

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

Lorenz Lassnigg, Stefan Vogtenhuber
 (lassnigg@ihs.ac.at; www.equi.at)
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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

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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, high degree from public sources, high and equal participation
 - **Liberal:** resources from the individual contributions in the market, eventually with less participation and probably more inequalities
 - **Corporatist Austria:** spend less than the 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).

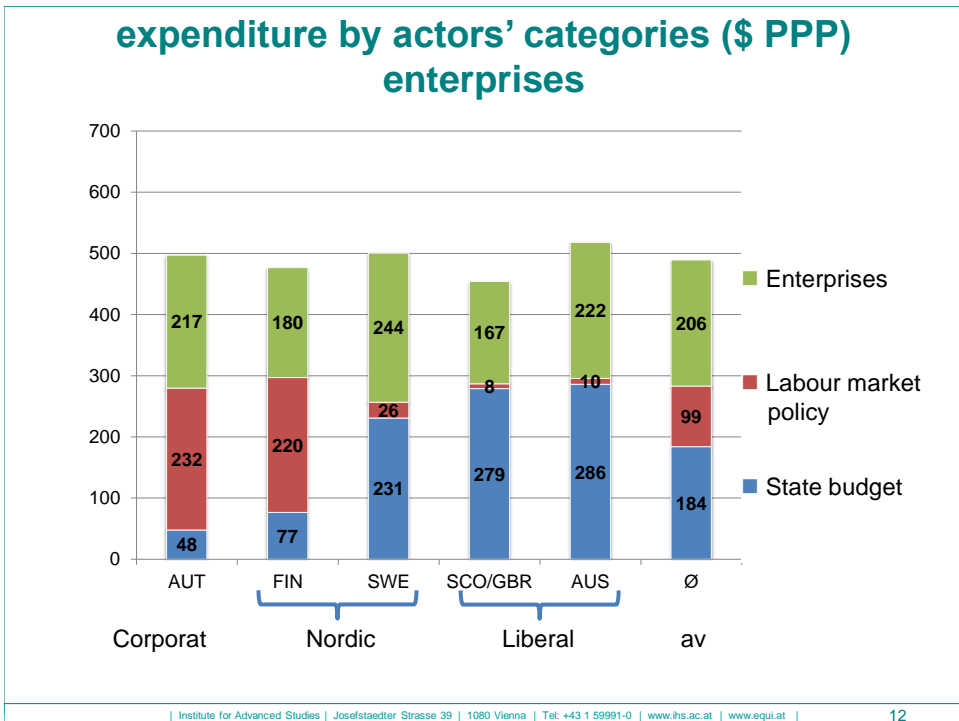
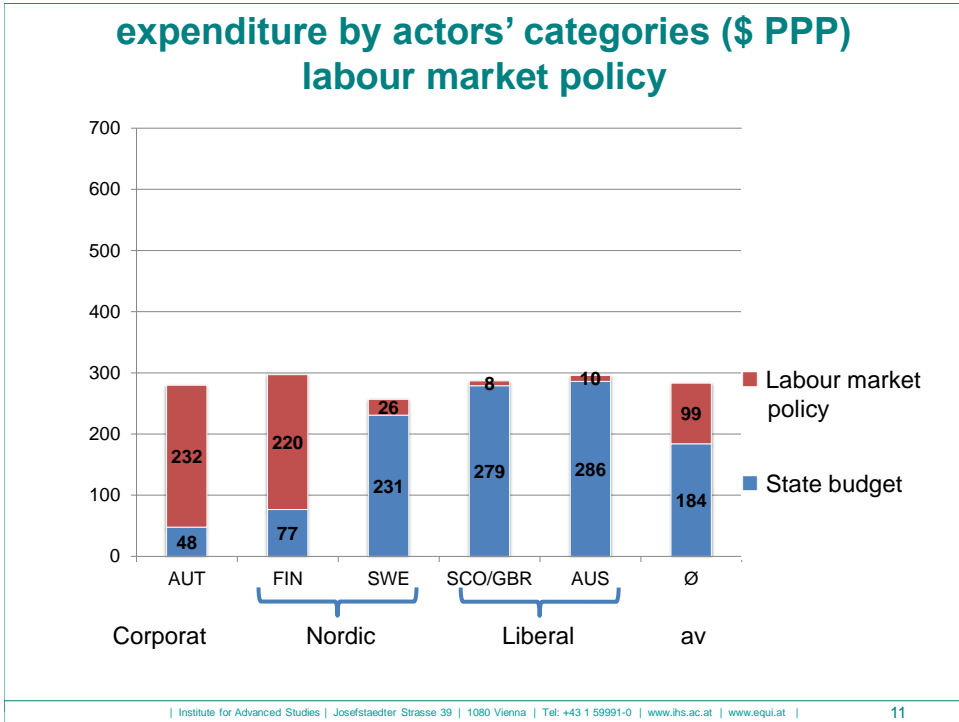
Research Design and Methods: Definitions, estimations and data adjustment 2

- 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

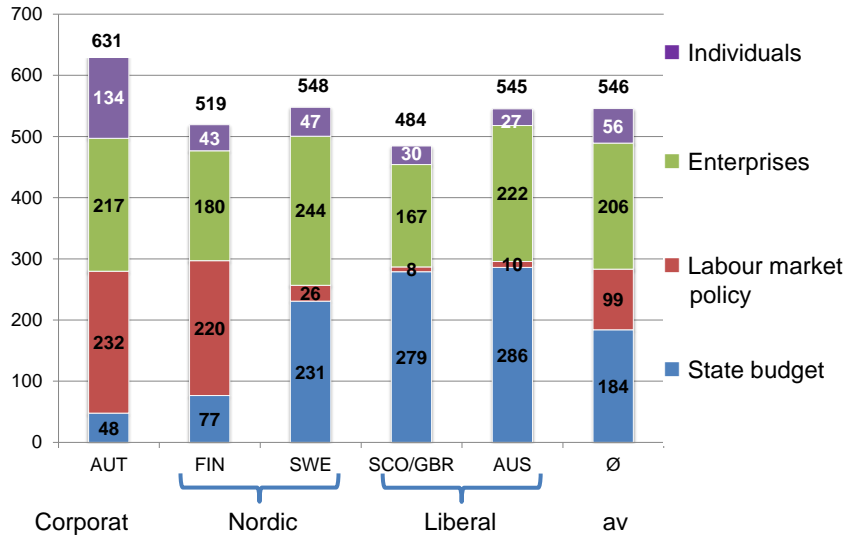
Results 1 expenditure and participation

expenditure by actors' categories

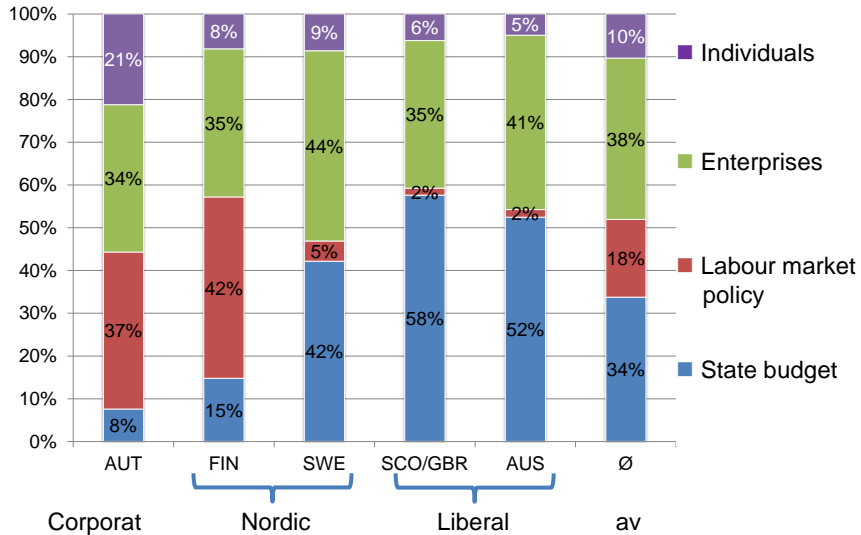
- Expenditure per capita of 25-64y population in \$ PPP-purchasing-power-parities adjusted to 2009



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



expenditure by actors' categories (%) percentage

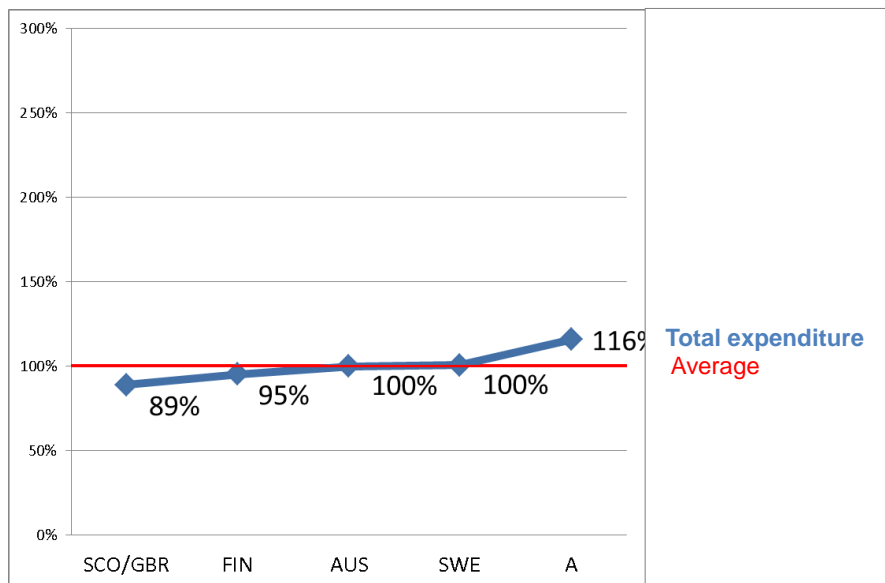


Comparison expenditure and participation

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

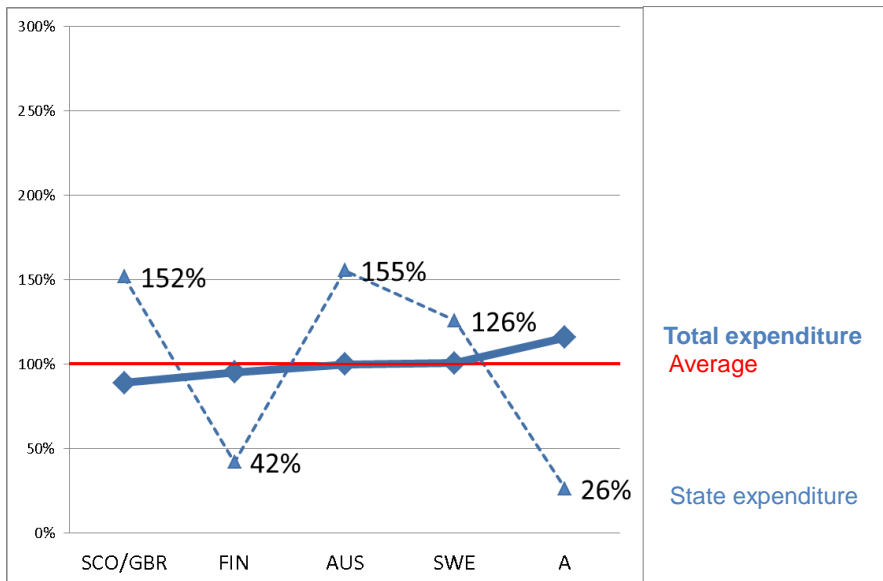
Comparison: total expenditure

Average = 100



Comparison: state expenditure

Average = 100

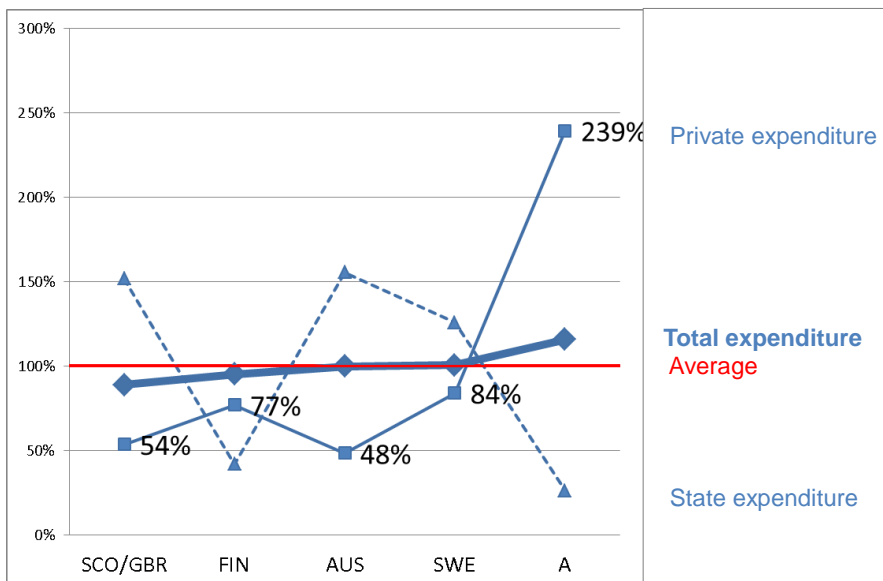


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Comparison: private expenditure

Average = 100

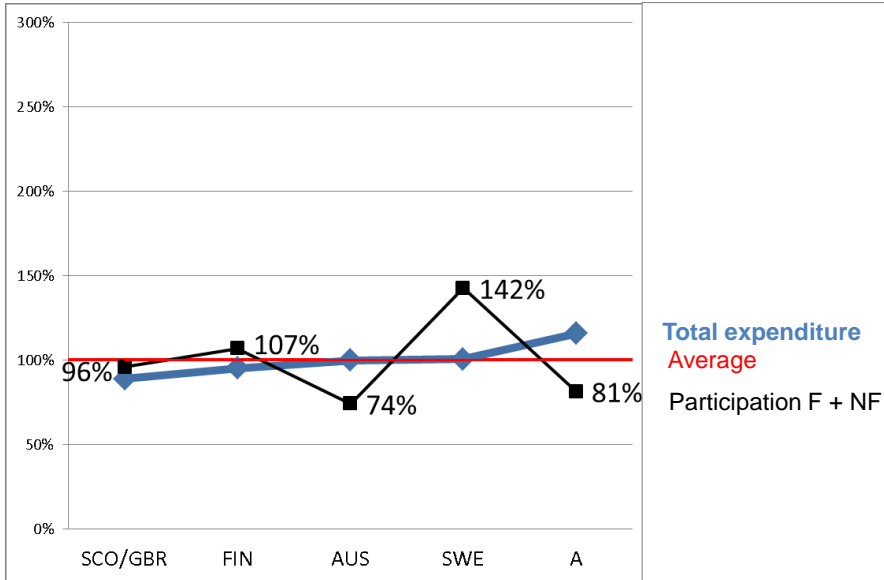


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Comparison: participation formal + non f.

Average = 100

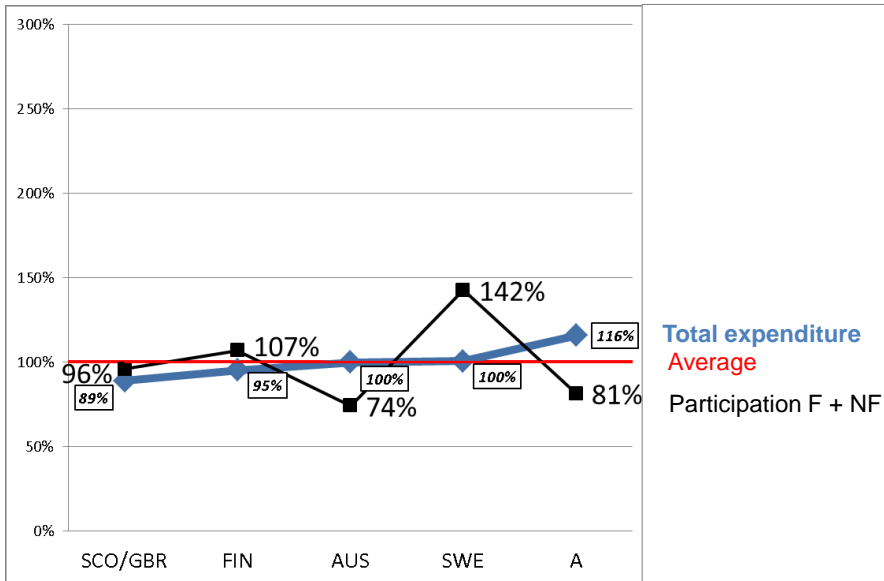


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Comparison: participation formal + non f.

Average = 100

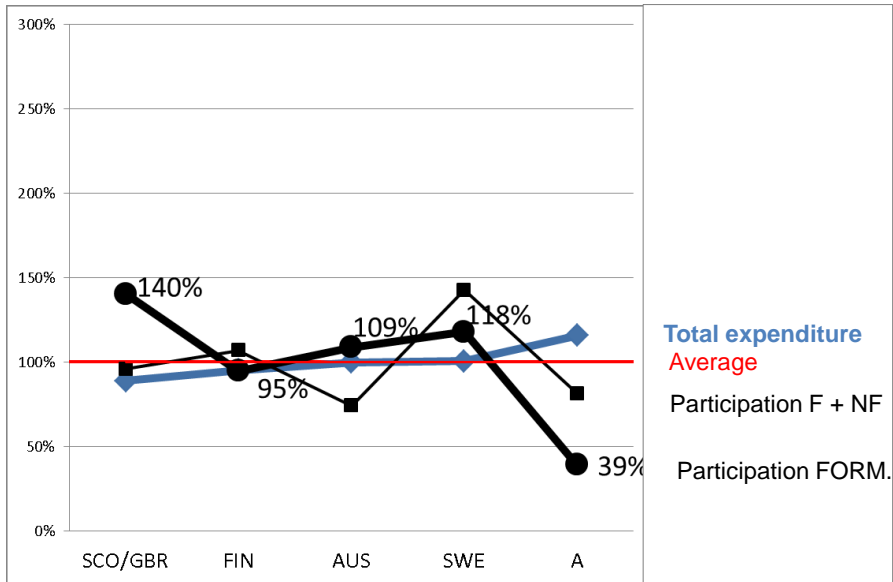


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Comparison: participation formal

Average = 100



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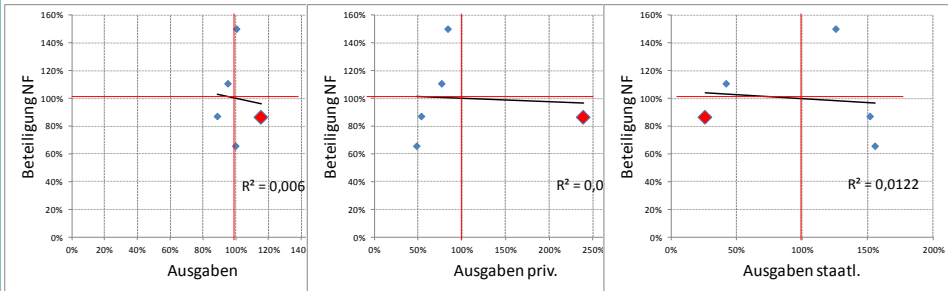
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expenditure and participation

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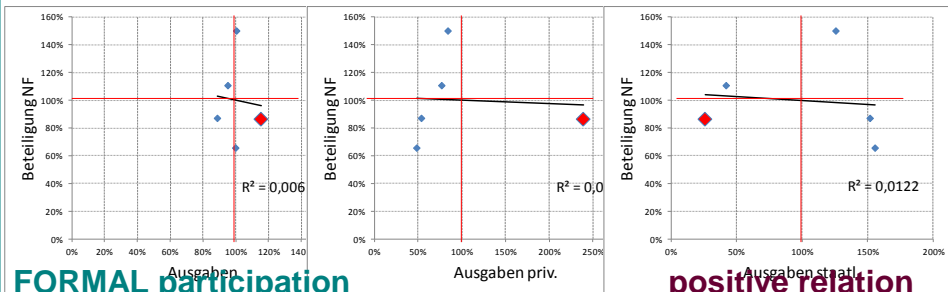
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NON FORMAL participation and total expend. private expend. state expend



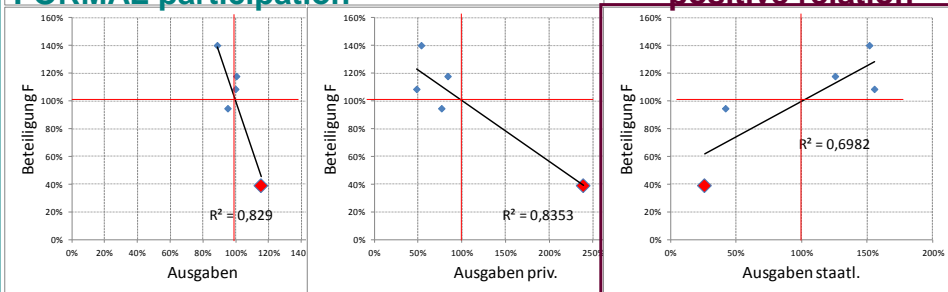
NF not related

FORMAL participation +related to state expend. total expend. private expend. state expend



FORMAL participation

positive relation

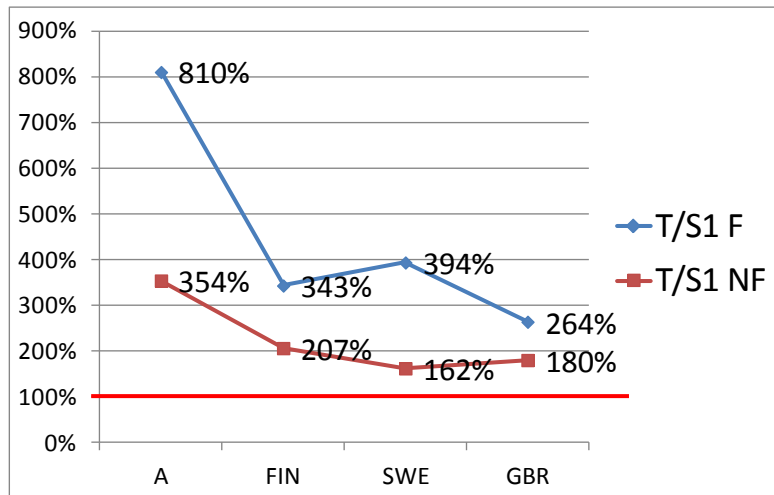


Selectivity of participation

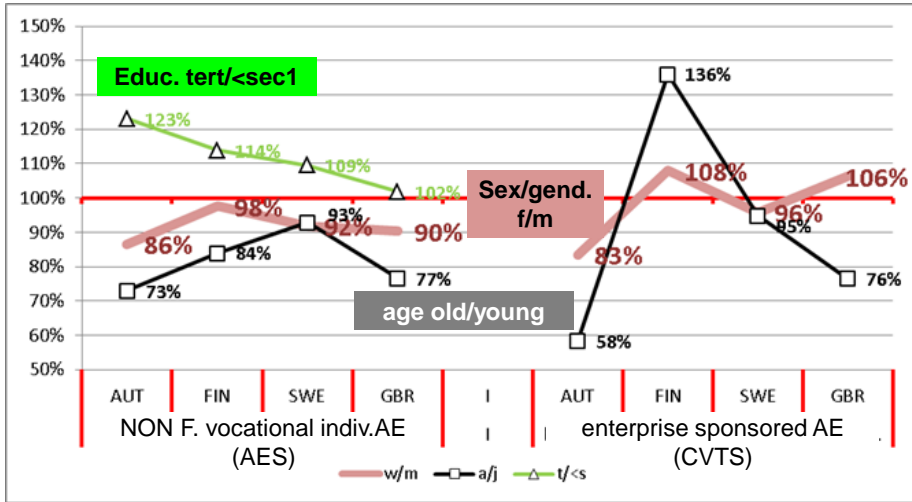
- Sex/gender
- age
- education

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 education, sex/gender, age

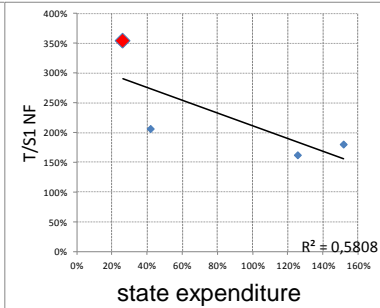
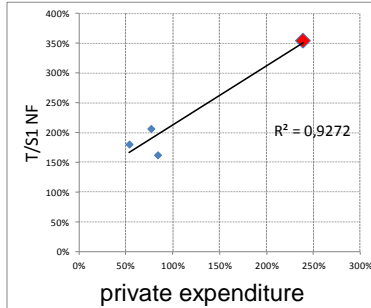


Legend: f/m = female participation / male participation
 a/j = participation old (55-64y) / participation young (25-34y)
 t/<s = part. tert.educ. / participation less than secondary education

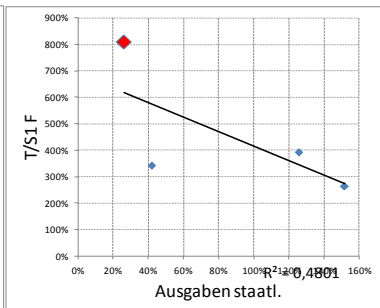
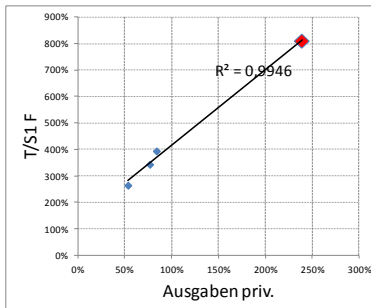
expenditure and selectivity

expenditure and selectivity by education (T/S1)

NON
FOR-
MAL



FOR-
MAL

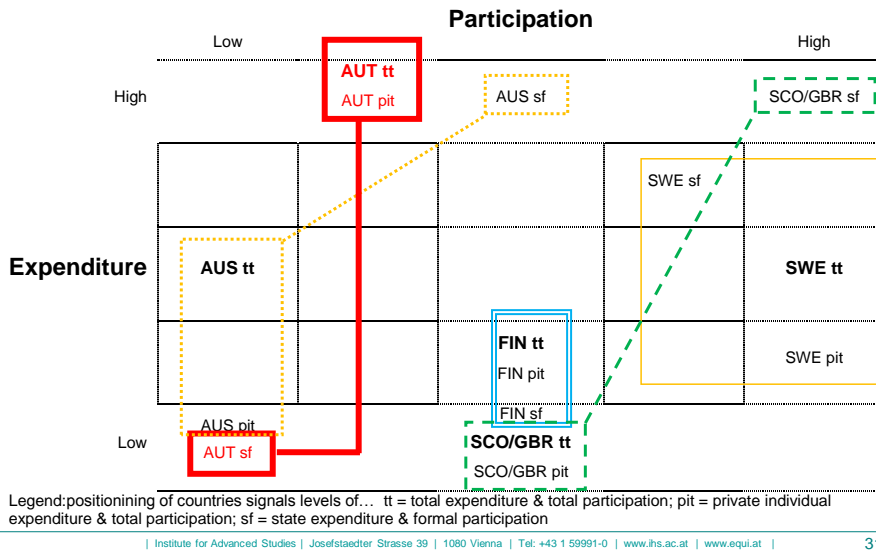


Results 2 stylized patterns of participation

- 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



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**
 - 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...

Results 3

summary of empirical results

- First, the overall expenditure per capita was highest in Austria, in line with the highest expenditure by individuals, 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.

Further 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' ?

...???...final thoughts: market rhetoric vs. political progress

- In more general terms the question might be asked to which **extent** the market becomes an alternative educational institution that replaces moral and ethical reasoning through a **rational cost-benefit calculation among alternative preferences**.
- In this vein the decision about participation and also about more general policy decisions is modelled according to **human capitalist cost-benefit calculations**, with the inclination to transform the various and multidimensional potential effects of adult education into a form of **'wider benefits'** to stand the cost-benefit rationality.
- The human capital approach with its basic logic of discounting costs and benefits has much suggestive power, so that it has invaded most thinking about adult education by imposing the basic framework of **supply and demand** to the roots of reasoning, and furthermore to think about **incentives** (or sanctions) in order to influence the actors' assumed rational behaviour.

Material

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



ANNEX

Kosten der Teilnahme

Ausgaben und Teilnahmestunden

BETRIEBLICH, direkt

