

THE PLACE OF ADULT EDUCATION IN THE NATIONAL HUMAN RESOURCES DEVELOPMENT

© Zsófia SZÉP
(University of Pécs)

szep.zsofia@chello.hu

The adults' study motivations and the adult education system based on them are not new, however in many respects it can be interpreted in a modern aim- and interest system. Considering it in this way the subject matter mentioned in the title is fairly large, nevertheless here we are going to discuss practically the management and financing, or to be more precise we are evolving some aspects of the adult education's management and financing system in a specific country, more closely in Hungary, more exactly what it should be like, what kind of challenges, interests and conditions it must fulfil. Thus the subject of the lecture is not the presentation of a situation report - the detailed subject matter includes that - but the discussion of expectations and the theoretical approach of them.

Keywords: adult education

Management and financing systems are the most important means among validating ones of profession policy. Adult education can not be discussed without analysing the fundamental questions of vocational education, since most of adult educations are vocational educations at the same time, thus hereinafter we are going to discuss these two ones, connected fields that have a large intersection (let's call them together education).

In connection with vocational education and adult education the recent formed strategies have been formulating the demand of lucidity, flexibility, efficiency and innovation- supporting environment as expectations. All of them refer to that the conventional quantity, number-parameter based education- economy is followed by another, accomplishment- and efficiency based approach. While in the 1960-1970s the expansion of education reckoned quantity planning as primary aim, and accordingly the efficiency was measured by means of quantity indexes (student / teacher rate, ect.), today the education, the efficiency of education is to be measured by the compliance to the demands formulated by macro processes.

In compliance with it the new parameters and indicators must be worked out so that they make this measuring possible. The education has become an integral part of economic competition so the parameters of knowledge must be defined and in connection with this - as one of the most important stipulation systems of knowledge - we must create the parameters of education's competitiveness, as well.

Fundamentals

Let's start from interest-systems, as the motive factor of all decisions. *The expectations and interests connected to education and training can be ranked into three large groups: social level demands, economy or employers', and individual's demands.* Interest-systems are certainly much more complex, but concerning the essence of our topic we mention these three large spheres of interest. Although the three groups' interest-systems mostly coincide, contradictions and interest conflicts happen. The better each profession policy works the larger is the intersection of these three groups.

From the point of education and training the *global, social-level interests* are often formulated. Briefly summed a social-level expectation is for example that the inhabitants should have the highest possible education and at least one, labour-market correspondent qualification. The social aspiration level is fundamentally formulated in the rules of law, as the age limit of compulsory school attendance, the gratuitousness of the first qualification's obtainment, the reference level of general knowledge, the NAT, the regulation of the state-accredited qualifications in the National Training Specification and in the exam requirements, the validation of the Bolognese process in higher education, etc.

The *demands of economy* are defined by the specific companies themselves, by budget institutions or organisations in accordance with their direct interests. Thus these demands are practically manifested in labour demands and job advertisements of each company or institution. There are national and regional labour market demand reports, predictions, the economic chambers and the labour-employment centres possess significant information systems, other employment agencies work, but all these often turn out to be insufficient to look over economic demands.

In the individual's interests the aims of personal career appears, social expectations and labour market considerations show themselves, but in many cases people deviate from them. The person's recognised interests are often different from the real ones. There can be fairly differentiated causes of this, just as the lack of information, family background, social origin, social circumstances, etc.

The three interest systems also collide from the point of view of labour market demands since labour market demands show lower or higher education level request than the supply is. From other approach the adequacy of both demand and supply can be examined from the point of view of *quantity, structure, quality and content.*

It is important to note that management, decisions and financing are connected systems; neither of them can be discussed without the others. Any levels of management can only be efficient in case they have adequate decision competences as well as financial sources belonging to them.

Nowadays considering the European terminology, subsidiary means that the decisions must happen at that level where the adequate planning and execution are guaranteed and lucidity is on the highest level. Earlier we drafted that the decision points had to be condensed there, where the most pieces of information were disposable for the specific decision. Thus we take the decision competence to the information or we take the information to the decision. This is one of the most important questions of centralization and decentralization. The up-to-date European tendency is definitely decentralization.

The role of the state is a highly important, political and profession policy question. The means of the state are basically the followings: legislation, state-source division, information- management and distribution and preparation of macro- and regional level plans and strategies.

According to the international methodology state operating, public welfare, economic functions and state-debt handling belong to functions of state budget. State task, or collective task is a question belonging here, namely the task of society's continuance, function, common needs fulfilment, whose resources are budget, namely public funds. Traditionally we can say that state tasks are those that are called so in law, and accordingly financed or supported from state resources. According to another approach, state task is the task that the state does not want or can not entrust to the market.

The government must deal with several tasks that are not practical to entrust to the market because of imperfection or risks of market. Thus the government has natural responsibility for social functions like public administration, education, public health, social defence and social security. The state itself can not fulfil these functions by all means, that is why the state is allowed to initiate a third participant in providing these services, like non-profit, private organizations (schools, hospitals) or profit-oriented private firms (motorway construction and maintenance). The state can enforce the assuring of public interest not only through direct services, but through the regulations of market.

The substantial requirements that can be formulated with respect to management and financing system

There are such macro level processes that happen independently of us in the world, and that are connected to each other and lay down the development policies, too.

Hereinafter I am going to emphasise some of them. Besides the briefly drafted macro questions plenty of others could be specified, like the impact of demographic changes, the transmutation of employment structure, the decrease of activity rata, the importance of atypical employment, etc., but being the frames limited, I can only mention the most important factors as I see.

Dual challenge for states

Global processes indicate dual challenges, which accompany every area of state tasks. On one hand they must meet the competition requirements of global world economy, creating favourable conditions in the intensified, global-scale, efficiency competition by forming their economic policies; on the other hand they must guarantee the social stability and cohesion, preventing the negative consequences of income- and property polarization in order to reduce the risky dimension of differences in chances. Globalization is such a process, which comprehends and transforms the notion of state and economy. As a matter of fact beyond the positive effect, globalization is not global, it does not cover every continent, country, indeed it segregates countries, layers in countries wherefore the rich are becoming wealthier and wealthier, the poor are becoming more and more needy. In relation to these problems, among others, the concept of activating state is often mentioned, which is not a provider one, but it fulfils an activating function, the concept of network society, the importance of localization, the

role of regional organizations (e.g.: EU) or world organizations (UN). The dual challenge in the field of education and training means that we must “produce” such human resources and labour that have qualifications and competitive knowledge and the layers of the disadvantaged must partake in adequate level education on behalf of reducing their lags, as well. Thus management and financing must be so that it should give stimulus to the training condition-system in both directions of target. This dual aim raises several education methodological questions (e.g.: integrated education).

Cohesive policy of EU

Reacting to negative effects of globalization processes EU established its structural policy in 1970-1980s. The community-level arrangements aiming economic and social cohesion are called structural policy. Economic and social cohesion mean the community’s ambitions to reduce regional differences within it.

The educational and training management policy must be made so that it could really reduce the regional differences. From other side it must be able to keep the fundamental principles of National Development Plan. The National Development Plan formulates *only* that kind of measures, operative programmes within development aims, whose financing the member state wants to obtain EU resources. Consequently the measures to be supported from national resources are not contained by The National Development Plan.

The plan follows the under mentioned fundamental principles:

- *Flexibility and calculableness*: the development policy must ensure stable frames for participants of economy and society and it must comply flexibly with the quickly changing circumstances and with the experiences accumulating in the course of execution at the same time.
- *Complementary quality*: The development policy wants to mobilize, and not to substitute the energy existing in economy and society, the programmes are allowed to finance only the socially useful investments where private capital must not be substituted.
- *Sustainability*: Only those developments can be reckon as being a real leap forward, whose positive effects will maintain without development supporting.
- *Lucidity and accountability*.
- *Adequate regulating environment*.

Think globally, act locally

The compliance to global demands needs locally differentiated condition-system and activity. Thus for example the worldwide showing unified quality requirements claim locally different strategies because of different circumstances. In this sense globalization makes homogeneity and heterogeneity at the same time, since it enforces the realization of different requirements.

The management and financing system of education must be made so that it could handle the global expectations in a way, which ensures the conditions of flexibility on local level.

Provident state - liberalization

Each country considers public tasks, measures of redistribution providing for provision of public tasks, the volume of budget differently. In Europe there are two extreme examples for that: Sweden and Ireland. In Sweden the so called provident state collects comparatively high taxes, the measure of redistribution is high and with this an opportunity presents itself to provide a high level, unified state ministration, e.g.: in the field of public health, education and in all fields of social security. Balanced social security is attached to high taxes. From the point of view of traditional public tasks the direct individual decision- responsibility is comparatively low, the state takes care. The high taxation discipline in Scandinavian countries contributes to this, as well. In Sweden the rate of budget as compared to GDP is 57 %. The other utmost verge is Ireland, where the rate of budget as compared to GDP is only 34%. The income- withdrawal from individuals and participants of economy is lower, at the same time in case of the traditional public tasks more decisions, responsibilities and financing fall to the share of individuals and companies. Individuals and enterprises' polarized security is attached to lower taxes. The rest of European countries move between these two types of thinking, they apply mixed solutions and there are no clear systems or etalons. What fields to which level are considered to be state tasks- it largely depends on traditions, social features and political thinking of the specific country. In Hungary the rate of budget as compared to GDP is 49 %, which is approximately the European average.

In the field of adult education and vocational education it must be decided that in these fields which areas to what level are state tasks and what kind of budget resources are assigned to them.

Competitive knowledge- closing the cap

The importance of education's economic approach is perceptible mainly in the scope of knowledge based economy. The notion and interpretation of knowledge has always been on the mind of philosophers and scientist, however nowadays knowledge has become the most important factor of economy, and as such, today it is the most often mentioned notion of economics. The knowledge-potential of each country determines the economic growth, competitiveness and innovative ability. Several social and economic processes can be attached to the notion of knowledge-based economy.

Comprehensive, complex processes are moving on turbulently in spanning areas of our world, principally in prosperous regions, we usually mention only part systems of them like globalization, information society, sustainable development, knowledge-based economy, etc... Common feature of all these is that although the germs of these processes appeared in the middle of 20th century, they got into the forefront of economics of countries and larger regions (EU) only in the 80-90s in relation to economy, techniques and technological developments. Several new notions were born together with this.

The interpretation and definition of notions has not been worked out yet, scientific literatures mention far-reaching, wider or narrower interpretations, admitting the disputableness of them. The EU documents use the terms of information society, knowledge-based society, knowledge-society, knowledge-economy and other, similar, compound notions in analogous interpretation; respectively in many cases these translations are even not consequent. The main point is not on the definitions, but on our

understanding the meaning, the processes, in which these phenomena have become dominant.

The essence of knowledge-based economy can be approached variously. In the prosperous countries, where the traditional resources of economic growth, like capital, natural resources, and possibilities to initiate new labour have already been exhausted, development can only be ensured by increasing efficiency and the main source of it is knowledge, and innovations arising out of it. Knowledge is becoming productive forces. The bases of economic growth are knowledge and information technology that practically enable economic development and the increase of competitiveness to separate from limits arising from nature.

The knowledge-intensive sectors e.g.: biotechnology, gene technology, information technology, etc., and the K+F results create almost unlimited opportunities to artificial production or substitution of natural materials and natural processes.

Information technologies have recently been terminating the limits in time and space and considering their developmental directions they will continue it to a greater extent, which will be strengthened on by globalization processes.

Scientific literatures dealing with knowledge-economy contain quite far-reaching approaches. *The first, stressed aim* is the increase of population's education and adaptability. Targets related to this subject matter - and formulated in EU documents, as well - are to decrease falling off from schools, to increase the rate of those, who have taken final exam, to decrease the rate of illiterate, to increase the rate of participants in adult education, etc.

The second larger field has economic content, the analysis of the relation between innovation and competitiveness. In the industrialized countries the stipulation of both economic growth and maintenance of competitiveness is to create as many innovations as possible, so that those could be put into practise as quick as possible.

The third approach emphasizes the importance of connection between theory and practice, especially in the field of education and training.

The fourth group contains the development of science and the basic- and applied researches, and the increase of resources and investments spent on them.

At this subject matter a mention must be made of stimulus made by state resources for increasing innovative risk capital for which there are also good examples.

The same duality appears here, as I have mentioned before, so the managing and financing system of education must stimulate the innovation and utilization of the results of researches in education and training not only in order to develop competitive knowledge, but in order to closing the cap of basic knowledge that provides security for large crowd of people.

The system of state tasks

State tasks can be quite various; several variations of state supports exist. For the sake of simplicity I have ranked them into four groups.

Those tasks belong to first group that are entirely considered to be state tasks in the majority of states. Neither market factors, nor private sector can play a part.

Those activities belong to the second group that although contain global, state-responsibility tasks, but in the area of development, operation and

financing private capital, civil sphere and other non-profit organizations appear. The global state responsibility means that the state tasks must be administered even if a third party does not want to take a back-seat in them, e.g.: public education is such a field.

Those tasks appear in the third group where there are no global state responsibilities, but - according to social cohesion and solidarity- state responsibility and support also appear.

The fourth group contain pure market sphere, where there are generally no state supports, except some cases, like stimulating support of KKV's through competitions.

A new, more and more popular approach in the international organizations is New Public Management (NPM). According to one of NPM's central idea, state institutions - including government organs - must consider themselves as service organizations that provide to their inner or outer clients special, well-defined supplies demanded by their clients. These supplies must be provided on a high quality, cost effectively, using the public funds in a responsible and lucid way, having the clients' interest in sight.

<i>Entirely state tasks Basic tasks</i>	<i>Largely state tasks, Basic government functions</i>	<i>Partly state tasks Complementary functions</i>	<i>Pure market tasks, Expect in some cases on developmental and regulation level</i>
aims	aims	aims	aims
content	content	content	content
development	development	development	development
operation	operation	operation	operation
financing	financing	financing	financing
e.g.: -national defence -national statistics - low and order security - administration of justice - the judges	e.g.: - public education - scientific researches - environment protection - infrastructural costs	e.g.: - adult education - pensions - national health service	e.g.: -commerce - catering trade - processing industry

In this sense the question is arising so that state task is practically supplying responsibility. According to NPM approach, the fields must be defined that the state must deal with, and the rate that the state must let competitive sector or non-profit civil organizations into assuring of specific supplies keeping the complete or partial responsibility of supplies in its possession.

Budget and other resources of education

Regarding each country, its budget contains plenty of similar, but different elements, too. In Hungary budget law does not define rules according to the above mentioned functions, but according to subsystems. These subsystems are the followings:

- central calculation
- local authorities' calculations
- separated state funds
- National Health Service

The concrete, annual amounts of money are defined by the budget law every year. Each amount belonging to subsystems can not be pooled since they are in overlapping. For example, central budget supports considerably local authorities' budget in a normative way. Regarding adult education the role of central budget is getting lower (see adult education norm); expect the costs of central budget organs' own employees' education that also belong to this sphere. Local authorities' budgets also contain the costs of school-system adult education. On the other hand Labour Market Fund (separated state fund) - and within that the employment and educational parts- plays a more and more important role in adult education outside of school-system.

The training of employees of the institutions maintained by National Health Service is financed by National Health Service Funds.

The other, less known division of budget is the division according to functions of which elements can be pooled.

The divisions of budget according to functions are the followings:

- Functions (2004. annual data in the % rate of GDP)
- State operating functions EU-15: 6,5 %, Hun 8,9 %
- Economic functions EU-15 : 4,2%, Hun 6,1%
- Welfare functions EU-15 :32,6 %, Hun 29,1 %
- Debt handling EU-15: 3,6 %, Hun 4,8 %

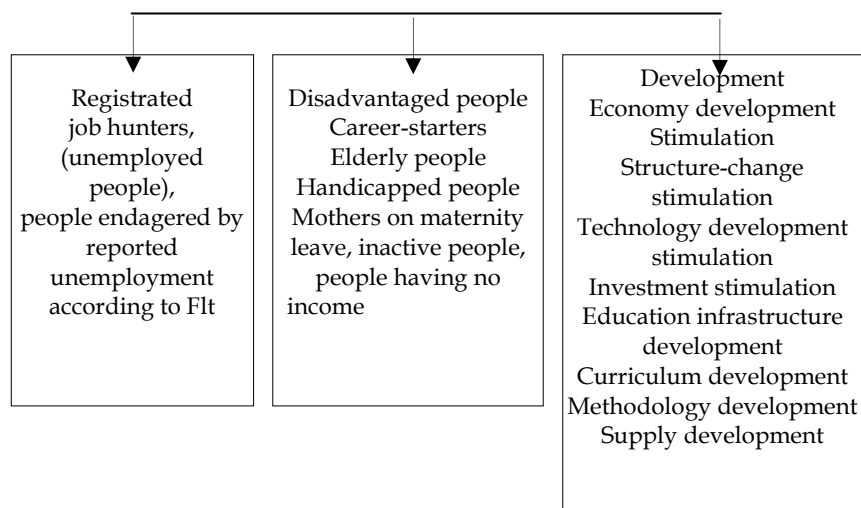
Economy contributes to adult education largely from its own resources (over and above that these costs can be charged to a certain extent to the debit of vocational education subsidiary duty).

The individuals play a great part, as well, which means that they undertake the expenses of courses and trainings partly, but in many cases completely.

EU resources also mean more and more resources in the field of education, just like HEFOP, or the lately appeared TÁMOP or TIOP that will offer comprehensive, competition-possibilities in the next seven years. Foreign capital or certain PPP type investments can also mean resources.

The aims and target groups of division of public funds in adult education

On the premise that state task is what state can not or does not want to entrust to the market, then we can draw the next grouping:



The support of *registered unemployed people's* education is a state task and one of the most important active means of employment policy in every country. In case of job hunters there are no other income owners, but the state since there are no employers and the individual has no income. The resource of support can be different, just as central budget, centralized or decentralized funds originating from economic subsidies and the individuals' slight excess. In Hungary unemployed people, job hunters and people's endangered by unemployment education supports are financed by Labour Market Fund. Its employment part finances the supports in a decentralized way by initiating labour centres, as well.

Layers of people at a disadvantage. Their education is not undertaken by the market, because market is not interested in this question and here we speak about people mainly without any income or with low income.

The third group is *stimulation of education, the development of educational conditions*, which - regarding development and modernization- is not a market segment again on nation wide level. Although larger training companies deal with improvements, but they are not interested in popularizing of their results since it strengthens their competitors.

Conclusions, tasks

Each *financing system reflects essential professional strategy*, moreover beside rules of law it is the most important managing device of validation of profession policy. It shows more things. In one hand, we have to define first the aims of profession policy, and then we have to fit the financing and supporting devices to our aims. *We have to create the supporting system so that its elements could serve long term development aims.* On the other hand managing and resource systems are connected to each others; neither of them can operate efficiently without the other.

In education and training system vocational education is the field where the recognised, individual interests and market interests must achieve their goals directly. Economy shows its interests directly (e.g.: job advertisements), or through Chambers, professional organizations, namely labour demand. In the recognition and validation of individuals' interests the state has an important role at the same time (in addition to education, support and quality assurance). Choice of career services, well-established information systems, media, communicational channels, teachers' training in this field provide (or would provide) this matter.

In Hungary the financing system of vocational education has developed for a longer period, e.g.: the establishment of vocational education subsidy has been looking back to a 30 year-long past. Several elements of the system have changed, new ones have been inserted, e.g.: unemployed people's education by the help of employment law (1991), the possibilities of adult education's support by the help of adult education law (2001). The support system of school-system vocational education has changed by the beginning of local authorities. All these have diversified significantly the support system that in one hand can be appreciated positively because we can find various supplies of supporting. However on the other hand the superposed elements of financing do not form a coherent system, and do not serve that efficiency any more, but even disturb the efficient operation.

Thus we can not speak about the financing system without clearing up professional questions.

It is essential to take the aim-system of vocational education and not the features of the existing institutional as our starting point for defining reforms

even if we have to consider these features, as well, but they can not be determinant.

What we consider state task in the field of vocational education is a relevant question. The state responsibility and guarantee must be achieved in the fields considered to be state task.

A section of problems arises from rules of law (management, financing). These rules are fitted to institutional system, as primary regulating factor and not fitted to content.

Lucidity, efficiency and flexibility can be achieved by the reorganization of vocational education system, in fact by the development of networks and decentralized management and support system.