung, Wirkungen. IHS-Projektbericht im Auftrag der Arbeiterkammer Wien. Internet: <http://www.equi.at/dateien/ak-ihs-weiterbildung.pdf> [2013-01-31].
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# The End



# Material

