Estonian Ministry of Education and Research

Development Plan for the Estonian Vocational Education and Training System 2009-2013

Tartu 2009

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Introduction

The period of the "Development plan for the Estonian vocational education and training system 2005-2008" has ended. It is time to draw conclusions and prepare a new development plan for the years 2009-2013.

According to Section 5(1) of the Government of the Republic regulation of 13 December 2005 No 302, "The types of strategic development plans and the procedure for drafting, amending, implementing, evaluating and reporting thereof", in order to draft a development plan for a certain domain, the minister responsible for the relevant domain shall propose to the Government of the Republic to draft the development plan for the domain. The proposal to draft the development plan for the vocational education and training system[1] was prepared by officials of the Vocational and Adult Education Department of the Ministry of Education and Research (hereinafter *MER*) and the Government of the Republic approved it on 4 December 2008. Building on the proposal to draft the development plan, implementation summary of the previous development plan, statistical data and analyses as well as many other source materials, the working group drafted the "Development plan for the Estonian vocational education and training system 2009-2013" during the first half of 2009.

That broad-based working group that involved different vocational education and training interest groups included:

Andres Pung (leader of the working group, MER), Olav Aarna (Estonian Qualification Authority), Tiina Annus (MER), Tõnis Arvisto (Foundation for Lifelong Learning Development Innove), Olavi Ennu (Estonian Vocational Teachers' Association), Terje Haidak (MER), Janno Järve (Estonian Center for Applied Research CENTAR), Liina Kaljula (Ministry of Agriculture), Mati Kask (Tallinn School of Transportation), Ott Kasuri (Association of Municipalities of Estonia), Henri Kiivit (Estonian School Student Councils' Union), Tarmo Kriis (Estonian Employers' Confederation), Ene Külanurm (Estonian Employees' Unions' Confederation), Moonika Mällo (Ministry of Economic Affairs and Communications), Raivo Niidas (Tallinn Construction School), Tiina Ormisson (Estonian Labour Market Board), Rein Oselin (Association of Estonian Cities), Kaie Piiskop (The National Examinations and Qualifications Centre), Neeme Rand (Estonian VET Enhancement Association), Tiia Randma (Estonian Chamber of Commerce and Industry), Heleri Reinsalu (The State Chancellery, substitute member Külvi Noor), Jüri Riives (Federation of Estonian Engineering Industry), Andres Talijärv (Estonian Forest Industry Association, substitute member Märt Riistop), Teet Tiko (MER), Kalle Toom (MER), Kaja Toomsalu (Confederation of Estonian Trade Unions), Toomas Undusk (Estonian Hotel and Restaurant Association), Thor-Sten Vertmann (Ministry of Social Affairs, substitute member Kerstin Peterson).

During the drafting of the new VET system development plan, vision, objectives, measures and activities were also repeatedly discussed with representatives of VET institutions and partners – Estonian VET Enhancement Association has dealt with the subject of the development plan

[1] For the purpose of this development plan, vocational education and training system means institutions involved in VET as well as vocational learning and development activities undertaken in those institutions at the level of basic education and secondary education and as post-secondary formal or work-related adult training.

thoroughly at seminars in Narva, Haapsalu and Kuressaare. The proposal for drafting the development plan was approved on 23 October 2008 by the VET Council, and advisory body to the Minister of Education and Research.

This development plan is already the third in the domain of VET and allows us to speak of tradition and continuity. All development plans have had similar main directions of development, ensuring growingly faster and more effective changes in VET. The relative success of implementing the "Development plan for the Estonian vocational education and training system 2005-2008" as compared to the domain's first development plan has been very positive and strongly motivating for people working in the VET system.

The most important aspects of the new development plan are student-orientedness as well as quality, timeliness and appreciation of VET. VET has to be open and accessible for different target groups and fulfil a social and engaging function on the one hand and offer excellence for innovative and knowledge-based development of society and economy on the other hand.

In order to achieve excellence and quality, a complex approach to all aspects of VET is needed. Up-to-date workshops and equipment are not enough – high level teachers, curricula and materials, efficient partnership with the world of labour and relevancy in planning the future are also necessary. Only an integrated approach that develops all aspects of VET can provide the expected result – that by 2013, the level of Estonian VET would be comparable to that of the VET of the Nordic countries. The level of vocational and professional skills of the Estonian workforce needs strong development in order to contribute to the building of a knowledge-based economy and society.

The main goal of drafting the new VET development plan is to define common strategic bases and objectives as well as measures, activities and resources for sustainable development of the Estonian VET system for the years 2009-2013. Both VET institutions and MER, other ministries and entities connected to VET will base their activities on this common strategic ground. The VET development plan has to ensure coherence in the development of MER, involved ministries and their areas of government, and reflect relations between VET policies of Estonia and the European Union. The development plan also defines the continuity of social partnership and VET's important connections to economy, labour market and world of labour. The "Development plan for the Estonian vocational education and training system 2009-2013" shall be the main basic document for the development of the Estonian VET system.

1. Bases

1.1. Overview of the outcomes of the "Development plan for the Estonian vocational education and training system 2005-2008"

Three main strategic objectives were set for the development of VET for 2005-2008:

1) VET (both initial as well as continuing education and retraining) corresponds to the development needs of the Estonian economy;

2) raising the quality of VET leads to an improved image of VET, an increased number of learners and their successful entry to the labour market;

3) VET system uses resources cost-effectively, co-operates with other types and levels of education, and guarantees access to VET to everyone interested.

The main strategic objectives were specified by narrower objectives for achievement of which specific measures were planned and action plan drafted defining partners of MER in the implementation of activities, deadlines and necessary financial resources. In addition to that, impact indicators were defined in order to assess the achievement of those objectives.

Objective 1: The structure of fields of study and commissioned education correspond to the needs of society and economy

Planning of state-commissioned education (hereinafter *SCE*) of VET institutions has been brought in line with developments in economy and trends in employment. The Ministry of Economic Affairs and Communications (hereinafter *MEAC*) annually prepares mid-term (6-7 years' perspective) employment prognosis that forms the basis for preparing the state-commissioned education of VET both in formal education and in work-related adult training. Most relevant partner organisations – employers' and employees' umbrella organisations as well as professional and sectoral associations – are actively involved in the SCE process. In order to ensure flexible reaction, data on changes in employment structure provided by the Estonian Unemployment Insurance Fund (Estonian Labour Market Board until 1 May 2009) are also taken into consideration when organising work-related training. On European Union's (hereinafter *EU*) initiative, Estonia has also participated in forecasting European employment needs carried out by CEDEFOP[2], which provides its own trends and inputs for updating the Estonian prognosis. In 2005-2008, SCE of VET increased the most in the areas of industry, production and services, where the demand for qualified labour force was strong.

The SCE methodology of VET has been constantly developed further, updated SCE drafting rules having been approved by a regulation of the Minister of Education and Research in 2007. As early as in 2006, SCE was given to schools as a common figure for the entire curriculum group. Since 2007, the number of student places in a curriculum group commissioned by VET institutions are approved for the following three calendar years. This means that the autonomy of VET institutions as well as their right to make their own decisions and to respond flexibly to local training needs has been continuously increased. In addition to formal education, since 2007 the state commissions student

[2] *The European Centre for the Development of Vocational Training.*

places from VET institutions for work-related adult continuing training with support from ESF resources.

The indicator set in the development plan, according to which 80% of graduates of VET institutions would enter the labour market within one year of graduation, has proved to be too ambitious and will not be achieved as such – a considerable number of graduates will continue their studies, join the defence forces or go on a parental leave. The trends characterising entry into the labour market have nevertheless been clearly positive – the proportion of registered unemployment among graduates decreased (until the autumn of 2008) and the proportion of those in employment or in further study increased.

Objective 2: Adequate financing of VET ensures the preparation of a highly skilled workforce responding to the needs of knowledge-based economy

In VET financing, the following progress may be highlighted from the period 2005-2008:

1) gradual increase of the basic cost of a VET student place. In 2005, the basic cost of a student place was 14,577 EEK, but in 2008, it was 21,150 EEK. The total increase of the basic cost of a student place was 6,573 EEK, i.e. 45.1%;

2) new curriculum group coefficients have been implemented since school year 2005/06;

3) successful use of the resources of the European Social Fund (hereinafter *ESF*) in the substantive development of VET and the implementation of the resources of the European Regional Development Fund (hereinafter *ERDF*) to modernise the study environment of VET institutions.

Thanks to a substantial increase in investments and allowances (including school meal allowance and study allowances for those studying on the basis of basic education), the VET budget has grown considerably. Regrettably, the resources meant directly for carrying out studies have not increased in the planned extent and the real cost of a student place is still not adequate to complete a curriculum at the expected level. In 2004, the budgetary costs of VET amounted to 673 million EEK, in 2008, according to preliminary data, 1.382 billion EEK. The increase of the budget was 655 million EEK, i.e. 97%. The volume of investments planned in the development plan was 657.2 million EEK, but the actual investments have amounted to 726.3 million EEK, which is 10.5% more than planned.

During the preparation of the development plan, the total cost of all planned activities was set at 2.005 billion EEK. The actual cost of implementing the plan was 1.904 billion EEK. In 2006, a school lunch allowance was applied for those studying on the basis of basic education, resources directed to which will increase total costs of 2005-2008 to 1.994 billion EEK.

Notwithstanding the strong progress in VET financing and the successful implementation of the financial plan of the development plan, the objective of raising the average cost of a VET student place to 1.5 times of that of the average general education student place has not been realised. In 2007, that ratio was 1.22 as regards study costs (1.42 including investments).

Objective 3: Cooperation with social partners and enterprises in the development and delivery of VET is clearly defined

The updated Vocational Education Institutions Act (hereinafter *VEIA*) that came into force in November 2005 provided for the participation and involvement of social partners in all aspects of VET. Social partners are directly involved in the management of VET institutions through councils of those institutions, where the participation of social partners must be over 50% of the members of the council. In addition to that, the partners are involved in planning strategic developments in VET (participation in relevant working groups and the VET Council advising the Minister of Education and Research), planning SCE, developing professional standards and national curricula, in professional examination committees etc. The cooperation between VET institutions and enterprises in conducting company-based training has improved considerably and more opportunities for that training are available for students. On 12 October 2006, the six-party cooperation agreement was updated[3], involving parties to the agreement into all VET development activities.

In late 2008, a study commissioned by MER on the satisfaction of social partners was carried out, with the aim of finding out how the social partners of the VET system regard activities conducted in 2005-2008 to develop VET. The results of that study allow concluding that the progress made is appreciated also by the partners from the business sector. 41% of respondents say that the quality of VET in Estonia has improved significantly. At the same time, only 9% respondents agree that the domain of VET is adequately financed.

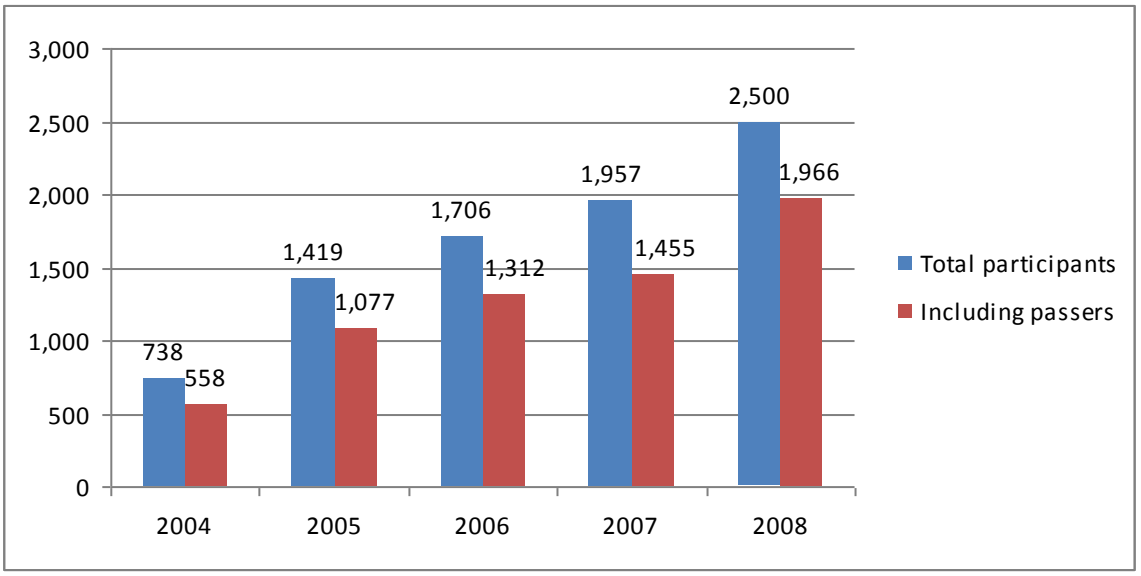
Objective 4: Awarding of professional qualifications has become a rule, qualifications awarded in Estonia are recognised in other EU member states

The Estonian professional qualifications system has been continuously improved and developed during the development plan period. Over 700 professional standards have been prepared and professions have been given to over 37,000 people. The form of a professional standard has been updated and other important development work has been carried out. In May 2005, the Estonian Europass centre was opened at the Estonian Qualification Authority. Adopting a new Professions Act may be regarded a breakthrough. The Act entered into force on 1 September 2008 and established a new 8-level professional qualifications system in Estonia instead of the former 5-level system. The levels of the Estonian Qualifications Framework now correspond to those of the European Qualifications Framework and are linked to them.

An important measure specified by the development plan was bringing together final examinations of VET institutions and professional examinations where a considerable progress has been made. While in 2005 only 9.8% of graduates chose a professional examination, in 2008 the number taking such examinations was already 2,500, amounting to 34.4% of all graduates (see Chart 1). Among them, 1,966 or 79% of examinees, which is 27% of graduates of VET institutions, achieved a positive result. In 2004 it was possible to take a professional examination in 17 professions, but by 2007 that number had grown to 50.

[3] The joint action agreement for developing VET system and preparing qualified labour force in 2006-2009 was signed by representatives of the Ministry of Education and Research, Ministry of Economic Affairs and Communications, Ministry of Social Affairs, Estonian Employers' Confederation, Estonian Chamber of Commerce and Industry and the Confederation of Estonian Trade Unions.

Chart 1. Passing of professional examinations in VET institutions in 2004-2008



Source: Planning Division of MER, 2008.

The new Professions Act further encourages the taking of professional examinations by graduates, legalising the possibility of educational institutions to give first level professions on certain conditions. Despite the positive progress, the development plan's clearly unrealistically set level (70% of graduates taking a professional examination on graduation) was not achieved.

Objective 5: The quality of the VET has improved significantly

During the period of the development plan, much attention was paid to improving the quality of VET in both developing the content of VET and in bringing the learning environment in line with contemporary requirements.

An integrated model of a quality assurance system has been developed that complexly takes into consideration all factors and components having impact on and working in VET. Estonian representatives have actively participated in the work of the European Network for Quality Assurance in Vocational Education and Training. Regular internal evaluation of VET institutions and a publicly available system of VET indicators have been provided by law and a competency model for a director of a VET institution has been developed.

With support from ESF, several projects were carried out, aiming to improve the quality of the content of VET:

1) "Quality assurance in VET institutions through organisation of quality-related training and development of internal assessment system" headed by Foundation for Lifelong Learning Development Innove (hereinafter *Innove*). Under the project, a survey on quality-related activities in VET institutions was carried out, a "Manual for internal assessment for institutions of vocational education and training" was prepared, training was provided for quality managers of VET institutions and the quality award competition of Estonian VET institutions organised since 2003 was continued;

2) "Development of a system of initial and continuing training for vocational teachers" headed by The National Examinations and Qualifications Centre (hereinafter *NEQC*). Under the project, a model of initial and continuing training for vocational teachers was developed and tested in 15 curriculum groups and a study on career paths and training needs of vocational teachers was organised;

3) "Development of curricula of VET institutions" headed by NEQC, where modules of compulsory education were developed for the major part of national curricula;

4) "Developing and introducing eLearning in vocational education and training institutions and in institutions of professional higher education" (e-Võti – eKey) coordinated by Estonian Information Technology Foundation (hereinafter *EITF*). As a result of the project, a development and implementation system for eLearning was developed and many eCourses and e-study objects were developed and put into use;

5) "Implementing workplace-based form of study in vocational education and training system" headed by Innove. The aim of the project was to introduce more widely and to pilot the opportunities of apprenticeship training in Estonia. As a result of implementing the project, conducting workplace-based form of study (i.e. apprenticeship) in VET was provided by law.

A professional standard of vocational teachers at three levels (III-V) has been developed and approved by the Professional Council of Education. Qualification requirements for vocational teachers have been made more flexible, allowing better involvement of vocational teachers from businesses. Part-time and full-time study opportunities, which were inexistent so far, have been created for vocational teachers within the teacher training SCE. Since 2008, vocational teachers can apply for teacher start-up allowance. Ensuring future generations of vocational teachers is a continuous problem – there are still too few young vocational teachers coming to schools.

With support from ERDF, study facilities were renovated in 10 VET institutions: Narva Vocational Training Centre, Pärnu Vocational Education Centre, The Vocational Education Centre of Tartu, Võru County Vocational Training Centre, Tallinn Industrial Education Centre, Kuressaare Regional Training Centre, Türi School of Technology and Rural Economy, Luua Forestry School, Tallinn Service School, Tallinn Polytechnic School. In cooperation with State Real Estate Ltd, the Vocational Education and Training Centre of Haapsalu was renovated.

In total, 726.3 million EEK was invested in modernising study facilities of VET institutions in 2004-2008, out of which 417.4 million EEK (57.5%) was received from ERDF resources and the remaining part from the state budget.

Objective 6: The system of curricula has been rearranged and fully developed

In 2006, a Vocational Education Standard was approved by a regulation of the Government of the Republic that provides uniform requirements for vocational and professional education on basic or secondary education level.

During the period of the development plan, the system of curricula has been developed significantly. A certain chain is functional, where on the basis of approved professional standards, national curricula are prepared. These in turn form the basis for preparing curricula for VET institutions. 31

curriculum group councils that shall develop national curricula have been approved by a directive of the Minister of Education and Research. By now, 44 national curricula have been developed and approved[4]. Since 2009, new students are admitted into VET institutions only on the basis of updated curricula, which helps to ensure uniform quality of VET.

In 2005, NEQC initiated an ESF project "Development of curricula of VET institutions", under which contents of vocational education for 132 professions were developed in cooperation with social partners. Pilot curricula and methodological materials for their implementation adapted for students with special educational needs have been prepared. Innove developed an ESF project for developing entrepreneurship training, under which three basic modules for entrepreneurship training as well as study and methodological materials for their implementation were developed.

Objective 7: The system of introducing studying opportunities in VET to potential students is working

Different channels are used to introduce opportunities in VET. Since 2001, Innove's VET Observatory has regularly been issuing the reference book "Vocational Education and Training Institutions. A Guide for Deciding". Several special newspapers have been published, e.g. annexed to the newspaper "Maaleht". During the ESF II period, Innove will implement the programme "Popularising vocational education", under which introducing study opportunities will become more systematic and effective.

To popularise VET, the system of vocational competitions will be developed further with coordination by Innove and financial support from the popularising programme. In recent years, a breakthrough to the international arena has taken place – Estonia has joined both the world's organisation for vocational competitions WorldSkills and the corresponding European organisation EuroSkills. In 2007, Estonia participated in WorldSkills in Shizuoka with four competitors in three categories. In 2008, Estonian 12-member team took part in EuroSkills in Rotterdam and won two medals – silver in tiling and bronze in bricklaying.

During the period of the development plan, a project "Development of career services system in the Republic of Estonia" was initiated with leadership by Innove and support from ESF. During the project, a nationwide study in the area of career services was carried out, recommended model materials for conducting career education in general education schools and VET institutions were prepared, career education pilot training was organised (including in 4 VET institutions), specialists offering career services were trained and the web-page Rajaleidja ("Pathfinder") was developed further. The development of career services will be continued during the new ESF period under the programme "Development of career services system".

An integrated guidance model has been developed, which systematically describes and integrates thus far fragmentally functioning types of the guidance system. On 12 March 2008, an agreement

[4] The national curriculum for senior non-commissioned officers in the profession of military leadership has been approved by a directive of the Minister of Defence, all other national curricula in vocational education have been approved by a regulation of the Minister of Education and Research.

was concluded between MER and the Ministry of Social Affairs (hereinafter *MSO*) that provides for a firm distribution of work between those ministries in career guidance. Despite some progress, the quality of career services targeted to young people is still fluctuating in Estonia. As a recurring theme in the national curriculum for basic schools and upper secondary schools, handling subjects related to career planning and counselling remains random and inadequate and it does not help young people as much as necessary in making career decisions.

The aim of the proportion of students in vocational training at the level of secondary education, provided in the development plan as an indicator (38%), was not achieved. Nevertheless, the image of VET has improved in recent years and so has increased the proportion of students – in 2008, almost 33% were acquiring secondary education in VET institutions and 67% in upper secondary schools.

Objective 8: VET is better integrated with other types and levels of education

Opportunities of VET have been created in basic schools and upper secondary schools – 25 upper secondary schools have vocational education classes and many other schools have individual learners. Pre-vocational training and conducting manual training classes of general education schools in workshops of VET institutions is becoming increasingly popular.

Offering vocational education to basic school pupils within compulsory school attendance age who have behavioural problems has been initiated as an important activity – such groups are active in Vana-Vigala Technical and Service School, Põltsamaa Vocational School, Tallinn Kopli Vocational School, Valga County Vocational Training Centre and Sillamäe Vocational School.

An opportunity has been created for graduates of vocational secondary education to continue, free of charge, general education studies in the amount of 35 study weeks in adult upper secondary schools in order to prepare for general education state examinations. This encourages VET graduates to compete with graduates of upper secondary schools for admission to institutions of higher education in fields of study where passing state examinations is required. The number of graduates of VET institutions who continue studies in institutions of higher education has been growing year by year. When planning higher education SCE, student places are conditionally planned for 10% of VET graduates.

Various vocational schools and institutions of professional higher education have been engaged in joint curriculum development in order to better align curricula in the same fields of study and to take knowledge and skills acquired in VET into consideration in studies according to higher education curricula.

Objective 9: Appropriate opportunities in VET are provided to everyone interested

Availability of VET for students with various needs has significantly increased during the period of the development plan. By changes to VEIA in 2005, the following were established as types of VET in Estonia:

1) pre-vocational training;
2) VET in basic schools and upper secondary schools;
3) VET with no basic education requirement;

4) VET on the basis of basic education;

5) vocational secondary education;

6) VET on the basis of secondary education.

In addition to that, work-related adult education takes place in VET institutions and besides school-based form of study, workplace-based form of study (apprenticeship) is provided. Flexible types of VET are available in all Estonian regions.

Upon commissioning state-commissioned education from VET institutions, student places are also created for learners with special needs. The additional coefficient for financing VET for students with special educational needs is 1.5. An additional coefficient has also been established for education in prison. The reform of education in prisons has been implemented by now and vocational education in prisons is conducted by regular VET institutions.

VET drop-out rate increased in both school year 2005/06 and 2006/07, which is mainly attributable to the period of fast economic growth and the shortage of workers in certain sectors. In school year 2007/08, the proportion of students interrupting studies decreased somewhat. Decreasing the drop-out rate is one of the biggest challenges for Estonian VET institutions in the next few years.

Objective 10: VET system ensures continuing training and retraining opportunities to everyone interested

Continuing education and retraining opportunities for adult learners have been created in almost all VET institutions. The dynamics of the number of students has grown strongly – in 2006-2008, the number of adult learners has increased by 6,000 people per year. In 2008, already more than 26,000 students participated in adult training in VET institutions. Participation in lifelong learning[5], which has stayed between 5-7% for years, rose to 9.8% in 2008.

Between 2007 and 2009, free learning opportunities were offered to adults in VET institutions and institutions of professional higher education offering VET from state resources on the basis of work-related adult training SCE and from ESF I period resources. In 2008, continuing education and retraining courses taking place in VET institutions and institutions of professional higher education offering VET were financed from ESF or state budget for approximately 13,500 people. The proportion of graduates could be regarded as very good – only 2.7% dropped out from courses.

The Government of the Republic approved by a decision of 10 January 2008 an annex to the "Lifelong Learning Strategy 2005-2008" named "Division of spheres of responsibility between the Ministry of Education and Research, the Ministry of Economic Affairs and Communications and the Ministry of Social Affairs in financing work-related adult training". According to that document, the MEAC's target group consists of employed adults whose work-related training is financed through companies, the MER's target group consists of employed adults whose training is financed through educational and training institutions, and the MSA's target group consists of, in particular, the unemployed and persons seeking work who belong to the risk groups of the labour market.

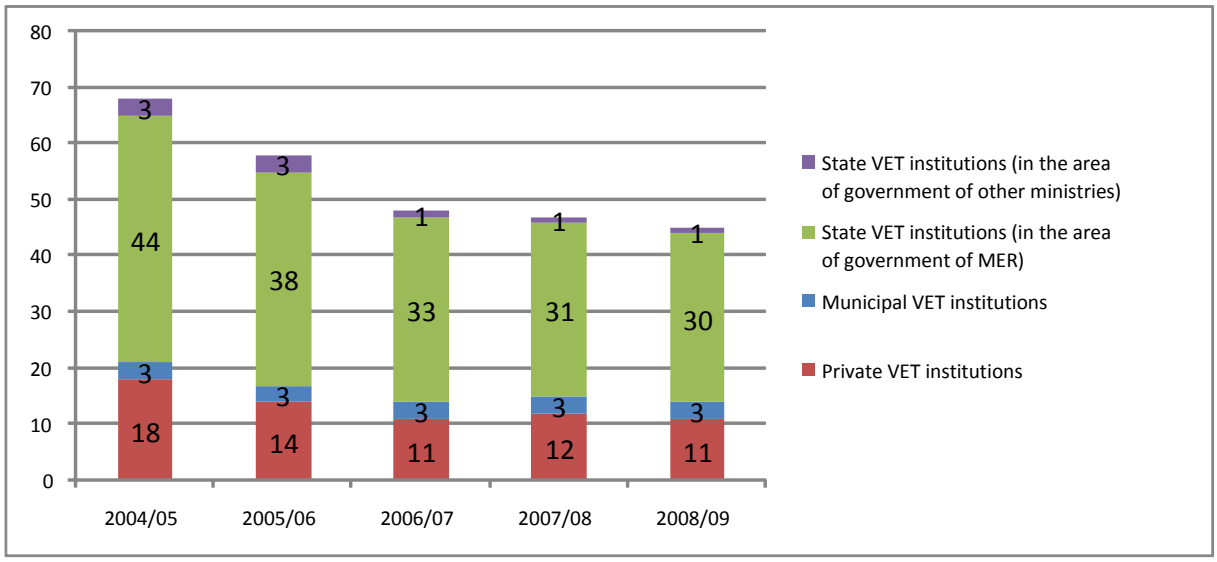
[5] Rate of participation in formal education, work-related or non-formal training, conferences or seminars among people aged 25-64 during the four weeks prior to the survey.

During the II ESF period, three adult education programmes will be implemented – "Work-related training and developmental activities for adults" (implemented by MER), "Adult training in liberal adult education centres" (implemented by Estonian Non-formal Adult Education Association) and "Popularising adult education" (implemented by Association of Estonian Adult Educators Andras).

Objective 11: The use of resources in VET is efficient, ensuring access to VET in all regions

Purposeful rearranging of the VET institutions network managed by MER has been in process since 1999. The aim of the rearrangements was to achieve a more optimal and efficiently functioning network of VET institutions, therefore the education was concentrated into major regional centres and schools specialised in certain fields. In rearranging the school network, a guiding principle was that an opportunity to receive VET must be maintained in each county. In 2005-2008, a total of 12 rearrangements were made in the network of state VET institutions (see Annex 3. Rearrangement of the school network in 2005-2008). In school year 2008/08, Estonia had 30 state VET institutions in the area of government of MER and 1 in the area of government of the Ministry of Defence (see Chart 2). To compare, there were 44 state VET institutions in the area of government of MER in 2005. The number of students per one VET institution has increased significantly. While in 2000 there were on average 400 learners per VET institution, by the end of 2008 that number was almost 580 and in state VET institutions as high as 690 per school. By the changes that have been made, the network of VET institutions has in most part been rearranged and made more efficient.

Chart 2. Number of VET institutions in 2004/05–2008/09



Source: Estonian Education Information System (hereinafter EEIS), 10 November 2008.

The performance of VET institutions has improved also due to regional cooperation agreements between schools whereby distribution of training fields are specified. This has developed farthest in the South of Estonia, but cooperation has also been established in Central Estonia. Regional cooperation networks made an effective contribution to the preparation of investment plan for the VET institutions, helping to prevent unnecessary overlapping of training bases in their close proximity. The practice of cross-use of training bases is spreading.

VET institutions have taken a growingly significant role in local development projects and other communal activities, notably as providers of necessary training. A more flexible and faster response to local, regional and field-specific training needs and increasingly efficient cooperation with businesses have also gained momentum in those recent years.

Objective 12: Access to VET is guaranteed to young people from disadvantaged families

Between 2005 and 2008, relatively good progress has been made in better satisfying the social needs of students. In September 2005, study allowances were extended to students in post-basic school vocational study. Since September 2006, students in vocational study based on basic education or without basic education receive school lunch allowance. A 100% transportation allowance has been maintained for those studying on the basis of basic education. Dormitories of several VET institutions have been renovated and comply with modern requirements.

There has not yet been success in changing the system of study allowances from the current performance-based approach to the one based on needs, which would be more suitable for vocational students and would ensure access to vocational education to learners from disadvantaged families. Accordingly, the component of study allowance covering dormitory costs has not been introduced.

Summary

The "Development plan for the Estonian vocational education and training system 2005-2008" specified 63 activities in order to achieve various goals. 45 of those were achieved during the period. 9 have been achieved partly or are being implemented and 9 will not be achieved in comparison with the plan. This means that 71% of the action plan has been completely implemented and together with the partly implemented activities or those still in implementation the percentage is over 85%. An summary of the implementation of the "Development plan for the Estonian vocational education and training system 2005-2008" is given in Annex 1.

The major achievements of the implementation of the "Development plan for the Estonian vocational education and training system 2005-2008" are as follows:

- vocational education has become closer to real life and society's needs;
- good cooperation with social partners is in place;
- preconditions for updating the content and improving the quality of VET have been created;
- flexibility of VET has increased significantly;
- orientation to very different target groups;
- efficient widening of opportunities for continuing education and retraining;

- increase in financial resources directed to VET;
- arrangement of the network of VET institutions;
- increase in the efficiency of VET.

Despite the progress, a significant positive change was not achieved in all areas or the impact of those changes remained more modest than expected, which creates challenges for the period of the next development plan. The most important shortcomings are the following:

- career counselling does not yet reach every learner;
- the image of VET has not yet changed decisively;
- the quality of VET is uneven;
- VET is not always contemporary;
- modernising learning and living environment still requires large investments;
- the volume of financing per student place does not allow providing VET at a desirable level;
- the staff of vocational teachers does not renew to an adequate extent;
- drop-out rate from VET is unacceptably high;
- the system of study allowances does not adequately support VET learners.

As regards the reasons why some activities remained unimplemented or why their implementation has been delayed, the overly optimistic planning of tasks and activities as well as underestimating the need for time, human and other resources in the context of the total volume of those tasks should be noted. Another reason that can be mentioned is the inability to clearly forecast the expediency and feasibility of each activity. During the development work, some activities turned out to be infeasible or not to the purpose. The third reason that should be pointed out is the delaying of development processes or other activities that are preconditions for the main activity for reasons independent of us (for example delays in making necessary decisions at the EU level, without which development activities may not be started in Member States either). As the fourth reason, limited financial resources must be mentioned.

1.2. Description of the situation. Challenges in VET in 2009-2013

1.2.1. Increasing focusing on learners

Number of students in VET and prognosis until school year 2013/14

In the coming years, a major factor in VET will be the fact that due to low birth rate in early 1990s, the number of young people graduating from basic schools decreases every year. While it is not known today what kind of impact the reform to separate basic schools from upper secondary schools

(planning started in 2009) has on VET, the decreasing numbers of basic school graduates since 2006 continues to affect VET in the period of this development plan.

As of 10 November 2008, 27,239 people were studying in VET. As usual, the number of students acquiring vocational secondary education after basic school made up the biggest part – 64.8% of all students. 31.8% of students were acquiring VET on the basis of secondary education. The number of students in VET types intended for smaller target groups, VET on the basis of basic education and VET without a requirement of basic education, were smaller – 1.9% and 1.5% respectively.

The trend in the number of students was slightly downwards during the past development period, having decreased by 9% by school year 2008/09 as compared to 2004/05. A more significant decrease occurred in post-secondary VET, where the number of students fell by almost 20%. An increasing number of young people with general secondary education preferred to continue their studies in institutions of higher education where learning opportunities have further expanded and where it is possible to acquire a higher educational qualification in a study period just 1-2 years longer. The number of students in the new VET types – VET on the basis of basic school and VET without basic education requirement – has been constantly growing (see Table 1).

Table 1. Number of students by VET types 2004/05–2008/09

	2004/05	2005/06	2006/07	2007/08	2008/09
VET without basic education requirement	267	28	169	307	414
VET on the basis of basic education	0	0	208	424	505
Vocational secondary education	18,886	18,882	18,795	18,030	17,648
VET on the basis of secondary education	10,762	10,101	9,478	8,620	8,672
Secondary specialised education / technical education on the basis of basic education	0	2	1	0	0
Total	**29,915**	**29,013**	**28,651**	**27,381**	**27,239**

Source: EEIS, 10 November 2004 – 10 November 2008.

Traditionally, the area with the biggest number of students is that of technical, production and construction fields (see Table 2), where slightly less than half of all VET students (46%) are studying in school year 2008/09. Compared to school year 2004/05, the number of students in this area has decreased by almost 13% (see Table 2), which is more than the overall fall in the number of students (9%). Due to growth in the services sector in the recent years, the fall in the number of students has been smaller in the area of service, which is the second biggest broad area of study. With new fields of study opening in the areas of applied art and crafts, the number of students has increased in humanities and arts. The growing popularity of fields of study in gardening has raised student numbers in the area of agriculture.

Table 2. Number of VET students by broad areas of study in school years 2004/05–2008/09

Broad area of study	2004/05	2005/06	2006/07	2007/08	2008/09		Change
Humanities and arts	1,038	1,126	1,084	1,016	1,080	↗	4.0%
Sciences	1,679	1,361	1,215	1,221	1,459	↘	-13.1%
Agriculture	1,687	1,850	1,979	1,952	1,898	↗	12.5%
Social sciences, business and law	3,742	3,661	3,468	3,339	3,372	↘	-9.9%
Services	6,708	6,458	6,514	6,183	6,337	↘	-5.5%
Technical fields, production and construction	14,319	13,722	13,602	12,970	12,491	↘	-12.8%
Health and welfare	742	835	789	700	602	↘	-18.9%
Total	**29,915**	**29,013**	**28,651**	**27,381**	**27,239**	↘	**-8.9%**

Source: EEIS, 10 November 2004 – 10 November 2008.

The biggest drop in the number of basic school graduates will occur in school year 2009/10, but the data on admissions to VET institutions before the school year do not show a resulting significant fall of students in VET on the basis of basic education. Although the number of upper secondary school graduates is also decreasing, the 2008/09 admission to VET and the situation of admission applications for 2009/10 before the school year rather indicate a rising tendency in the number of students in post-secondary education curricula (see Table 3).

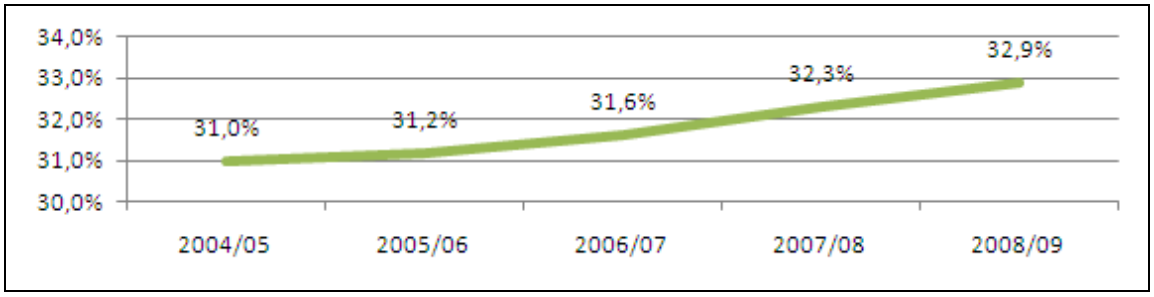
Table 3. Admission to VET in 2005/06–2008/09

	2005/06	2006/07	2007/08	2008/09
Vocational education with no basic education requirement	28	132	255	352
Vocational education on the basis of basic education	6,924	7,008	6,567	6,515
Vocational education on the basis of secondary education	4,983	4,628	4,492	4,589
Total	**11,935**	**11,768**	**11,314**	**11,456**

Source: EEIS, 10 November 2005 – 10 November 2008.

Forecasting the numbers of VET students in the coming years is rather difficult. The proportion of basic school graduates going directly to VET has grown slightly over the years, standing at 30.4% in 2008, but considering the fall in the number of basic school graduates, the impact of this tendency is very small. At the same time, people who have graduated from basic school earlier have become more interested in acquiring vocational secondary education. In total, 32.9% of all students acquiring secondary education did that in a vocational field (see Chart 3).

Chart 3. Proportion of learners in secondary education level in VET fields



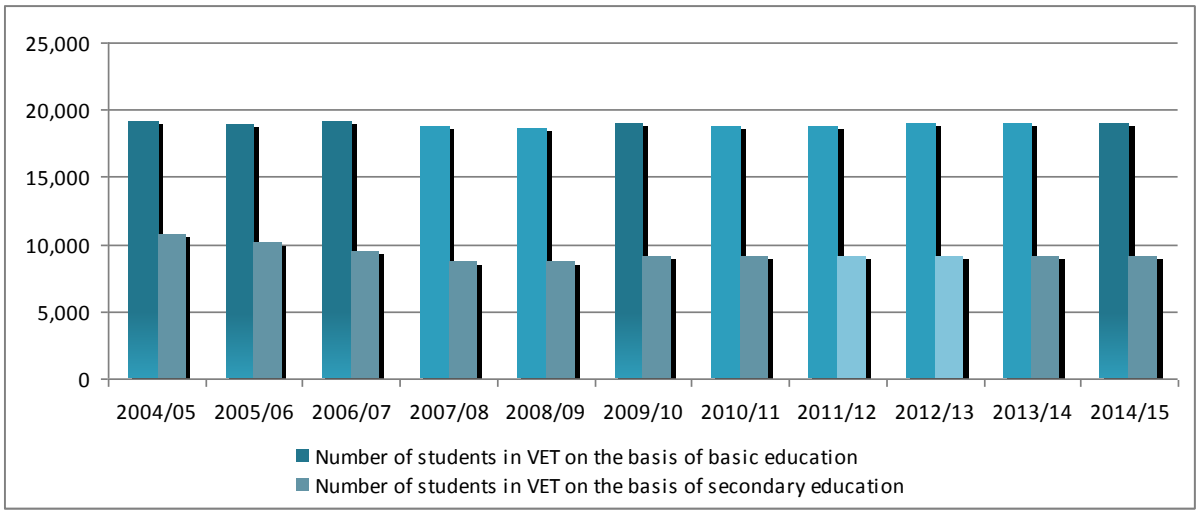
Source: EEIS, 10 November 2005 – 10 November 2008.

Only about 10% of previous year's graduates of upper secondary schools go directly on to VET. At the same time, this type of study has experienced a significant rise in the proportion of older learners who come to VET some years after acquiring secondary education. Fields of study that are taught on the basis of secondary education have shorter curricula and are more sensitive to short-term changes in the economic environment. Considering the current situation in the economy and the labour market, an increase can be predicted in the post-secondary education VET, assuming that many people find in this type of VET a way to raise their competitiveness in the labour market. The 2008 and 2009 statistics on admission to curricula based on secondary education support this prognosis.

In order to estimate the number of students for the period of this development plan, i.e. until school year 2013/14, the age structure of VET students in different types of VET has been taken into consideration. The number of students in VET that does not require basic education is small, but expected to rise, considering the relatively big number of people in Estonia with interrupted basic education who are not currently studying. The number of students going to post-basic education VET straight after graduating from basic schools is decreasing due to the sharp fall in the birth rate in the 1990s. At the same time, the trend of young people who have graduated from basic school earlier going to vocational secondary education has been significantly rising. When estimating the number of students in VET curricula based on basic education, the objectives set in the development plan on the proportion of secondary vocational education students from all secondary education level students have also been taken into account (target for 2013 is 40%). The forecast for the number of students in VET after secondary education also includes separate trends of students starting VET directly after upper secondary school and those with earlier secondary education. Also here, the trend of upper secondary school graduates going to VET in the same year has been negative, but the trend of people who have acquired secondary education earlier and go to VET curricula based on secondary education has been steadily growing for several years. The estimates of VET students also take into account the objective set in the development plan to significantly decrease interruptions of studies (target for 2013 is 12%).

In summary, the prognosis prepared on the basis of the methodology described above shows that the number of VET students will remain stable in the next five years. The decrease in the number of students starting VET directly after basic or upper secondary school due to the low birth rate in the 1990s is balanced out by the growing interest of earlier graduates in going to VET, as shown by data from the last couple of years (see Chart 4). The new students include both those without vocational or professional training and those already having a vocational qualification and wishing to further their training or acquire a new profession.

Chart 4. Number of VET students in 2004/05–2008/09 and prognosis until school year 2013/14



	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
On the basis of basic education	19,153	18,912	19,173	18,761	18,567	19,000	18,700	18,700	19,000	19,000	19,000
On the basis of basic education	10,762	10,101	9,478	8,620	8,672	9,100	9,100	9,100	9,100	9,100	9,100
Total number of students in VET	**29,915**	**29,013**	**28,651**	**27,381**	**27,239**	**28,100**	**27,800**	**27,800**	**28,100**	**28,100**	**28,100**

Source: EEIS, Analysis Division of MER, 2009.

In such circumstances, it is especially important to pay more attention to every student and his or her needs in order to improve people's possibilities of succeeding in life. Studying opportunities in VET must be ensured to everyone interested independent of their place of residence, age, level of education, earlier qualification, socioeconomic or ethnic background. The drop-out rate of VET must decrease. To this end, the implementation plan of the development plan foresees activities for bringing people having interrupted their studies back to VET, for reorganising education after secondary education and for integrating curricula with those of professional higher education, for offering more support to VET students as regards both counselling and organisation of studies, and definitely for improving the quality of education in VET institutions. When making various decisions both at the VET institutions level and in managing the VET system as a whole, the way how they support learners must be taken into account.

Ensuring regional availability of VET

Current regional availability of VET may be considered fairly good. The rearrangements in the network of VET institutions, completed in the period of the previous development plan, were made on the basis of the principle that the availability of VET must be ensured in the whole country (see Chart 5) and there are no major changes foreseen in the network of VET institutions in the near future.

Chart 5. Location of VET institutions in school year 2008/09

Source: VET Observatory, 2008.

As for increasing regional availability of VET, it is necessary to ensure the availability of dormitory places for everyone interested. Although the renovation of dormitories was started already during the first period of ERDF, modern living conditions are not at all guaranteed to everybody studying away from home. It is important to continue renovating dormitories during the next ERDF period.

Ensuring availability of VET to different target groups

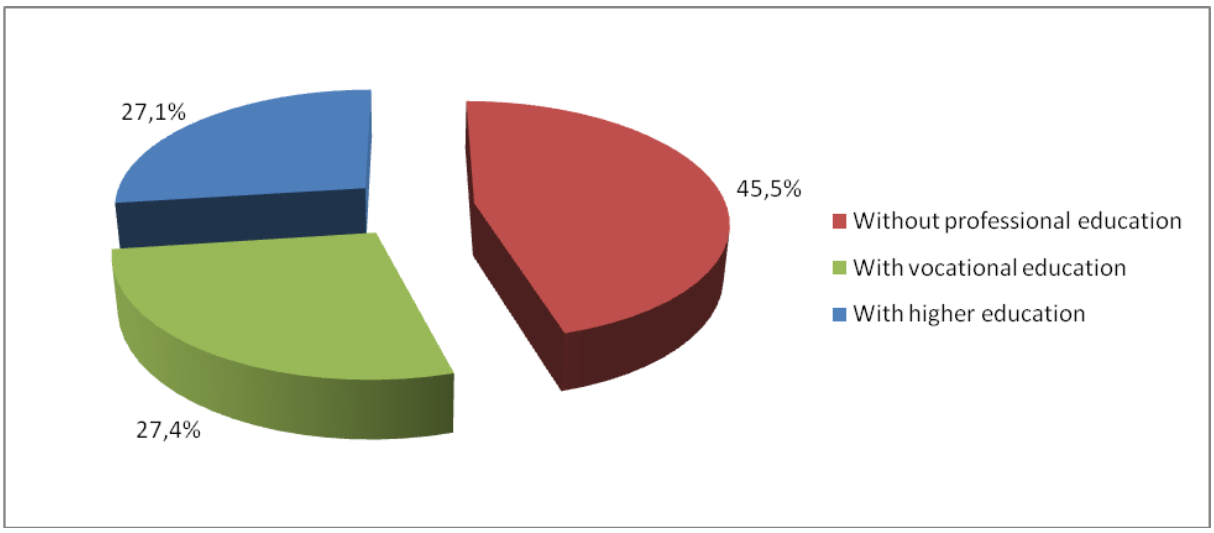
In the situation of fast economic growth experienced in recent years, Estonian employment figures improved significantly. Labour productivity, however, stayed at low levels despite growth, standing at only 64.7% of EU 27 average in 2007[6]. A study by the World Economic Forum, "Global Competitiveness Report 2007-2008", highlights as our main problem the low or inadequate training of Estonian workers that is a significant hindrance according to 23.4% of Estonian employers[7]. Too big a proportion of Estonian working age (15-74) population have only basic or secondary general education with no vocational training to be successful in their profession. A total of over 476,000 people, i.e. 45.5% of that age group, have no professional education[8] (see Chart 6). Slightly over half of all people without professional education (52%) have secondary general education.

[6] Estonian Action Plan for Growth and Jobs 2008-2011 for the implementation of the Lisbon Strategy, 2008, p. 64.

[7] Ibid., p. 66.

[8] From people active in the labour market, 36% had no professional education in 2007.

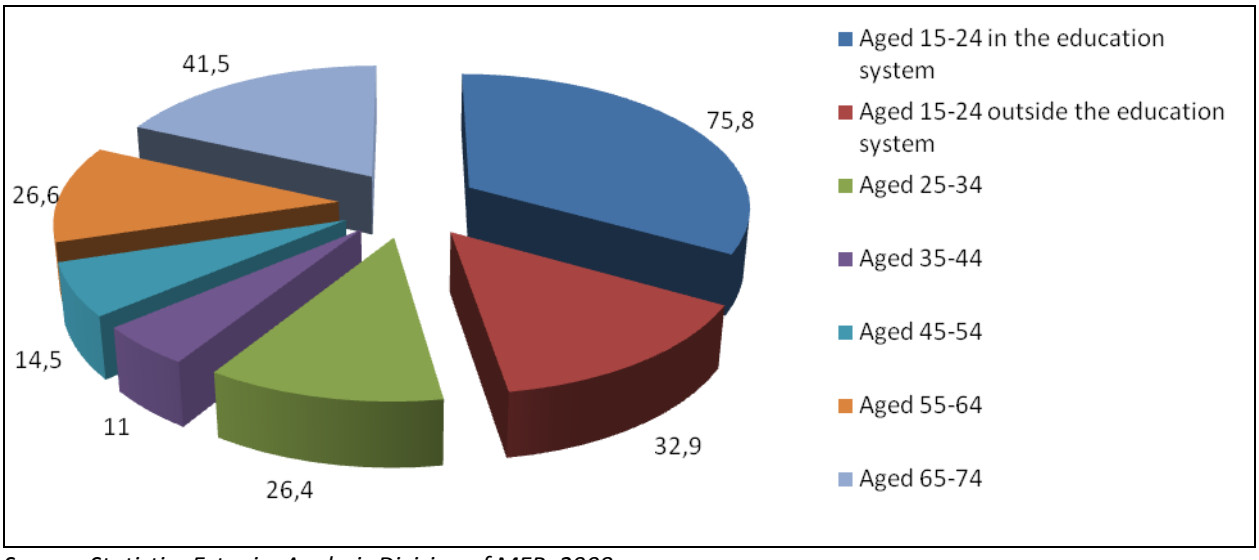
Chart 6. Estonian working age population (aged 15-74) by levels of education in 2007.



Source: Statistics Estonia, 2008.

The big proportion of people with basic or lower level of education in the working age population is a concern. As of 2007, there were 227,800 people in Estonia aged 15-74 who had basic or lower level of education. Regarding that, it must be understood that 75,800 of them are pupils continuing their studies after basic education, so the real number of those who have settled with basic education is 152,000. The proportion of people with basic or lower level of education is larger in younger age groups (see Chart 7). Special attention must be paid to the fact that there are 32,900 people aged 15-24 in Estonia having only acquired basic education or not having graduated from basic school either, who are not continuing studies in any educational institution.

Chart 7. People with basic or lower level of education level by age groups in 2007 (thousands)



Source: Statistics Estonia, Analysis Division of MER, 2008.

In order to guarantee sustainable functioning of society, it is important that every person is employed in the labour market according to his or her abilities and opportunities and the role of VET is to contribute to that, offering improvement of vocational qualification both through formal education and continuing education. Involving people without professional education into a

functioning and flexible VET system contributes to developing the skills of the labour force, a precondition of adapting to changes in economy and increasing productivity.

In order to involve various target groups, it is important to have an organisation of VET in both formal education and work-related training courses for adults flexible enough to allow studying while working or having a family. Increasingly broader application of eLearning also facilitates the availability of VET and creates opportunities to offer additional flexible ways of studying to different target groups.

Possibilities have been provided by legislation to involve new target groups (including young people without basic education) and to implement workplace-based training. The number of people studying in new types of VET have grown year by year; however, it is important that the VET institutions use even more the opportunities provided by law to increase flexibility of VET.

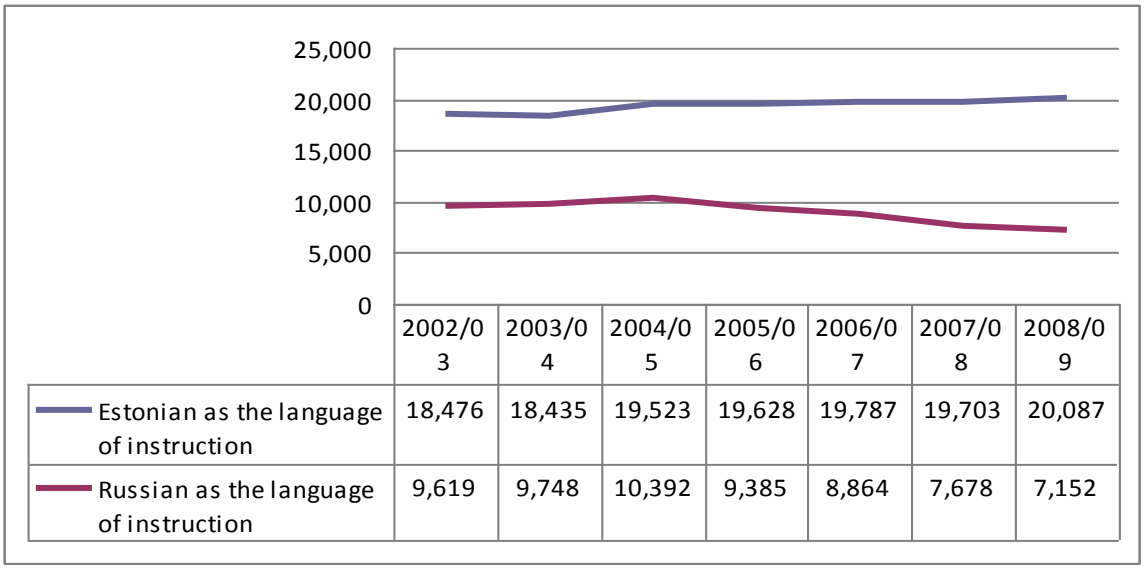
The broadening of VET target groups leads to the necessity to apply different pedagogical approaches and studies with different content mainly according to the learner's level of education and earlier qualification. VET must be aligned with demand as regards both the content and target group of VET; a shift must be made from supply-based education to demand-based education supported by an efficient career counselling system. In the development of career services, the availability of the services for all age and target groups must be ensured.

Ensuring competitiveness of students learning in Russian

For competitiveness in the Estonian labour market, Estonian language skills are crucial. Surveys have shown that non-ethnic Estonians who speak Estonian and have Estonian citizenship have a higher employment rate than ethnic Estonians and non-ethnic Estonians with no Estonian language skills, and that at the same time they are less in danger of long-term unemployment[9]. The proportion of Russian-language study groups in VET institutions has continuously decreased in 2005-2009 (see Chart 8). In school year 2008/09, 26% of learners study in Russian-language study groups.

[9] Krusell, S. Position of Estonians and non-Estonians in the labour market. A glance into work life. Statistics Estonia, Tallinn, 2008, p. 62, 64.

Chart 8. VET students by language of instruction in school years 2004/05–2008/09



	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Estonian as the language of instruction	18,476	18,435	19,523	19,628	19,787	19,703	20,087
Russian as the language of instruction	9,619	9,748	10,392	9,385	8,864	7,678	7,152

Source: EEIS, 10 November 2004 – 10 November 2008.

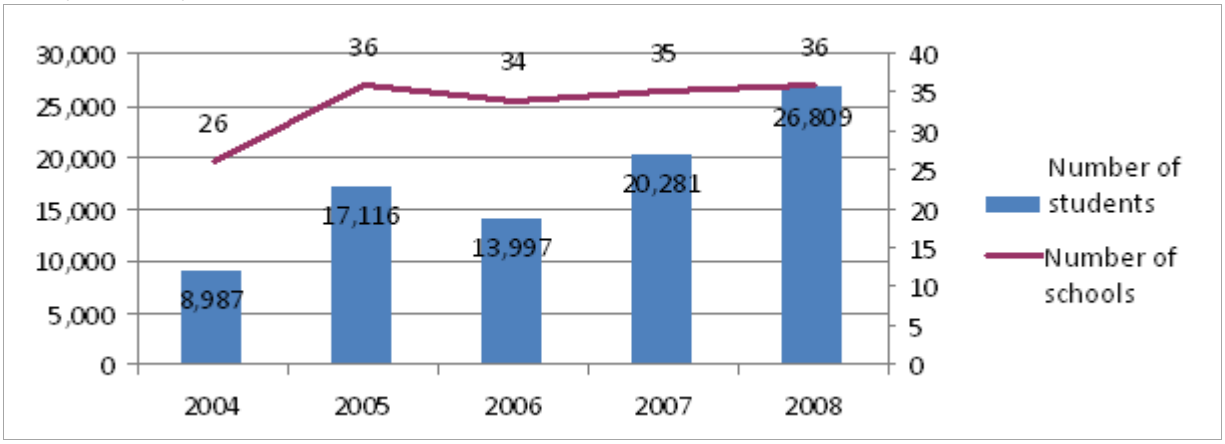
In order to improve the competitiveness of graduates of Russian-language education in the labour market, more effective measures to teach Estonian and to develop Estonian-language VET must be applied. It is necessary to support application of integrated vocational and language training methods in Russian-language curriculum groups, to contribute to teacher training and to the development of motivational systems that would be adaptable to new immigrants if necessary.

Adult education

In a situation where the number of young people is inevitably decreasing, even more attention must be paid to involving adult learners. Among students of VET on the basis of secondary education, the proportion of learners aged 25 and more has grown. In school year 2007/08, the proportion of students aged 25 and more among all students of VET on the basis of secondary education had grown to 43.1%, as compared to 36.7% in 2004/05.

The number of adult participants in work-related training courses in continuous education and retraining has risen sharply, increasing about three times compared to the 2004/05 level (see Chart 9).

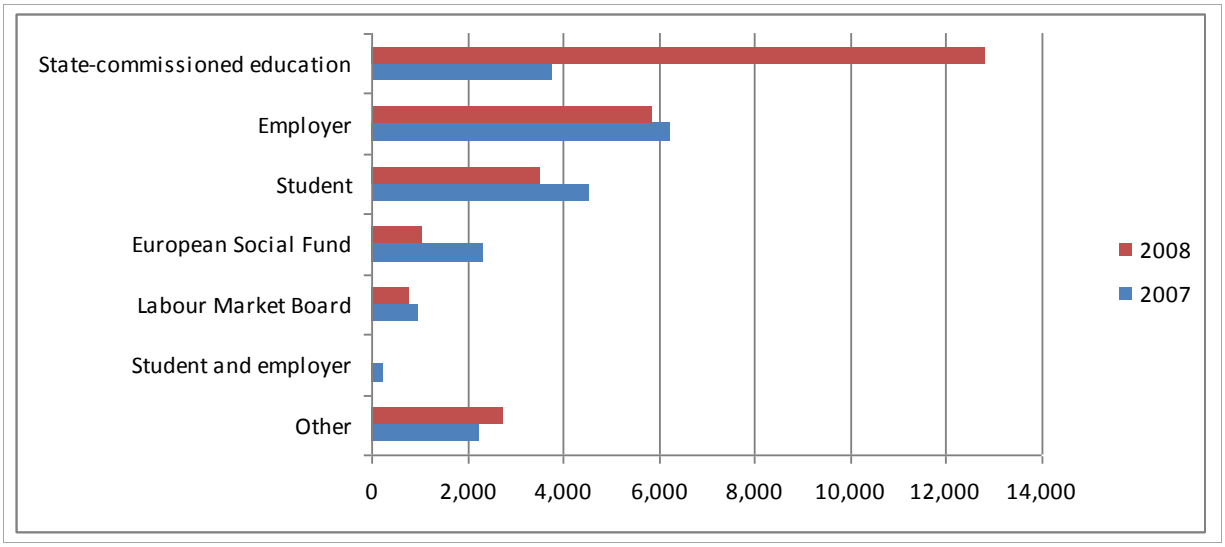
Chart 9. Number of VET institutions offering work-related adult training and number of students in 2004/05–2007/08



Source: School Management Department of MER, 2004-2008.

Work-related adult training courses taking place in VET institutions are financed from different sources (see Chart 10). In earlier years, the most important financers of work-related continuing education were employers, but in 2008, training for 47.9% of learners was financed from ESF resources and from state budget resources through SCE. Employers paid for the training of 21.9% of learners and 13.1% of learners financed their studies themselves.

Chart 10. Participants of work-related adult training in VET institutions by financing sources of the course in 2007 and 2008



Source: School Management Department of MER, 2008.

In the period of the new development plan, the participation of adults in work-related training must be increased further in order to improve competitiveness of Estonian workers in the labour market. A financing scheme for work-related continuing adult education must be established for the period after ESF 2007-2013.

Developing the study allowances system

The current system of study allowances for vocational learners is based on learning performance and does not ensure equal access to VET for everybody interested. The amount of study allowance is

small (600 EEK per month in school year 2008/09) and it can be paid only to 50% of learners. The system of study allowances must be developed and the resources must be planned in a way that allows socially disadvantaged learners to receive the necessary training for entering the labour market and that decreases interruption of studies for economic reasons. On the other hand, it must be kept in mind that the system of study allowances should also motivate learners to get better learning results.

Reducing interruption of studies

The number of VET graduates is directly linked to the number of students and the drop-out rate. In vocational secondary education, the number of graduates has been stable in recent years, and in the new types of VET that were introduced in 2006 (VET with no basic education requirement and VET on the basis of basic education), the number of graduates has gradually grown; at the same time, the number of graduates in VET on the basis of secondary education has fallen significantly (see Table 4).

Table 4. VET graduates by types of study in 2004/05-2007/08

	2004/05	2005/06	2006/07	2007/08
Vocational education with no basic education requirement	9	11	82	102
Vocational education on the basis of basic education		12	254	299
Vocational secondary education on the basis of basic education	3,696	3,712	3,880	3,811
Vocational education on the basis of secondary education	3,843	3,483	3,436	3,057
Total	**7,548**	**7,218**	**7,652**	**7,269**

Source: EEIS, 10 November 2004 – 10 November 2008.

When comparing yearly numbers of graduates and admission numbers, it must be admitted that an unacceptably big number of VET students do not reach graduation. Interruption of studies is a serious problem in all types of VET, but especially in the case of post-secondary VET. Measures implemented in previous years (including applying new types of VET, extending study allowances system, school lunch allowance) have reduced interruption less than hoped.

In VET, a drop-out means a learner who has interrupted studies and has not continued learning within the same school year. Although the drop-out rate fell in school year 2007/08 for the first time in four years, it is still high. In school year 2007/08, average drop-out in VET reached 19.8% (see Table 5).

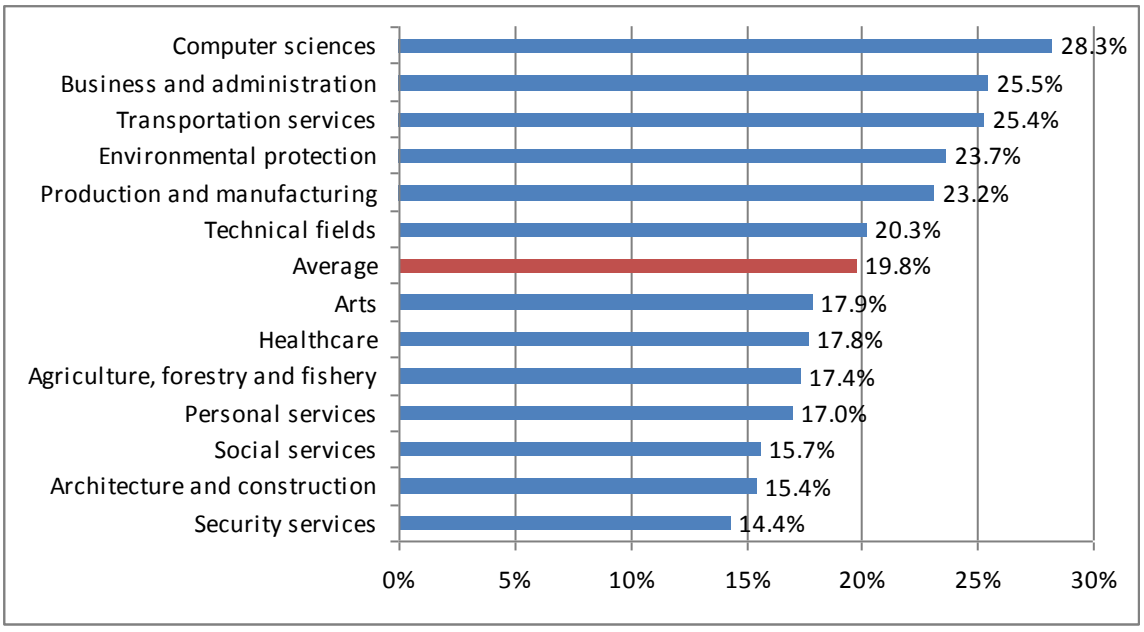
Table 5. Interruption of studies in VET in 2004/05–2007/08

	2004/05		2005/06		2006/07		2007/08	
	Interrupted during the school year	% of students on 10.11	Interrupted during the school year	% of students on 10.11	Interrupted during the school year	% of students on 10.11	Interrupted during the school year	% of students on 10.11
VET with no basic education requirement; VET on the basis of basic education; vocational secondary education	3,092	16.1%	3,420	18.1%	3,560	18.6%	3,266	17.4%
VET on the basis of secondary education	2,326	21.6%	2,241	22.2%	2,408	25.4%	2,166	25.1%
Total	**5,418**	**18.1%**	**5,661**	**19.5%**	**5,968**	**20.8%**	**5,432**	**19.8%**

Source: EEIS, 10 November 2004 – 10 November 2008.

By curriculum groups, the biggest number of drop-outs occurred in computer sciences, business and administration as well as transportation services (see Chart 11).

Chart 11. Interruption of studies in VET in school year 2007/08, by curriculum groups



Source: EEIS, 10 November 2004 – 10 November 2008.

The current studies interruption monitoring system based on EEIS does not allow for the necessary analysis of reasons of interruption, because in about half of the cases the reason of interruption is not clear. For those who dropped out in school year 2007/08, it appears from reasons of interruption recorded in EEIS that in about one third of the cases (34.6%), the reason for dismissal of a student were inadequate study results. Starting work is indicated as the reason of leaving in 11.2% of cases.

In order to reduce interruption, it is important to analyse more thoroughly the reasons of dropping out and to arrange an interruption monitoring system in EEIS (including on education organised for

imprisoned persons). A set of measures needs to be developed and implemented that would include various activities to support students and study work (including study counselling and coping with learning, behavioural and social problems). More attention must be paid to issues of school healthcare, preventive activities and health education and youth work (including hobby activities) in VET institutions must be supported.

1.2.2. Ensuring the quality of VET

The content of training must correspond to the needs of employees and employers

The quality of VET must guarantee learners' successful entry into the labour market and support the development of Estonian economy. The task of VET is to help the learner acquire contemporary knowledge, skills and attitudes that would facilitate coping in the ever faster changing labour market, where jobs spring up and disappear more quickly than ever before. Introducing new technologies necessitates new types of jobs, which require more and more new knowledge and skills. Workers must develop readiness to adapt to new situations and continue their education through their whole lives.

Estonian economy needs restructuring and shifting towards offering products and services that create more added value. A knowledge-based and innovative organisation of economy and society must become a reality. The VET system must be ready for structural shifts in society and respond flexibly to the demand for new professions and skills in the labour market. Upon formation of economic clusters, Estonian VET institutions must participate as equal members in various clusters as providers and developers of training and be active in regional development projects. In order to build a knowledge-based and innovative economy, more high-level technicians, skilled workers and service providers are needed. VET institutions must also contribute to their training by developing an adequate number of high-level continuing training courses for specialists with initial qualification and encouraging continuation of studies at the higher education level. The entire VET system must have the ability to adapt quickly enough and be flexible in order to respond adequately to the changing economic situation.

Therefore it is important that in developing both the VET system and curricula, the changing needs of the labour market are taken into account and more flexible ways of acquiring and proving qualifications are used. This concerns both acquiring of partial qualifications and individual competences, preparing combined qualifications, applying the principles of recognition of prior learning and work experience (hereinafter *RPL*[10]) and VET credit points, flexible links with curricula of professional higher education, removing obstacles between initial and continuing education and between vocational and higher education.

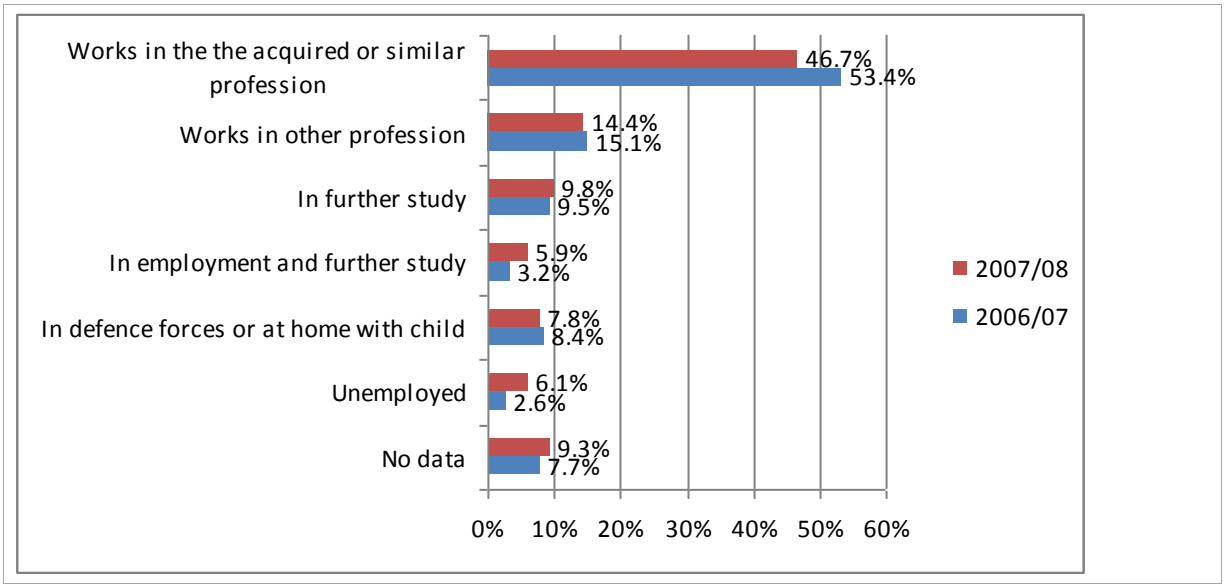
Entry of graduates into the labour market and continuing studies

The entry of VET graduates into the labour market and the proportion of graduates who continue their studies are important indicators of VET quality. Since 2007, MER collects data from VET institutions on their graduates' entry into jobs within six months after graduation. From the graduates of school year 2006/07, 72% started working, but for those of 2007/08, finding a job was already significantly harder – after 6 months, 67% of graduates had started working (see Chart 12). In

[10] Although the Estonian system VÕTA includes work experience as well, an internationally better known acronym for Recognition of Prior Learning is used here.

line with the overall rise in unemployment, the number of unemployed graduates also increased – from only 2.6% in 2007 to 6.1% in 2008. One positive result is the fact that the biggest part of graduates starts working in the acquired or similar profession, though among 2007/08 graduates, starting work in the acquired professions already decreased somewhat. The big proportion of those in further study is worth noting – this is another and positive reason behind the decrease in starting work. Out of school year 2007/08 graduates, a total of 15.7% continued their studies in the next school year and at the next level of education (including those studying while working) (see Table 6).

Chart 12. Entry of graduates of VET institutions into the labour market 6 months after graduating for school years 2006/07–2007/08[11]



Source: School Management Department of MER, 2008.

Also data by EEIS show an increasing number of graduates of school year 2007/08 in further study, especially as regards those continuing in professional higher education (see Table 6). A total of 11.2% of graduates continue their studies in higher education. In this regard, it is important to consider the fact that many people receiving a VET leaving certificate do not continue their studies in the autumn right after the graduation, but start working first and continue in higher education later[12]. The proportion of VET graduates starting higher education in the year of graduation is the highest in the curriculum groups of music and performing arts (61.4%), design (36.4%) and textile, clothes, footwear production and leather processing (18.5%). In absolute terms, the biggest number of graduates go directly to higher education from the curriculum groups of construction and civil engineering (98), electronics and automation (69) and accommodation and catering (60)[13].

8.1% of VET graduates continue studying in VET, choosing a new field of study or one linked to that previously acquired or another type of VET.

[11] Private VET institutions and institutions of professional higher education conducting VET were not surveyed as regards their graduates' further work.

[12] According to EEIS, 1,577 people with VET leaving certificates were admitted to higher education in school year 2008/09.

[13] According to EEIS as of 10 November 2008.

Table 6. VET graduates continuing studies 2005/06–2007/08

	2005/06	2006/07	2007/08
Continued in VET	490	499	590
Continued in higher education	751	816	816
- incl. in professional higher education	565	599	626
- incl. in academic higher education	186	217	190
Did not continue studies in the next school year	5,977	6,332	5,863
Total graduates	**7,218**	**7,652**	**7,269**
Proportion of graduates continuing studies	**17.2%**	**17.3%**	**19.3%**

Source: EEIS, 10 November 2006 – 10 November 2008.

Improving the quality of VET

The quality of VET depends mainly on how high is the level of and how up-to-date are teacher training, curriculum development and educational institutions' infrastructure, what kind of quality assurance methods are supporting the development of schools and if the financing of schools can ensure high-quality VET. The progress made in previous years in promoting the quality of VET and increasing its financing have lead to a higher professional level of VET graduates[14] that confirms the relevancy of the priorities of and the need to continue the development work done so far.

When **developing curricula, modernising the content of education and creating teaching aids**, the changing needs of both learners as well as society and labour market must be taken into consideration. The content and study materials of VET have to be up-to-date, encourage entrepreneurship and innovation, and provide the learner the training necessary to cope in the labour market. In addition to professional knowledge and skills, attention must be paid to general and social skills and attitudes (including career planning) in order to ensure the future workers' ability to adapt in changing economic situations and readiness for lifelong learning. The process of developing curricula is integrally linked to developments in the system of professions. A process of updating professional standards is in progress, making it also necessary to update national curricula. Furthermore, VET institutions must be ready to apply new curricula and open new fields of study when a need arises in the labour market for workers with relevant training.

Developing the means of quality assurance. The aim of quality assurance in VET is to create an integrated system and a certainty at the state level that the different parts of the VET system, the environment of activity and VET stakeholders function in a co-ordinated manner (see Annex 4. Quality assurance model for Estonian vocational education and training system). Implementing such a quality assurance system leads to constant improvement of the VET system and trust between stakeholders. Schools must have the means for self assessment and self development and partners of VET must have the means to acknowledge schools and their main activities.

Renewing the bases for practical training. A precondition for providing good quality VET is having practical training bases with modern equipment. The practical training facilities of Estonian VET institutions have gradually been brought in line with the requirements set for VET by society and

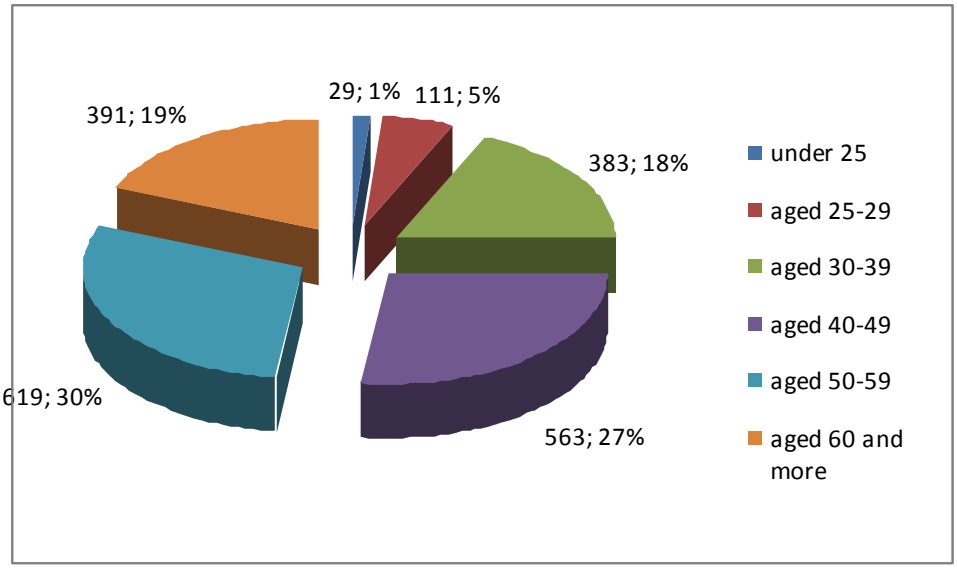
[14] According to 41% of entrepreneurs, the level of VET graduates has improved in 2005-2008. Source: "Survey on the satisfaction of social partners in vocational education and training", TNS Emor, 2008, p. 39.

economy. During the first ERDF period (2004-2006), renovating and building study and practice bases was supported in ten educational institutions, during the second ERDF period (2007-2013), 29 VET institutions will receive investments.

Teacher training

The system of initial and continuing training for teachers is a key factor in providing high-quality VET. One problem in the VET system is the lack of new teachers, this concerns bringing both young teachers and practitioners with professional experience to schools. In school year 2008/09, the average age of pedagogues of VET institutions was 48.5 years, slightly more than in the previous school year. Among all pedagogues in VET institutions, about half (49%) are older than 50 (see Chart 13; for teaching staff composition by level of education, see Table 7).

Chart 13. Distribution of pedagogues in VET institutions by age in school year 2008/09



Source: EEIS, 10 November 2008.

A remuneration corresponding to the volume and responsibility of work is critical for hiring new teachers and motivating the existing ones. The minimum wage of teachers in VET institutions is still lower than the Estonian average wage and it does not motivate good professional specialists to leave the business sector and become teachers.

In order to involve new pedagogues, the flexibility of vocational teachers' career paths and availability of pedagogical training must be increased. The continuing education system for teachers must ensure improved professionalism of teachers, an integrated study process, effective use of different study methods and availability of study materials. With support from various development activities and networks, people conducting VET must be motivated and active supporters of the study process and school development. To improve professional knowledge and skills, workplace-based training system should be developed and opportunities for practice in businesses should be offered to vocational teachers.

Table 7. Teachers in VET institutions by level of education in school year 2008/09[15]

Level of education	Number of vocational teachers	Number of teachers of general education subjects	Total number of pedagogues
Secondary specialised education	154	27	181
Secondary education	27	14	41
Vocational education	67	12	77
Higher education	947	878	1792
Unknown, not indicated	1	4	5
TOTAL	**1,196**	**935**	**2,096**

Source: EEIS, 10 November 2008.

Ensuring adequate and sustainable financing

During the period of the previous development plan, a significant rise in VET financing was achieved, but the volume of financing is still not enough to achieve a sharp increase in the quality of VET. In 2004-2008, financing VET from the public sector budget grew by 655 million EEK, i.e. by 97%[16] (see Table 8). The biggest increase in VET financing occurred in 2005 when it grew by 286 million EEK in one year. This was caused by the rise in the basic cost of a student place, applying new curriculum group financing coefficients and extending study allowances to VET students, while more ESF and ERDF resources were also implemented. Another significant increase in VET financing occurred in 2007. The proportion of VET in GDP grew considerably in 2004-2007, reaching 0.6% in 2007, but in 2008, it fell to 0.52% of GDP.

Table 8. Educational costs from public sector to VET (million EEK, proportion of GDP) in 1999–2008

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008*
VET (million EEK)	494	493	526	552	590	673	959	1,171	1,426	1,328
incl. foreign aid (million EEK)				8	6	24	124	198	245	298
% from GDP	0.59%	0.52%	0.49%	0.45%	0.43%	0.45%	0.55%	0.57%	0.60%	0.52%

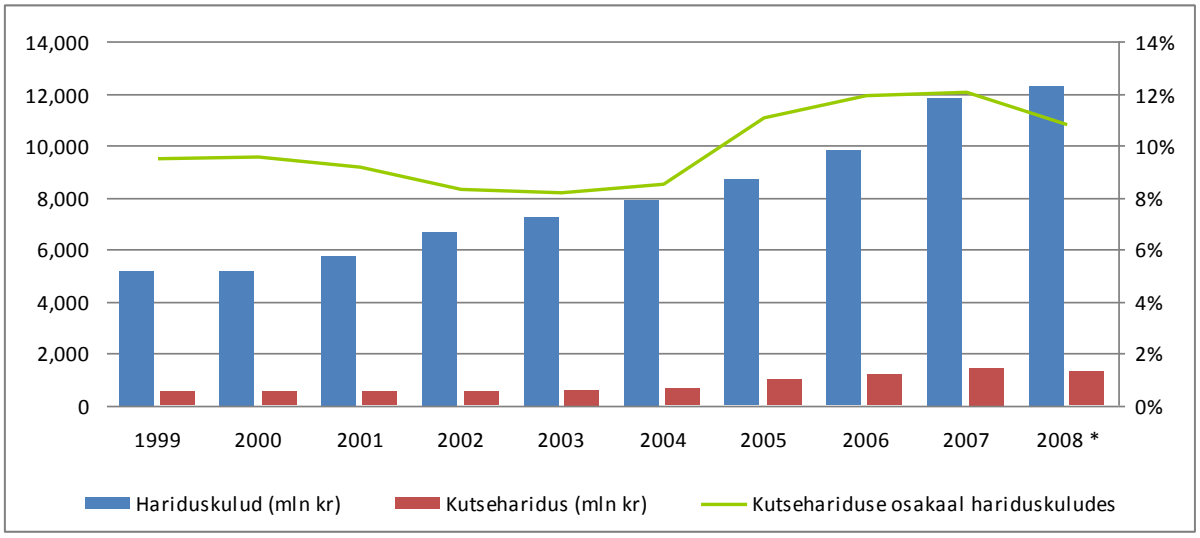
Source: Analysis and Planning Department of MER, 2009.
**preliminary data on the basis of implementation of the budget*

Notwithstanding the rise of financing volume, the proportion of VET financing is smaller than those of all other types of education. In 2007, the proportion of VET financing grew to 12% of all public sector educational costs, falling to 10.8% in 2008, the lowest figure since 2005 (see Chart 14).

[15] The sum of the separate numbers of vocational teachers and teachers of subjects of general education in VET institutions is bigger than the total number of pedagogues, i.e. 2,096 – some of them teach both vocational and general education subjects and are counted in both categories.

16 Preliminary data; from the public sector budget (except own revenue and other support).

Chart 14. Proportion of VET in educational expenditure in 1999–2008



Source: Analysis and Planning Department of MER, 2009.
**preliminary data on the basis of implementation of the budget*

Although significant investments from European structural funds have been planned for 2008-2015 both for updating the content of VET and for modernising its infrastructure, educational costs from state budget must also be increased in order to ensure improving the quality of VET.

Average public sector expenditure per student in VET[17]

In 2007, the public sector financed VET institutions and educational institutions connected to VET with 1,289.3 million EEK[18]. In school year 2006/07, 28,651 students[19] were studying in initial VET, so in 2007 the public sector expenditure per one student in initial VET amounted to 45,000 EEK a year; without investments, the figure was 33,275 EEK (see indicative distribution of basic cost in Table 9).

The proportion of VET financing has not increased decisively compared to that of general education, although VET is significantly more resource intensive. When comparing the financing of VET to the financing of general education on equal basis, the public sector (state + local governments) spent the total amount of 5,400.3 million[20] EEK on general education schools and related educational organisations in 2007. Public sector expenditure per one student in general education amounted to 31,582 EEK in 2007, without investments the figure was 27,368 EEK. Thus, the ratio between VET and general education expenditure per one student in 2007 was 1.22 (1.42 with investments). The current volume of financing educational costs does not allow full completion of curricula particularly

[17] All levels of education have been brought to comparable basis. Data does not include benefits to students (travel fare concessions, scholarships, study allowances and study loans). Data includes investments and foreign aid resources, as well as expenditure for educational institutions in areas of government of other ministries and expenditure from budgets of local municipalities.

[18] This sum does not include: 1) own revenues of VET institutions, as this is not considered as part of public sector funded educational expenditure; 2) training in VET institutions at the level of professional higher education, since this is regarded as part of higher education; 3) public sector benefits to students (see list above).

[19] The number of students as of 10 November 2006.

[20] This sum does not include continuing education of kindergarten teachers, own revenue of schools, travel fare concessions, school allowances, hobby schools and hobby centres. The sum does include costs of school lunch and school milk programmes.

in terms of practical work supervision and feedback as well as individualisation of study, materials used in practical training, counselling services and offering necessary learning support to students with learning difficulties. Furthermore, the average wage of vocational teachers is not motivating enough to find new vocational teachers among professional specialists.

Public sector financing of institutions and related educational organisations at the level of higher education in 2007 amounted to a total of 2.069 billion EEK[21]. In 2007, the number of students studying on state-commissioned higher education student places was 31,150 (including students at master's and doctoral levels). Expenditure per student at the level of higher education (including master's and doctoral study) was 66,433 EEK a year including investments and 51,899 EEK without investments. Thus, the ratio between higher education and VET expenditure per one student in 2007 was 1.56 (1.48 with investments). When calculating higher education expenditure per student, the costs for the KVÜÕA were not included[22].

Table 9. Indicative distribution of the basic cost of a VET student place (EEK) 2005-2008

	2005	2006	Change	2007	Change	2008	Change	Change 2005-2008
Pedagogic staff costs	9,122	10,034	10%	11,840	18%	14,445	22%	58.3%
Non-pedagogic staff costs and management costs	4,505	4,505	0%	5,160	14%	5,705	10%	26.6%
Teaching aid purchasing costs	950	950	0%	1,000	5%	1,000	0%	5.3%
Total	**14,577**	**15,489**	**6%**	**18,000**	**16%**	**21,150**	**17%**	**45.1%**

Source: Planning Division of MER, 2009.

Table 10. Summary of used financial resources from MER budget in VET (thousand EEK), 2005-2008[23]

	2005	2006	2007	2008	Total	Change 2005/2008
Total expenditure	**723,876**	**1,011,568**	**1,124,019**	**1,014,273**	**3,873,736**	**40.1%**
– including educational costs of state, private and municipal VET institutions	526,256	638,619	766,169	844,316	**2,775,360**	60.4%
– study allowances, travel fare concessions, school lunch	65,438	74,522	105,016	127,059	**372,035**	94.2%
– investments	132,182	298,427	252,834	42,898	**726,341**	67.5%

Source: Planning Division of MER, 2009.

[21] The sum does not include own revenues of educational institutions and benefits to students (see list above).

[22] Kaitseväe Ühendatud Õppeasutused – Estonian National Defence College.

[23] Educational costs do not include expenditure for training in VET institutions at the level of professional higher education. Educational costs, study allowances, travel fare concessions and school lunch are state budget expenditure in the area of government of MER. Investments include costs covered from foreign aid.

1.2.3. Appreciation of VET in society

According to forecasts, 50% of jobs in the European labour market will still require vocational training in 2020. Among the Estonian population, only slightly over a quarter (27.4%) have acquired vocational training, while the proportion of those without professional education is 45.5%. Developing the skills of labour force is critical for improving labour productivity, which currently remains significantly under EU average[24]. In a situation where the supply from educational system is not in balance with the labour market demand, the proportion of VET students must increase significantly.

According to 2006 data, Estonian rate of VET participation 30.9% is among the last in the EU Member States – only Lithuania, Hungary and Cyprus are behind (see Annex 5. Estonian vocational education and training in international comparison, Chart 16). In the European Union as a whole, participation in ISCED level 3 VET is 51.7%, i.e. more than in general education. In most developed countries, the proportion of VET students from learners in secondary education is considerably bigger than in less developed countries, almost doubling the Estonian average. This kind of distribution of learners disproves a wide-spread myth in Estonia that VET mainly produces unskilled workers, which is why it is better to train most students in general education schools in order to ensure higher quality of secondary education. The practice of developed countries and their long training traditions rather prove the opposite.

Involving a bigger part of the population into VET in both formal education on the basis of basic school and training the adult population remain the biggest challenge in VET. Today, only about 30% of basic school graduates start vocational education, but in the future this proportion should grow to 50%. While the proportion of young people who choose VET has constantly increased, this growth has been nowhere near adequate. The planned reform to separate upper secondary schools from basic schools may change the situation, removing the current unhealthy competition between VET institutions and upper secondary schools. The perspective of VET institutions in educating adults is apparent from the big number of people without professional training in Estonian society.

Appreciating work and craftsmanship

In Estonian society, a worker's professionalism, self-realisation and creativity are not yet sufficiently valued. Building an innovative society and economy requires appreciation of craftsmanship, creativity and innovation from people independent of their position or area of activity. VET must contribute to changing those value judgements. Valuing professional pride and professionalism will also have a positive impact on the image of VET.

In order to encourage young people to achieve excellence, the system of vocational competitions must be strongly developed in as many professional areas as possible so that the best young specialists would have an opportunity to compare their knowledge and skills both domestically and with peers from other countries at the world and European vocational competitions – WorldSkills and EuroSkills. Developing vocational competitions is important for appreciation and popularising of VET and it should resonate in the whole society, bringing about change in attitudes.

[24] Estonian action plan for growth and jobs 2008-2011 for the implementation of the Lisbon strategy, 2008, p. 64.

Popularising VET

In order to increase the number of VET students in both formal education and work-related adult training, it is important to do systematic work on appreciating and popularising VET. Information about opportunities and advantages offered by VET must reach broader target groups. According to a recent survey, VET awareness is low in society as a whole as well as among young people[25]. At the same time, different aspects of VET are indeed valued more highly by those who are better aware of the developments in VET. Having this in mind, it is especially important to allow potential learners direct contact with the learning environment, fields of study and teachers of VET institutions. Initiatives in this area and cooperation with general education schools are of key importance here.

Recognising successful VET institutions, teachers and students

The recognition mechanisms that have been used in VET so far have not been adequate for motivating the best. Developing new recognition schemes as well as maintaining and developing old and well-functioning events and competitions will contribute to appreciating VET and masters of their professions. Appreciating the profession of a teacher needs more attention both in society as a whole and in the VET system.

[25] Only 18% of Estonian population are well informed about the level of VET in Estonia today. 54% of upper secondary school seniors and 45% of basic school graduates consider themselves adequately or well informed about choices of fields of study in VET institutions. Source: Survey "Population's awareness of developments in vocational education and training and the image of vocational education in 2008", SaarPoll, 2008, p. 51, 68-69.

2. Objectives, measures and indicators of the development plan

2.1. Vision Document "VET 2020"

VET is relevant, flexible and innovative. Everybody from a green apprentice to a top-level master finds a learning opportunity corresponding to their needs and level.

According to prognoses, in the Europe of 2020, skilled workers, service workers and middle-level specialists, mostly needing vocational training, will still form more than a half of the workforce. One of the pillars of Estonian society's balanced development and sustainability is people with good vocational skills. For the VET system, the key question is the following: how to contribute to forming relevant knowledge, skills and attitudes of workers in the changing circumstances.

The willingness for innovation on the part of VET institutions ensures coping with the changing circumstances. VET system responds flexibly and quickly to changes in the world of labour, is innovative in planning training process and content as well as school management. VET system is one of the means of the country to develop economy. VET institutions consider stakeholder expectations, participate in the development work of the fields of study they teach and co-operate actively with social partners, other educational institutions and local communities.

VET is highly valued in society. Expertly linked theory and practice and everyday cooperation with businesses are preconditions for acquiring good vocational skills. An important part of VET is appreciating work and craftsmanship and raising citizens with respect for themselves and others. In addition to acquiring vocational skills, it is important to shape attitudes and values necessary for successful independent and work life, but also entrepreneurship, creativity and innovation in learners.

VET is available to everybody interested independent of their abilities, age, economic background or place of residence. A VET student may be either someone acquiring initial VET or an adult acquiring a new profession or furthering vocational skills. Every VET student receives necessary support in planning a career, achieving learning objectives and designing a lifelong learning path. VET students are highly motivated and value the training and secure environment offered by VET. The qualifications system and curriculum development support each student as a developing personality whose individuality and prior learning and work experience are taken into account in the study process and when recognising learning outcomes.

2.2. Measures, indicators, areas of activity

Objective 1 **The VET system is flexible and available and corresponds to the needs of learners**						
Measure 1.1 Improving workforce qualification						
Indicator	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Proportion of vocational secondary education level learners from all learners in secondary education	32.9%	34.0%	35.0%	36.5%	38.0%	40.0%
Number of participants in work-related adult training in VET institutions	26,809	29,500	32,000	34,500	37,000	39,000
Participation rate in lifelong learning among people aged 25-64	9.8%	11.0%	12.0%	12.5%	13.0%	13.5%
Number of VET students participating in workplace-based training	673	740	805	870	935	1,000

Area of activity	**Expected result**	**Responsible party, imple-menter**	**Time limit**
1 Area of activity **Ensuring opportunities to participate in initial VET and continuing training for everyone interested**			
1.1 greater involvement of basic school graduates in vocational secondary education	the number of young people with professional qualification will increase mainly as compared to the young not continuing their education	**MER** (VAED), VETIs	2009-2013
1.2 broadening the choice of fields of study particularly on the basis of basic education	for those wishing to study, more opportunities will be available to choose a suitable field of study, percentage of girls among VET students will increase	**NEQC**, Qualification Authority, VETIs	2009-2013

1.3 broadening opportunities for continuing education in post-secondary VET	proportion of highly qualified specialists in the labour market will increase, opportunities for acquiring additional training and additional qualifications will broaden, enriching opportunities for designing individual career paths	**VETIs**, NEQC	2009-2013
1.4 developing in VET a short cycle tertiary education corresponding to level V of the qualifications framework	a new type of education will arise and a new study opportunity for learners having acquired secondary education that corresponds to the labour market demand	**MER** (VAED, HED), VETIs, institutions of higher education, NEQC	2011
1.5 supporting continuing of studies for those having interrupted VET	proportion of people without vocational or professional training in the labour market will decrease	**VETIs**, MER	2009-2013
1.6 complementing curricula with various specialisation opportunities	more opportunities will become available for acquiring individual learning paths and additional qualifications	**VETIs**, NEQC, MER	2009-2013
1.7 widening opportunities for an additional year and updating general education subjects on the basis of the national curriculum for upper secondary schools	the opportunity will have become available for VET institutions to provide additional general education to graduates of vocational secondary education during an additional year; the capability of VET institutions will be appropriate for providing good quality general education	**MER** (VAED), NEQC, VETIs	2010-2013
1.8 increasing flexibility of both formal and adult education, using different forms and means of training (evening classes, weekend classes, cyclical learning, eLearning and bLearning (*blended learning* – combined use of traditional and eLearning methods), etc	working people, learners with special needs and other target groups whose participation in everyday learning is complicated will have more learning opportunities	**VETIs**, EITF	2009-2013
2 Area of activity **Increasing provision of work-related adult training**			

2.1 offering work-related training courses enabling additional qualifications, continuing education or retraining, which is based on local training situation as well as wishes and needs of different contracting entities and financers	the offer of more differentiated and demand-based training will increase, the access of adults to training improves and the number of adult learners will grow	**VETIs**	2009-2013
2.2 broader application of workplace-based form of education (apprenticeship) for adult learners in both formal and work-related training	flexibility of learning opportunities will improve and the number of adults learning in workplace-based training will increase	**VETIs**	2009-2013
2.3 creation of more learning opportunities for adults with only basic or secondary general education in both formal and work-related training	proportion of people with vocational or professional training in the labour market will increase	**VETIs**	2009-2013
2.4 creating flexible access to learning opportunities and conducting studies for the unemployed	barriers will have lowered and synergy will have been created thanks to the possibility to use different financing sources flexibly and expeditiously	**MER,** MSA, VETIs	2009-2013
2.5 significant extension of training opportunities intended for acquiring top qualifications	significant increase in knowledge-based workers	**VETIs**	2009-2013
3 **Area of activity** **Applying RPL – recognition of prior learning and work experience**		**MER**, NEQC, VETIs	2009-2013
3.1 amending legislation and applying RPL in VETIs	RPL will have been adopted by law and implemented; recognition of qualifications will be flexible and will encourage labour mobility	**MER**, NEQC, VETIs	2009-2013

Measure 1.2 Improving VET opportunities for different target groups

Indicator	2008	2009	2010	2011	2012	2013
Proportion of students aged 18-24 with basic or lower level of education studying in VET (except imprisoned persons) from all people aged 18-24 with basic or lower level of education (Source: EEIS)	16.9%	17.4%	17.9%	18.4%	18.9%	19.4%

Proportion of graduates of basic school curriculum for students with moderate or severe learning disabilities or a simplified curriculum who continue their studies in VET	47.5%	48.0%	49.0%	50.0%	51.0%	52.0%

Area of activity	Expected result	Responsible party, imple-menter	Time limit
1 Area of activity **Creating more opportunities of vocational and professional training for people with low educational level**			
1.1 involving persons beyond compulsory school attendance age without basic education into VET and offering more diverse learning opportunities	proportion of people without vocational or professional training will decrease significantly	**VETIs**, NEQC, Qualification Authority, LGs, basic schools	2009-2013
1.2 broadening opportunities of integrated general and vocational education for basic school students with learning difficulties	proportion of young people not complying with compulsory school attendance and without basic education will decrease	**VETIs**, basic schools, MER (VAED, GED), LMs	2009-2013
1.3 creation of a new opportunity for people aged 20+ without basic education to acquire vocational secondary education	proportion of people without vocational or professional qualification in the labour market will decrease	**MER** (VAED, GED)	2010-2013
2 Area of activity **More expedient and suitable involvement of learners belonging to target groups with lower competitiveness in initial education as well as continuing education and retraining**			
2.1 offering broader learning opportunities and more suitable forms and ways of education to learners with special educational needs	people with special educational needs will have better chances of entry into the labour market	**NEQC, VETIs**, MER, MSA	2009-2013

2.2 development of a suitable and flexible model combining continuing education and formal education for imprisoned persons, its application and adequate recording in databases and statistics	possibilities for modular studies will be used; it will be possible to continue learning both when changing custodial institutions or upon release; imprisoned learners will be adequately recorded in databases	**MER** (VAED), NEQC, VETIs	2010-2013
3 Area of activity **Support for VET study groups with Russian as language of instruction to switch to Estonian-language studies**			
3.1 mapping the situation, developing requirements on Estonian language skills	a study will be carried out; on the basis of its results further supporting activities for VET students as well as continuing education for teachers of VET institutions and school directors will be planned	**MER** (LPD, VAED), Integration Foundation	2009-2011
3.2 supporting examinees taking professional examinations in Estonian and initiating new support programmes	number of examinees taking professional examinations in Estonian will increase	**MER** (LPD, VAED), Qualification Authority, Integration Foundation, NEQC	2009-2011
3.3 training and motivating teachers and directors of VET institutions to apply integrated professional and language training and involving employers into the process of switching to Estonian-language education (incl. in practical training)	motivation and knowledge of teachers and directors for applying integrated professional and language training will have been improved, employers will be involved in the process of switching to Estonian-language education and will be aware of the requirements on the Estonian language skills	**MER** (LPD, VAED), Integration Foundation, institutions of higher education engaged in teacher training	2009-2013
3.4 preparing and piloting the teaching of a generic skills module in	necessary materials will have been prepared and	**NEQC,** MER	2011

Estonian	continuing training for teachers will have been carried out, teaching of a generic skills module in Estonian will be piloted in study groups with Russian as the language of instruction				(LPD, VAED), Integration Foundation	
Measure 1.3 Development of support, counselling and benefits systems						
Indicator	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Interruption of studies in formal VET	19.8%	18.5%	17.0%	15.0%	13.0%	12.0%
Area of activity	**Expected result**				**Responsible party, implementer**	**Time limit**
1 Area of activity **Ensuring the availability of support and counselling services in all VET institutions**						
1.1 enabling students of VET institutions access to study counselling and learning assistance services (incl. specifying it in VEIA)	decreased interruption of studies				**VETIs**, MER	2009-2013
1.2 enabling those wishing to enrol and learners access to career counselling and other necessary career services	decreased interruption of studies, easier entry into the labour market and continuing studies for graduates				**VETIs**, Innove, MER (GED, YAD, VAED), NEQC	2009-2013
2 Area of activity **Redesigning the allowance system into a needs-based system**						
2.1 preparing proposals for amendments to Study Allowances and Study Loans Act and other legislation on allowances; the objective is to plan resources in a way that all learners in need of support would receive it (incl. dormitory allowances) and increase the decision-making powers of VET institutions on implementing the study allowances rules	decreased interruption of studies for economic reasons				**MER**, VETIs	2009-2013

2.2 enabling various labour market allowances for unemployed adults in formal education	forming a working group and developing a scheme; synergy between opportunities offered by both systems will be created, allowing the unemployed to participate both in work-related and formal education; the unemployed will maintain prescribed social guarantees during the study period				**MSA**, MER	2010-2011
Measure 1.4 Improvement of learners' living conditions						
Indicator	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Proportion of modernised dormitory places in VET institutions	15%	32%	53%	71%	84%	85%
Area of activity	**Expected result**				**Responsible party, imple-menter**	**Time limit**
1 Area of activity **Creating modern living conditions for students (of both formal education and adult training) through building and renovating dormitories**						2009-2013
1.1 Renovating/building dormitories on the basis of an investment plan	Contemporary living conditions will be ensured for all students in need of a living place during studies				**VETIs,** MER (VAED), Innove	2009-2013

Objective 2 Education is of high quality and competitive						
Measure 2.1 Developing and updating the content of VET						
Indicator	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Proportion of updated VET national study programmes based on new professional standards	0%					100%
Area of activity	**Expected result**				**Responsible party, imple-menter**	**Time limit**
1 Area of activity **Updating national curricula corresponding to professional standards**						
1.1 redesigning the curriculum system into one based on learning outcomes	a curriculum system based on learning outcomes will be functioning, logically linked to the new Estonian 8-level qualifications framework				**MER**, NEQC	2009-2013
1.2 introducing the credit point system for VET (ECVET)	bases for implementing ECVET are provided in legislation; implementing ECVET allows more objective comparison of acquired skills and competences at the international level				**MER**, **NEQC**, Qualificatio n Authority	2010-2013
1.3 preparing curriculum modules for new fields of study and amending existing curricula according to the needs of the labour market	curriculum modules for new fields of study will have been prepared and amended and they will be in line with the needs of the labour market				**NEQC**, VETIs	2009-2013
1.4 training curriculum developers of VET institutions for preparing school curricula	curriculum developers of VET institutions will have been trained to prepare school curricula				**NEQC**	2009-2013
1.5 preparing guidance materials (incl. on RPL and ECVET) necessary	materials supporting implementation of state				**NEQC**	2009-2013

to implement national curricula	curricula will have been created					
1.6 developing uniform methodology for evaluating learning outcomes and training teachers for its implementation	uniform methodology for evaluating learning outcomes will have been implemented; evaluation will correspond more than before to special traits of a study process in VET and will support the development of a learner				**NEQC**	2010-2013
2 Area of activity **Development of study materials supporting the implementation of national curricula**						
2.1 preparing, contracting and adapting study and methodological materials (incl. eLearning materials and study materials suitable for learners with special educational needs) on the basis of national curricula	materials necessary to complete curricula will be available for teachers and learners				**NEQC**, EITF	2009-2013
Measure 2.2 Development of tools for VET quality assurance						
Indicator	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Proportion of curriculum groups that have undergone state recognition process	0%					100%
Area of activity	**Expected result**				**Responsible party, imple-menter**	**Time limit**
1 Area of activity **Development of a state recognition system for quality of vocational education and its implementation in VET**						
1.1 creating a system of education licences based on curriculum groups	the level of reliability of the state recognition process will allow to issue education licences to schools in all curriculum groups that have passed external evaluation				**MER** (VAED, EED, AD), NEQC, Qualification	2009-2010

		Authority	
1.2 developing and reproducing methodological and training materials necessary to implement state recognition	necessary materials will exist and will be available	**NEQC**	2010
1.3 providing continuing education for school teams, internal evaluation advisers and external evaluation committees of VET institutions	parties to state recognition (schools, advisers, committees) will have been prepared to carry out external evaluations	**NEQC**	2010-2013
1.4 carrying out a pilot round of state recognition	state recognition will have been carried out in pilot schools; data for improving the process will be available	**NEQC**, MER (VAED, EED)	2011
1.5 extending the system of state recognition to all institutions providing VET	all curriculum groups of all VET institutions will have undergone state recognition process	**NEQC**	2011-2013
2 Area of activity **Other activities aimed at improving the quality of VET**			
2.1 Development of the model of the quality award of Estonian VET institutions and organising competitions	the competition for the quality award of Estonian VET institutions will take place regularly according to an updatable model and methodology	**Innove**	2009-2013
2.2 introducing and encouraging activities for mutual learning and quality improvement between schools (peer learning, peer review, etc)	schools will apply peer learning to improve their organisation, processes and outcomes	**EAAVE**, VETIs	2010-2013

Measure 2.3 Development of the personnel of VET institutions

Indicator	2008	2009	2010	2011	2012	2013
Proportion of teachers of VET institutions having participated in continuing education during the preceding school year	53%					95%

Area of activity	Expected result	Responsible party, imple-menter	Time limit
1 Area of activity **Continuing education for teachers of VET institutions**			
1.1 continuous professional education for teachers	professional competency of teachers will have improved; professional level of education will rise	**NEQC**	2009-2013
1.2 continuous pedagogical-methodological education for teachers	vocational competency of teachers will have improved; pedagogical level of education will rise	**NEQC**	2009-2013
1.3 developing professional networks and cooperation between teachers	sector-based training and counselling seminars on curriculum development, quality assurance systems, teacher training and other topical subjects will have been organised to achieve effective functioning of the professional networks of vocational teachers; teachers of general education subjects will be involved in the activities of networks; quality of education will improve through mutually enriching cooperation between teachers	**NEQC**, VETIs	2009-2013
1.4 implementing the teacher's adjustment year	adjustment of new teachers will be smoother, satisfaction of teachers will improve	**NEQC**, TU, UT, VETIs, MER (VAED, HED)	2010-2013
1.5 further development of eLearning training programme for educational technologists and teachers of VET institutions	teachers will be trained to prepare eLearning materials	**EITF,** VETIs	2009-2013
1.6 developing opportunities of practical in-service training and workplace-based individual development for vocational teachers and increasing the flexibility of standardising pedagogical work	obligation for practical in-service training and individual development of teachers will have been prescribed and mechanisms for ensuring it have	**MER**, NEQC, VETIs	2009-2013

	will have been developed		
2 Area of activity **Development of other pedagogical and non-pedagogical staff of VET institutions**			
2.1 training for school directors and other staff	self-assessment based on competence model will have been implemented	**NEQC**	2009-2013
2.2 training for practical training supervisors from companies	training for practical training supervisors from companies will take place in schools according to updated curricula and guidance materials	**NEQC**, VETIs	2009-2013
2.3 educational training for dormitory staff of VET institutions	dormitory staff competence in handling social and behavioural problems of learners will improve	**NEQC**, VETIs	2010-2013
3 Area of activity **Implementing the professional standard of vocational teachers**			
3.1 developing and implementing legislative acts necessary to switch from the organisation based on qualification requirements to the one based on competence	legislative acts will have been developed and implemented	**MER**	2010
3.2 introducing the awarding of professions to vocational teachers	awarding professions to vocational teachers will have been initiated and it will have replaced evaluation	**NEQC**	2011-2013
3.3 increasing the flexibility of career paths in order to engage new vocational teachers	increasing the flexibility of career paths will have affected positively the inclusion of new teachers to VET institutions and the retraining of existing teachers	**VETIs**, NEQC	2009-2013
3.4 extending the initiative "Noored Kooli" ("Young People to Schools") to VET institutions	more young teachers than before will start working in VET institutions	**Noored Kooli Foundation**, VETIs, NEQC	2010-2013

Measure 2.4 Modernising the infrastructure of VET institutions						
Indicator	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Proportion of modernised practical training bases in VET institutions	11%	25%	50%	75%	83%	86%
Area of activity	**Expected result**				**Responsible party, imple-menter**	**Time limit**
1 Area of activity **Development of training bases, equipment and other infrastructure**						
1.1 renovating and building practical training bases and other infrastructure of VET institutions according to an investment plan	the infrastructure of VET institutions will have been modernised according to plans				**VETIs, MER** (VAED), Innove	2009-2013
1.2 constructing a joint building for Tallinn Ballet School, Tallinn Georg Ots Music School and Tallinn Music High School and subsequent joining of those schools	concentrating music and ballet education in a joint building that corresponds to today's requirements will considerably improve learning conditions and improve the quality of education in performing arts; joining the educational institutions will allow more efficient use of existing human and financial resources				**MER** (VAED, GED)	2011-2013

Objective 3 The VET system is coherent with society, economy and labour market						
Measure 3.1 Taking the trends in society, knowledge-based economy and labour market into account when planning the development of VET system						
Indicator	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Entry of VET graduates to the labour market within 6 months after graduation	67%					72%
Employers' satisfaction with the quality of VET (surveys at the start and end of the period) *Proportion of respondents who answer positively to the question "How far could it be said, speaking of the general situation in VET, that its quality has improved significantly?"*	41%					60%

Area of activity	**Expected result**	**Responsible party, imple-menter**	**Time limit**
1 Area of activity **Development of SCE methodology as regards both formal education and work-related adult training**			
1.1 developing SCE methodology of VET (formal education)	SCE of formal education will correspond to the needs of learners and the labour market	**MER** (VAED, AD)	2009-2013
1.2 developing SCE methodology of work-related adult training	SCE of work-related adult training will correspond to the needs of learners and the labour market	**MER** (VAED, AD)	2009-2013
2 Area of activity **Development of the methodology of forecasting workforce needs**			

2.1 improving the labour market prognosis made by MEAC	MEAC prognosis of labour market needs will adequately reflect employers' needs concerning the workforce and requirements specified for workers				**MEAC,** MER (VAED, AD)	2009-2013
2.2 developing cooperation with representative organisations of employers and employees and with other partners as regards taking into account labour market demand	in the planning of SCE for initial VET and for work-related adult training, views of social partners and data from Estonian Unemployment Insurance Fund and Estonian Institute of Economic Research will be taken into account				**MER**, social partners	2009-2013
2.3 developing mechanisms for forecasting qualitative development and changes in professional activities	mechanisms for making prognoses on new professions and skills will have been developed				**Qualification Authority**, social partners	2009-2013
Measure 3.2 Development of the qualifications system						
Indicator	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Proportion of updated competence-based professional standards of professional standards in force	8%		33%			100%
Participation of graduating VET students in professional examinations	34.3%	38%	45%	53%	63%	70%
Area of activity	**Expected result**				**Responsible party, imple-menter**	**Time limit**
1 Area of activity **Development of a new concept of the qualifications system and principles of quality assurance**						
1.1 classification and cataloguing Estonian professions and professional areas	the new catalogue of professions will have been prepared on the basis of new classification principles				**Qualification Authority**, MER, MSA,	2009-2013

		social partners	
1.2 linking Estonian qualifications and professions to the European qualifications framework	Estonian qualifications and professions will have been brought in line with the European qualifications framework	**Qualification Authority**, MER (VAED, HED)	2009-2013
1.3 modernising the methodology of preparing professional standards, updating professional standards	new professional standards will have been prepared according to the updated methodology	**Qualification Authority**, social partners	2009-2013
1.4 developing a concept of awarding professions and partial qualifications on the basis of RPL	premises will have been created for the implementation of awarding professions and partial qualifications on the basis of RPL	**Qualification Authority**, MER, MEAC, MSA, social partners	2009-2013
2 Area of activity **Development of the system of awarding professions**			
2.1 applying RPL-based awarding of professions	a pilot round of RPL-based awarding of professions will have been carried out; results will be available for methodology improvement	**Qualification Authority**	2010-2013
2.2 applying the concept of partial skill / partial qualification	awarding partial qualifications will have been applied	**Qualification Authority**	2010-2013
2.3 applying competence-based assessment of professional skills	a methodological guide for the competence-based assessment of professional skills will have been developed; assessment will have started	**Qualification Authority**	2010-2013
2.4 making it possible to award professions to graduates of VET institutions and institutions of higher education and developing a supporting institutional and legal environment	graduates of VET institutions and institutions of higher education will receive a profession upon full completion of a curriculum	**Qualification Authority**, MER, VETIs, institutions	2010-2013

		of higher education	
3 Area of activity **Development of a coordination point for the recognition of qualifications**		**Qualification Authority**, MER	2009-2013
3.1 participation of Estonian Qualification Authority in the international network of coordination points	the process of recognising qualifications will have been initiated, workers' opportunities for job mobility will have widened	**Qualification Authority**	2009-2013
3.2 involving and training stakeholders of the qualifications system (incl. training courses for employees of Estonian Qualification Authority)	the stakeholders of the qualifications system will be better aware of the qualifications recognition process	**Qualification Authority**, social partners	2009-2013
3.3 developing a common information system for professional activities, register of professions and related information	the created information system will support application of the qualifications recognition process and improvement of workers' mobility	**Qualification Authority**	2009-2013

Measure 3.3 Appreciation of work, craftsmanship and VET in society

Indicator	2008	2009	2010	2011	2012	2013
VET awareness of Estonian population (surveys at the start and end of the period) *Proportion of respondents who claim to be well or rather well informed of the quality of VET in today's Estonia*	18%					40%
Number of professions covered by vocational competitions	14					24

Area of activity	Expected result	Responsible party, imple-menter	Time limit
1 Area of activity **Development of the system of vocational competitions**			
1.1 developing and continuous implementation of the system of Estonian vocational competitions	the system of Estonian vocational competitions will function according to the developed model; the number of professions involved will grow	**Innove**, VETIs, MA	2009-2013
1.2 participation of Estonian teams in international vocational competitions	preparation and regular participation of Estonian representatives in EuroSkills, WorldSkills and other international competitions will be guaranteed	**Innove**, VETIs, MA (NPO Europea Estonian Centre)	2009-2013
2 Area of activity **Communication activities**			
2.1 regular collection and dissemination of information on VET	information about VET developments will be available to everyone interested, VET awareness will have grown	**Innove**, MER, VETIs	2009-2013
2.2 improving the efficiency of communication activities of VET institutions	communication work of VET institutions will be up-to-date and continuous	**Innove**, EAAVE, VETIs	2009-2013
2.3 preparing and publishing informational materials (incl. electronic and video materials) and presenting learning opportunities	information about learning opportunities in VET will be easily available for everyone interested	**Innove**, VETIs	2009-2013
3 Area of activity **Extending youth work, incl. hobby, cultural and sport activities in VET institutions**			
3.1 enabling hobby activities related to VET for students of general	general education school students will be better aware of VET opportunities; hobby activities will	**LGs**, VETIs	2009-2013

education schools	contribute to their educational and career choices		
3.2 supporting and valuing hobby, cultural and sport activities for VET students and other types of youth work	free time activities of VET students will contribute to educational goals and development of learners and will be available	**VETIs**	2009-2013

Objective 4 **Organisation of the VET system is purposeful, effective and sustainable**			
Measure 4.1 Increasing the efficiency of management and development of the VET system			
Area of activity	**Expected result**	**Responsible party, imple-menter**	**Time limit**
1 Area of activity **Establishment of permanent working bodies between entities and institutions in order to make the management of the VET system more efficient (incl. for preparing SCE, for issuing education licences when applying state recognition system, for opening education in a new curriculum group)**			
1.1 analysis of and proposals on the areas of work of permanent committees	as a result of the analysis, areas will have been mapped where forming working bodies is necessary; tasks of those working bodies will have been defined	**MER** (VAED, EED), NEQC	2009
1.2 forming committees on the basis of proposals made and initiating their work	preparations of important decisions in the area of VET will be made in permanently active working groups or committees with clearly distributed tasks	**MER** (VAED, EED), NEQC	2009-2013
2 Area of activity			

Collection of statistics necessary for VET system management and carrying out studies			
2.1 developing EEIS according to the management needs of the VET system	EEIS will correspond to the needs of the VET system and will allow to provide high-quality data for decision makers (incl. directors of VET institutions); the register of professions will have been aligned to EEIS	**MER** (AD, VAED, EED), NEQC	2009-2013
2.2 carrying out regular surveys	designing the developments of the VET system will build on surveys, analyses and other factual data	**MER** (AD, VAED), Integration Foundation, NEQC, Innove	2009-2013
3 Area of activity **Enhancement of modern management principles (incl. leadership) in the VET system**			
3.1 expanding the use of leadership as a modern management principle in VET institutions	VET institutions will be managed better; satisfaction with the management of VET institutions will increase	**VETIs,** EAAVE, Innove, NEQC	2009-2013
3.2 increasing VET visibility and enhancing its status in society	the role of VET leaders will have grown, VET will have become more visible in society, recognition systems will have been created	**VETIs,** EAAVE**,** MER, Innove	2009-2013
4 Area of activity **Increasing the autonomy of VET institutions**			
4.1 developing recognition and motivation systems for the staff and students	recognition of the staff of VET institutions will correspond to their expectations and work contributions	**VETIs, MER** (VAED), EAAVE	2009-2013
4.2 extending rights and responsibility as regards using SCE	VET institutions can quickly and flexibly offer educational opportunities according to regional or sectoral needs; SCE will be provided	**MER**, VETIs	2009-2013

4.3 more efficient use of the autonomy of VET institutions in order to improve education and services provided	VET institutions will use every opportunity to satisfy society's expectations and needs when preparing curricula and applying forms of study and flexible organisation of education; substantive cooperation with the local community and businesses/institutions will be in place	**VETIs**	2009-2013
4.4 increasing the number of VET institutions functioning as awarders of professions	the quality of the training bases and education of VET institutions will be at a level that allows awarding professions according to specified standards	**VETIs**, Qualification Authority	2011-2013
4.5 broader use of financing sources outside the state budget for improvements in education and services provided; increasing the capability and certainty of schools as regards planning and using resources	capability and certainty of VET institutions in designing their development will grow	**MER** (VAED, FD), VETIs	2009-2013

Measure 4.2 Ensuring efficient and sustainable financing

Indicator	2008	2009	2010	2011	2012	2013
Ratio between costs of student places of VET and general education	1.22	1.22	1.22	1.30	1.40	1.50
Proportion of VET expenditure from total public educational expenditure	10.8%	11.8%	12.8%	13.3%	13.6%	14.0%
Proportion of used structural aid from the total volume of investments planned for 2007-2015 for modernising the learning environment of VET institutions (3,627,014,587 EEK)	8.5%	27.6%	54.6%	76.0%	87.9%	95.1%
Proportion of used structural aid from the total volume of the programmes planned for 2008-2015 for modernising the content and ensuring the quality of VET (473,747,059 EEK)	4.1%	21.2%	42.2%	63.4%	82.6%	95.5%

Area of activity	Expected result	Responsible party, imple-menter	Time limit
1 Area of activity **Development of the financing system of education according to tasks set before VET and societal changes**			
1.1 increasing the cost of a student place according to the objectives set before VET	necessary resources and competitively remunerated teachers (a vocational teacher's wage will be at least at the level of Estonian average wage) will be available for fulfilling curricula	**MER** (VAED, FD)	2011-2013
1.2 recognising the component of performance-financing in financing VET institutions	the financing system of VET institutions will motivate schools to improve performance	**MER** (VAED, FD), VETIs	2011-2013
1.3 developing a system of curriculum group coefficients based on the data received from applying the accountancy monitoring system	the cost of a student place will correspond to the expenditure on a student place in the curriculum group; accountancy monitoring system will provide objective data on the cost of education in a curriculum group	**MER** (VAED, FD), VETIs	2010-2013
1.4 developing and preparing for application the concept of an investment component in the cost of a student place	a financing scheme will have been prepared in order to sustainably develop the infrastructure of VET institutions and keep it up-to-date during the post-ERDF period	**MER** (VAED, FD)	2013
2 **Area of activity** **Financing the entities responsible for the development of the VET system according to set tasks**			
2.1 flexible and efficient use of resources from the state budget, ERDF programmes and other sources in entities responsible for the development of the VET system	sustainable development of the VET system and its conformity with society's and economy's expectations will be ensured; NEQC's vocational	**MER**, NEQC, Qualification Authority,	2009-2013

	education department, Estonian Qualification Authority and Innove will have become competence centres in their field.				Innove, EITF	
Measure 4.3 Development of cooperation						
Indicator	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Number of VET students and teachers engaged in international mobility	372					520
Area of activity	**Expected result**				**Responsible party, imple-menter**	**Time limit**
1 Area of activity **Development of cooperation networks at all levels**						
1.1 increasing the efficiency of cooperation with employers/employees and their representative organisations, incl. as regards practical training	social partners will be involved in the development of VET; practical training will correspond to goals specified in curricula; developing curricula and planning training (incl. work-related courses for adults), regional needs and opportunities will be taken into account				**VETIs,** social partners, NEQC, Innove	2009-2013
1.2 increasing the efficiency of cooperation between VET institutions, local governments and the third sector	the contribution of VET institutions to regional development will have grown and will be in line with local needs and opportunities				**VETIs,** LGs	2009-2013
1.3 developing cooperation between VET institutions and increasing the efficiency of the activities of networks	functioning cooperation will ensure more efficient use of resources (incl. cross-usage of training bases, preventing overlapping of the areas of specialisation) and will consolidate the VET community				**VETIs,** MER (VAED)	2009-2013
1.4 developing cooperation with institutions of higher education	logical educational paths will have been created for				**VETIs**,	2009-2013

	learners to rise their qualifications; joint curricula will have been prepared; students of teacher training and other fields of study will have their practical training in VET institutions	institutions of professional higher education, universities	
1.5 developing cooperation with general education schools as regards presenting vocations and professions, basic vocational training and teaching general education subjects	awareness of VET opportunities will have improved among students of general education schools and the proportion of VET learners will have grown; in teaching general education subjects, the resources of both the VET system and the general education system will be efficiently used	**VETIs,** general education schools, LGs	2009-2013
1.6 developing international cooperation in order to develop and implement VET innovations and to increase the mobility of teachers and students	good experience received from international cooperation will be used in the development of the VET system; improvement of the professional skills of teachers and students	**VETIs,** Archimedes Foundation, Innove	2009-2013
Area of activity	**Expected result**	**Responsible party, imple-menter**	**Time limit**
2 Area of activity **Increasing the efficiency of cooperation within schools**			
2.1 enhancing intra-school cooperation in the area of mutual learning and exchange of experience	experience, know-how and outcomes of different ways of learning will be shared within a school and used efficiently	**VETIs**	2009-2013
2.2 enhancing cooperation with students	strong and active student councils will be functioning in all schools	**VETIs, student councils, Estonian School**	2009-2013

		Student Councils' Union	

2.3. Financial plan for the development plan[26]

	Costs (thousand EEK)						Explanations about the costs
	2009	2010	2011	2012	2013	Total	
Total financial plan for the development plan	**1,930,257**	**2,164,490**	**2,102,563**	**2,045,864**	**2,350,304**	**10,593,478**	
including ERDF II period	691,505	979,785	775,178	431,774	262,294	**3,140,536**	
including ERDF II period	99,613	118,680	111,537	111,163	69,977	**510,969**	
Objective 1. The VET system is flexible and available and corresponds to the needs of learners	1,174,419	1,106,062	1,122,874	1,234,347	1,343,700	**5,981,402**	
Measure 1.1. Improving workforce qualification	821,524	771,028	807,769	964,967	1,176,082	**4,541,370**	1) VET SCE resources. Starting from 2011, the expenditure will be increased 5% each year (the base expenditure includes wage increase of pedagogical staff introduced last year); 2) EITF's activity support from state budget (SB); 3) training courses organised under ESF 2009-2012 programme "Work-related training and developmental activities for adults", where 2009 also includes resources from a project of ESF I

[26] All amounts specified in the financial plan are indicative and must fit into the limits of state budget strategy.

	Costs (thousand EEK)						Explanations about the costs
	2009	**2010**	**2011**	**2012**	**2013**	**Total**	
							period (21.1 million EEK). Additional 15.8 million EEK from the state budget are planned for 2012; in 2013, all resources used will be allocated from the state budget
Measure 1.2. Improving VET opportunities for different target groups	6;400	5,800	3,200	3,000	3,200	**21,600**	ESF programme "Development of Language Studies 2007-2010". SB starting from 2011.
Measure 1.3. Development of support, counselling and benefits systems	133,610	129,609	136,089	142,893	150,038	**692,239**	1) financed under ESF programmes "Developing an educational counselling system" and "Development of career services". It is very difficult to separately estimate and highlight the financial volume of the services targeted to students of VET institutions; 2) study allowances, travel fare concessions, school lunch allowance. Starting from 2011, expenditure will be increased in parallel with GDP, i.e. by 5% each year. The expenditure will rise indicatively when the new Study Allowances Act is enforced.
Measure 1.4. Improvement of learners' living conditions	212,885	199,625	175,816	123,487	14,380	**726,193**	renovation and furnishing of dormitories from ERDF resources (EU and SB)

	Costs (thousand EEK)						Explanations about the costs
	2009	2010	2011	2012	2013	Total	
Objective 2. Education is of high quality and competitive	504,404	808,947	635,371	423,084	576,979	**2,948,785**	
Measure 2.1. Developing and updating the content of VET	13,678	14,597	14,877	14,780	12,608	**70,540**	expenditure for curriculum development and producing study materials in the ESF programme "Substantive development of vocational education" and expenditure for producing eLearning materials in the programme "Development of eLearning in vocational education"
Measure 2.2. Development of means for VET quality assurance	3,123	5,382	5,493	7,566	3,222	**24,786**	1) ESF programme "Substantive development of vocational education"; 2) in 2009 and 2010 resources for quality award of Estonian VET institutions allocated for Innove from SB (1.4 million EEK in total). Starting from 2011, ESF open application stage resources planned
Measure 2.3. Development of the staff of VET institutions	8,983	8,808	11,639	12,451	13,235	**55,116**	1) ESF programmes "Substantive development of vocational education" and "Development of eLearning in vocational education"; 2) awarding professions starting from 2011 – 200 teachers; 2012 – 500 teachers; 2013 – 500 teachers. Expenditure 2,000 EEK each in a year
Measure 2.4. Modernising the infrastructure of VET institutions	478,620	780,160	603,362	388,287	547,914	**2,798,343**	resources for training bases, equipment and other infrastructure from ERDF (EU and SB); construction of a new school building for the

	Costs (thousand EEK)						Explanations about the costs
	2009	2010	2011	2012	2013	Total	
							Tallinn Ballet School, Georg Ots Tallinn Music School and Tallinn Music High School

Objective 3. The VET system is coherent with society, economy and labour market	27,127	28,240	29,562	32,185	33,738	**150,852**	
Measure 3.1. Taking the trends in society, knowledge-based economy and labour market into account when planning the development of VET system	130	260	260	130	0	**780**	to the extent of the resources planned for SCE methodology development for ESF programme "Work-related training and developmental activities for adults"
Measure 3.2. Development of the qualifications system	19,167	19,728	21,350	23,667	25,028	**108,940**	ESF programme "Developing the system of professions" (other than administrative costs) and activity support to the Estonian Qualification Authority from SB without EuroPass; expenditure for compensating professional examinations (growth since 2011)
Measure 3.3. Appreciation of work, craftsmanship and VET in society	7,830	8,252	7,952	8,388	8,710	**41,132**	1) ESF programme "Popularising VET" (starting from 2013 SB); 2) WorldSkills and EuroSkills (SB allocation for Innove); 3) communications activities in ESF programmes "Development of eLearning in vocational education" and "Substantive development of vocational education"

	Costs (thousand EEK)						Explanations about the costs
	2009	2010	2011	2012	2013	Total	
Objective 4. Organisation of the VET system is purposeful, effective and sustainable	224,307	221,241	314,756	356,248	395,887	1,512,439	
Measure 4.1. Increasing the efficiency of management and development of the VET system	149,450	149,687	135,257	137,980	140,304	712,678	1) surveys (in 2009 on reasons of interrupting studies; in 2013 on satisfaction of social partners – SB); surveys on ESF programmes; 2) planned own revenues of VET institutions, income from state authorities, other allowances and foreign aid projects (other than EU structural funds)
Measure 4.2. Ensuring adequate and sustainable financing	35,498	32,711	146,624	191,655	228,970	635,458	1) in this line, planned increases are presented separately: wage increase of pedagogical staff estimated 5% each year (starting from 2011); in order to increase the ratio of student place cost to 1.5 (now 1.22) compared to general education, 7.7% of total expenditure added each year and 3.2% growth added in 2011 due to the decrease in the number of students in general education schools (cost of a student place is expected to rise) and in 2012 and in 2013, 5% of educational expenditure added for performance-based financing of schools; 2) staff and administrative costs of the personnel of MER, NEQC, Estonian Qualification Authority and

	Costs (thousand EEK)						Explanations about the costs
	2009	2010	2011	2012	2013	Total	
							Innove connected to VET from SB and administrative costs of ESF programmes (including development of NEQC into a competence centre). Starting from 2011, changes in expenditure will be based on an economic prognosis by MF
Measure 4.3. Development of cooperation	39,359	38,843	32,875	26,613	26,613	164,303	1) total volume of the resources of the ESF programme "Development of career services system" until 2011; 2) Leonardo da Vinci sub-programme (financial volumes for 2012 and 2013 not yet known, based on 2011 level); 3) Europass expenditure

3. Adoption, achievement and changing of the development plan

The Ministry of Education and Research is responsible for drafting, amending, implementing, evaluating and reporting of the development plan. The Ministry of Social Affairs, Ministry of Economic Affairs and Communications and Ministry of Agriculture, National Examinations and Qualifications Centre, Estonian Qualification Authority, Innove Foundation, EITF, Integration Foundation, Archimedes Foundation, VET institutions, local governments, social partners and, if necessary, other bodies and institutions will be involved in implementing the development plan.

The Minister of Education and Research presents the an implementation plan of the development plan for the years 2009-2011 for approval to the Government of the Republic together with the "Development plan of the Estonian vocational education and training system 2009-2013". An implementation plan of the development plan for 2012-2013 and an interim report on implementing the development plan, on achievement of the objectives and performance of the measures set in the development plan and the implementation plan shall be submitted together for approval by the Government of the Republic during the first half of 2012.

The Minister of Education and Research will propose to the Government of the Republic to amend the development plan, if necessary. An amendment shall be initiated if, during the implementation of the development plan, a significant need arises to change existing or specify new objectives or measures.

A final report on the implementation of the development plan shall be submitted by the Minister of Education and Research to the Government of the Republic by 1 July 2014.

4. Abbreviations

CEDEFOP – The European Centre for the Development of Vocational Training
ECVET – European Credit System for Vocational Education and Training
ISCED – International Standard Classification of Education
EEIS – Estonian Education Information System
EITF – Estonian Information Technology Foundation
EAAVE – Estonian Association for Advancement of Vocational Education
EU – European Union
ERDF – European Regional Development Fund
ESF – European Social Fund
MER – Ministry of Education and Research
- VAED – Vocational and Adult Education Department
- HED – Higher Education Department
- GED – General Education Department
- LPD – Language Policy Department
- YAD – Youth Affairs Department
- AD – Analysis Department
- FD – Financing Department
- EED – External Evaluation Department

LG - local government
VETI – Vocational Education and Training Institution
VEIA – Vocational Education Institutions Act
MEAC – Ministry of Economic Affairs and Communications.
MA – Ministry of Agriculture
SB – state budget
NEQC – National Examinations and Qualifications Centre
SCE - state-commissioned education
MF – Ministry of Finance
Innove – Foundation for Lifelong Learning Innove
MSA – Ministry of Social Affairs
TU – Tallinn University
UT – University of Tartu
RPL – recognition of prior learning and work experience

5. Annexes

Annex 1. Outcomes of the "Development plan for the Estonian vocational education and training system 2005-2008"

	Planned activities	Outcomes	Achievement
Objective 1: The structure of fields of study and commissioned education correspond to the needs of society and economy			
1.1.1	Improvement of the forecast of labour force needs	The Ministry of Economic Affairs and Communications presents annually a medium term employment prognosis that is the main basis for preparing VET SCE in both formal education and work-related adult training The prognosis is updated and the methodology is improved every year Estonia also participates in CEDEFOP's process of compiling European employment prognoses until 2020.	Achieved
1.1.2	Overview and amendment of the structure of professions and areas of specialisation	There has been ongoing rearrangement of the structure of professions and areas of specialisation due to continuous creation and updating of professional standards in the Estonian Qualification Authority and the process of creating curricula in the NEQC.	Achieved
1.1.3	Development of EEIS application to facilitate cross-usage of databases – labour market databases and a common database of adult training	EEIS has been continuously improved and new applications have been planned. An adult education module is being developed. However, there has been no cross-use, as the objective and needs have changed.	Partly achieved
1.2.1	Establishment of regional cooperation bodies for the preparation of annual training needs	As regards regional cooperation bodies, the objective has slightly changed. The focus of the creation of the VETI networks has been set on preventing overlapping in a region. The Southern Estonian cooperation network is functioning well and in Central Estonia agreements have also been reached. Creating a network has been initiated in Western Estonia.	Partly achieved

	Planned activities	Outcomes	Achievement
Objective 2: Adequate financing of VET ensures the preparation of a highly skilled workforce responding to the needs of knowledge-based economy			
2.1.1	Raising the basic cost of VET	The basic cost has been increased by 45.1%. The basic cost of a student place was 14,577 EEK in 2005 and 21,150 EEK in 2008.	Achieved
2.1.2	Implementation of new coefficients	New coefficients were implemented gradually since September 2005 and fully since 2006.	Achieved
2.1.3	Extra resources for the salary increase of teachers by 12% a year	The wages of pedagogical staff have risen by 58.4% that is more than the 12% per year specified in the development plan. In 2005-2008, 299.9 million EEK have been allocated for an additional rise of the wages of the pedagogical staff (204 million EEK were specified in the development plan).	Achieved
2.1.4	Consideration of performance in the funding of schools	The new formal education SCE methodology specifies a target on filling SCE student places; if actual uptake of those places remains under that target, SCE is adjusted.	Partly achieved
Objective 3: Cooperation with social partners and enterprises in the development and delivery of VET is clearly defined			
3.1.1	Preparation of legislative amendments that clearly stipulate the roles of social partners in VET	The amendments to the VEIA provide for the participation and involvement of social partners in all aspects and development processes of VET. More than half of the members in the council of a VET institution must be representatives of social partners.	Achieved
3.1.2	Conclusion of co-operation agreements between social partners and ministries	On 12 October 2006, another six-party “Joint action agreement for developing VET system and preparing qualified labour force in 2006-2009“ was concluded. The aim of the co-operation agreement is to stress the responsibility of each party in improving the qualification and competitiveness of Estonian workers in the open labour market conditions.	Achieved
3.1.3	Conducting a study on the satisfaction of social partners	The study was carried out at the end of 2008, covering the whole period of the VET system's development plan.	Achieved

	Planned activities	Outcomes	Achievement
3.2.1	Further development of the currently functioning system of company-based training	An indicative guidance material has been developed for planning and carrying out company-based training. The VEIA has been amended and specified as regards practical training. The Vocational Education Standard provides specific volumes of practical training for all types and forms of VET.	Achieved
3.2.2	Elaboration of requirements to practical training bases and development of the system of supervisor training	The analysis showed that due to the specific features of VET and various fields of study very different types of practical training bases are used for which it is neither possible nor necessary to establish uniform requirements. Under the ESF project "Development of a system of initial and continuing training for vocational teachers", six supervisor curricula with different orientations where developed, on the basis of which supervisor training courses took place. The training will be continued during the ESF II period under the programme "Substantive development of vocational education".	Partly achieved
3.2.3	Involvement of social partners in the analysis of continuing education and retraining needs of staff, preparation of personal development plans, detection of training opportunities	As this is a decentralised activity in all kinds of companies over Estonia, it has been impossible to coordinate it and plan new activities in that regard. Apparently, planning this point in the action plan was a mistake and it is infeasible as such.	Not achieved
Objective 4: Awarding of professional qualifications has become a rule, qualifications awarded in Estonia are recognised in other EU member states			
4.1.1	Introduction of professional examinations for VET institution graduates	In fields of study where profession awarding bodies exist, VET institution graduates have been given an opportunity to take a professional examination. Within one year of graduation, the expenditure on taking the examination is covered from state budget resources. Integrating final examinations into professional examinations on graduation is encouraged. In 2008, 2,500 graduates, i.e. 34.4% of all graduates took a professional examination.	**Achieved**
4.2.1	Development of the professional qualifications	During the ESF I period, the Estonian Qualification Authority	Achieved

	Planned activities	Outcomes	Achievement
	system, harmonisation with respective EU systems	launched the project "Development of the system of professional qualifications", under which the form of a professional standard was updated and a guide for preparing a professional standard was developed, good practice guide of awarding professions was drafted, professional standards were updated, 44 pilot professional examinations were organised, training plans for preparing for a professional examination were developed. On 1 September 2008, a new Professions Act came into force, according to which Estonia switches to an 8-level framework of professions, with levels corresponding to the European qualifications framework.	
4.2.2	Establishment of the national reference point for the comparison of qualifications, and the Europass centre	Estonian Europass centre was opened at the Estonian Qualification Authority in 2005. Member States are obliged to create their national qualifications reference points by 2010. At the end of 2008, an administration agreement between MER and the Foundation of Professional Qualifications was prepared, under which a national reference point would be established at the Estonian Qualification Authority; the agreement will be signed in 2009.	Achieved
Objective 5: The quality of the VET has improved significantly			
5.1.1	Development and implementation of the quality assurance system in VET (development in 2005-2006, implementation from 2007)	An integrated model for VET quality assurance system has been developed. Internal and external evaluations of VET institutions are regulated by an amendment to the VEIA that came into force in 2006. A quality award competition of Estonian VET institutions is held regularly.	Achieved
5.2.1	Development and application of professional standards and new qualification requirements for vocational teachers	A professional standard for vocational teachers for levels III-V has been developed and approved. The professional qualification requirements for vocational teachers were updated by a regulation of 4 January 2005 by the Minister of Education and Research.	Achieved

	Planned activities	Outcomes	Achievement
5.2.2	Equalising minimum salary of vocational teachers to the average salary level in Estonia	While the salaries of vocational teachers have risen significantly (see point 2.1.3), they have not been brought to level with the Estonian average salary that rose unforeseeably quickly in 2005-2008. The increase of the vocational teachers' salaries has still been slightly bigger than the increase of the Estonian average gross salary (the indicative amount for salaries of vocational teachers in the basic cost of a student place has increased by 58.4%, while the average salary has grown by 55%[27]).	Not achieved
5.3.1	Development and implementation of initial and continuing training system for vocational teachers	In 2005, an ESF project "Development of a system of initial and continuing training for vocational teachers" was initiated at NEQC, during which a vocational teacher's initial and continuing training models were developed and tested in 15 curriculum groups. Under the project, a study on the career paths and training needs of vocational teachers was organised. The activities will be continued under the programme "Substantive development of vocational education".	Achieved
5.4.1	Establishment of a VET methodological centre by the NEQC for curriculum development, continuing education and methodological development activities	On the basis of the Vocational Education Department of the NEQC, an Estonian vocational education methodology centre has come into being, not with that name, but having started to carry out its functions. 44 state curricula of VET have been developed, a continuing education system and continuing education networks for vocational teachers have been established. During the ESF II period, an extensive programme "Substantive development of vocational education 2008-2013" is implemented, under which all activities attributable to a methodology centre are continued.	Achieved

[27] The basis of this calculation is the statistics on average gross salary in 2005-2008 by Statistics Estonia. 2008 data calculated as of the III quarter.

	Planned activities	Outcomes	Achievement
5.5.1	Application of state investments and ERDF resources for the development of school training bases	For the period 2005-2008, 657.3 million EEK of investments were planned. The actual volume of investments was 726.3 million EEK. Learning environments of 10 VET institutions were modernised using ERDF resources, the resources of State Real Estate Ltd were used for a thorough renovation of 1 VET centre.	Achieved
Objective 6: The system of curricula has been rearranged and fully developed			
6.1.1	Establishment of the VET standard	The VET standard was approved on 6 April 2006 by the Government of the Republic regulation No 90.	Achieved
6.1.2	Arrangement of the system of professional standards	The form of a professional standard has been updated. Regular updating of professional standards is ongoing, a guide for preparing a professional standard and a good practice guide of awarding professions have been developed, 44 pilot professional examinations were organised, training plans for preparing for a qualification examination were developed.	Achieved
6.2.1	Development of the system of curricula	The system of curricula has been rearranged. A certain chain is functional, where on the basis of approved professional standards, national curricula are prepared. These in turn form the basis for preparing curricula for VET institutions. In 2005, NEQC initiated an ESF project "Development of curricula of VET institutions", under which contents of vocational education for 132 professions were developed in cooperation with social partners.	Achieved
6.2.2	Development of national curricula	44 national curricula (43 of which in the area of government of MER) have been prepared and approved. Most school curricula will be updated on their basis since autumn 2009.	Achieved
6.2.3	Establishment of the credit point system	The European Commission adopted the recommendation on the VET credit point system only at the end of 2008, which is why the establishment of the credit point system has been delayed.	Not achieved

	Planned activities	Outcomes	Achievement
6.2.4	Facilitating the use of entrepreneurship modules of different volume	The ESF project “Developing entrepreneurship training” was started in 2005 and led by Innove with the aim of harmonising and modernising entrepreneurship training in VET institutions. 3 entrepreneurship training modules with different volume (40-80 hours) were developed, 79 teachers were trained and study materials were developed. National curricula of all professions foresee entrepreneurship training to the extent of at least one study week.	Achieved
Objective 7: The system of introducing studying opportunities in VET to potential students is working			
7.1.1	Development and implementation of a integrated career counselling system	In 2005, the project "Development of career services in Estonia” was initiated with leadership by Innove and support from ESF. During the project, a nationwide study of the area of career services was carried out, recommended model materials for conducting career education in general education schools and VET institutions were prepared, specialists offering career services were trained and the web-page Rajaleidja (“Pathfinder”) was developed further.	Partly achieved
7.1.2	Regularly updated labour market information is provided to career counselling institutions	The career services development centre of Innove regularly organises training for career counsellors where information on the labour market is spread among other work. Many career counsellors also work at the Labour Market Board, therefore the latest relevant information is available to them.	Achieved
7.1.3	Better use of the opportunities within the national curriculum of general education for the increase of practical subjects, experiential learning and group work	The national curriculum of general education has not been updated in the meantime. Therefore, it is up to each school to decide on its choice of elective courses and up to each teacher to determine the methodology for the lessons. Setting such a task has not proved justified.	Not achieved
7.2.1	Programme promoting VET and occupations of mid-level specialists and skilled workers to the public	In 2008, a VET popularisation programme was initiated with support from ESF. MER has previously supported the series “Job stories” on the television channel of Estonian Public Broadcasting.	Achieved

	Planned activities	Outcomes	Achievement
7.3.1	Changing of the registration procedure of VET graduates as unemployed	The analysis showed that changing the system was neither possible (the requirement for equal treatment) nor necessary from the point of view of ensuring the availability of labour market services. It has not been the best formation of an action task.	Not achieved
Objective 8: VET is better integrated with other types and levels of education			
8.1.1	Establishment of vocational classes within upper secondary schools	Vocational classes work in about 25 upper secondary schools and individual learners can be found in several dozens of other schools.	Achieved
8.1.2	Facilitation of the use of VET training bases and teachers for the delivery of manual training classes at secondary schools	Such practice and cooperation between general education schools and VET institutions has significantly widened during the period of the development plan.	Achieved
8.1.3	Extension of pre-vocational training and VET in basic and upper secondary schools	The conditions and procedure for pre-vocational training and vocational training in basic schools and upper secondary schools have been specified in the VEIA. Requirements for vocational training in basic schools and upper secondary schools are provided in the Vocational Education Standard. Vocational training in basic schools and upper secondary schools is co-financed under SCE. In school year 2008/09, there were 1,097 learners in Estonian general education schools in the study types of pre-vocational training or vocational training in a basic school or upper secondary school. This training involves learners from 70 general education schools from all over Estonia; from 25 general education schools there are more than 10 VET learners.	Achieved
8.2.1	Development of curricula to ensure correlation between vocational secondary education and professional higher education	The development of curricula has taken place in cooperation between particular VET institutions and institutions of professional higher education or within one educational institution where both types of study exist. Tallinn University Haapsalu College and Vocational Education and Training Centre of Haapsalu have also implemented an ESF project for this activity.	Achieved

	Planned activities	Outcomes	Achievement
8.3.1	Additional free of charge general education studies (extra year of general education at an upper secondary school or preparatory courses of higher education institutions for those wishing to continue in academic studies)	The possibility of the additional year is provided in the VEIA, its conditions and procedure have been established by a regulation of 13 September 2006 by the Minister of Education and Research.	Achieved
Objective 9: Appropriate opportunities in VET are provided to everyone interested			
9.1.1	Legislative determination of new types of VET to enable flexible choices	The following have been specified in the VEIA (in force since 1 January 2006) as new types of VET: 1) vocational training in basic school and upper secondary school; 2) vocational training not requiring basic education; 3) vocational training based on basic education; 4) vocational secondary education; 5) vocational training based on secondary education; 6) pre-vocational training.	Achieved
9.1.2	Special programme of VET for students beyond compulsory school attendance age and without basic education	In 2005, vocational training for persons beyond compulsory school attendance age without basic education was specified as a type of VET. By an amendment to the VEIA in 2007, this was renamed as vocational training with no basic education requirement. Independent of his or her level of education, a person who is at least 17 years old may enrol into vocational training with no basic education requirement. The number of learners of this type of study has continuously increased (as many as 414 in school year 2008/09).	Achieved
9.1.3	Involvement of young people within compulsory school attendance age but without basic education in VET related activities	Opportunities for vocational training for students under 17 with learning difficulties have been created in cooperation with general education schools in Vana-Vigala Technical and Service School, Põltsamaa Vocational School, Tallinn Kopli Vocational School, Valga County Vocational Training Centre and Sillamäe Vocational School, applying the type of VET “vocational training in basic school and upper secondary school”.	Achieved

	Planned activities	Outcomes	Achievement
9.1.4	Implementation of VET on the basis of basic education but without general education part in these fields of study where it is possible	The possibility of vocational training on the basis of basic education is provided in the VEIA. It is conducted as follows: when a learner acquiring vocational secondary education has a significant backlog of unachieved learning outcomes, he or she may be transferred by a decision of the teachers' council and with his or her consent to the curriculum of „vocational training on the basis of basic education" (hereinafter VTBBE) the in the same field of study. Upon transfer to VTBBE curriculum, passed studies are taken into account. Direct admission to a VTBBE field of study only takes place in workplace-based form of study (apprenticeship).	Achieved
9.1.5	Implementation of apprenticeship training	Workplace-based form of study (apprenticeship) is provided in the VEIA. The procedure for applying apprenticeship has been established in the regulation No 25 of 21 March 2007 by the Minister of Education and Research. Since school year 2007/08, it is applied according to a general procedure and financed through SCE. To ensure a successful implementation of apprenticeship training, two projects were carried out during the ESF I period. Innove implemented the project "Implementation of workplace-based form of study (apprenticeship training) in vocational education", under which practical training companies were assessed, 65 curricula were developed and apprentices were trained. A total number of 870 apprentices were admitted, 567 of whom (65%) completed their training. Estonian Employers' Confederation led the project "Training for trainers of apprentices" that focused on training the supervisors and trainers of apprentices. Under the project, 325 trainers/supervisors of apprentices, 13 project managers/practical training supervisors of vocational school apprentices passed the training, and in addition to that, 20 trainers who had already passed the training for supervisors of apprentices had continuing training.	Achieved

	Planned activities	Outcomes	Achievement
9.1.6	Development of a possibility to acquire only VET at a VET institution, complemented by general education acquired at an upper secondary school	This possibility has practically been created through legalising and applying the vocational training type "vocational training on the basis of basic education". In addition to acquiring vocational training, it is possible to acquire general education either during or after that. After acquiring secondary general education, there is a possibility for post-secondary vocational training.	Achieved
9.1.7	Development of eLearning in VET institutions through the establishment of an e-VET institution	Based on the principles of lifelong learning and regional development, a consortium of institutions of professional higher education and VET institutions named Estonian eVocational School was created in 2005 to initiate and encourage cooperation in the field of eLearning in VET. The consortium Estonian eVocational School acts as a separate consortium under the Estonian Information Technology Foundation (hereinafter *EITF*) and co-operates in training teachers and educational technologists, developing curricula, creating and conducting eCourses with the consortium Estonian eUniversity, MER, NEQC, Tiger Leap Foundation and other organisations in Estonia and abroad. The members of the consortium are MER, EITF, 11 institutions of professional higher education and 26 VET institutions. In 2005-2008, EITF implemented the ESF project "Developing and introducing eLearning in vocational education and training institutions and in institutions of professional higher education" (e-Võti – eKey) in order to develop eLearning in vocational schools and institutions of professional higher education. As a result of the project, a development and implementation system for eLearning has been developed and many eCourses and e-study objects have been developed and put into use. Development of eLearning in VET institutions will continue in 2008-2013 under the ESF II period programme "Development of eLearning in vocational education" (VANKeR).	Achieved

	Planned activities	Outcomes	Achievement
9.3.1	Identification of learning needs with the help of the network of case managers at employment offices	Continuous work is being done in employment offices with the unemployed and jobseekers who are offered various labour market services. Determining training needs, contracting training courses and directing people to the courses is a part of the package of labour market services.	Achieved
Objective 10: VET system ensures continuing training and retraining opportunities to everyone interested			
10.1.1	Planning of training in collaboration with structures and contractors responsible for employment	Analysis of the situation in the labour market has a firm part in the process of planning the SCE for work-related adult training and its inputs are received from the Labour Market Board. According to that, SCE priorities are established by consulting with partners.	Achieved
10.2.1	Development and implementation of the system of recognition of prior learning and work experience (RPL)	The principles of RPL Estonia were developed in 2005-2008 under a sub-project of an ESF project led by University of Tartu, “Project to increase the competition capacity of university graduates through the development of the quality of study activities”. RPL principles were implemented in higher education by amendments to the Standard of Higher Education in 2007. In 2008, a draft amendment to the Vocational Education Standard was prepared as regards RPL principles and a set of rules in the area of VET. The said draft will be approved in 2009.	Partly achieved
10.2.2	Development of a new education license system in adult education	The development has been planned for years 2009 and 2010.	Not achieved

	Planned activities	Outcomes	Achievement
10.3.1	Application of flexible work-related continuing education opportunities (e.g. new specialisation modules, courses that enable to apply for a higher qualification level, contractual training planned and delivered in cooperation of employers and trainers, retraining etc.)	The number of participants in continuing education courses in VET institutions has been increasing steadily. In 2007, work-related adult training was specified as a type of vocational education in SCE, courses are financed from ESF I period resources and the state budget. In autumn 2007, MER started an ESF project “Work-related adult training in VET institutions”. 37 educational institutions (incl. state, municipal and private VET institutions and institutions of professional higher education providing VET) from all counties were involved in the project. During 2007-2008, 17,123 people participated in the courses, of whom 16,660 completed their training. The project will continue until the end of June 2009. Additionally, continuing education of 1,132 learners was financed from the state budget in 2007-2008.	Achieved
10.3.2	Development of an information system of training offers comprising entire adult education	The development has been planned for years 2009 and 2010. Adult training will be recorded in EEIS.	Not achieved
10.3.3	Elaboration of quality assurance criteria for continuing education and retraining	The quality of continuing education and retraining taking place in VET institutions is considered in the context of the overall VET quality assurance system. Furthermore, all the adult education programmes of ESF II period include raising the quality of adult training through training the trainers as an important activity – the target group includes adult trainers working in VET institutions, private training institutions (incl. centres of non-formal education), institutions of higher education and upper secondary schools for adults. in the programme "Work-related training and developmental activities for adults”, analysis of the quality of private training institutions and preparing proposals for quality improvement are also foreseen.	Partly achieved
10.4.1	Flexible guidance of people without initial training but requiring labour market training to formal training in VET institutions	The Labour Market Board is offering career counselling to its target group. One of the results of counselling may be a proposal to enrol into formal education. However, there is no separate guidance system developed for that.	Partly achieved

	Planned activities	Outcomes	Achievement
10.5.1	Elaboration of the financing system of work-related continuing education and retraining	Together with the "Lifelong Learning Strategy 2005-2008", the "Division of spheres of responsibility between MER, MEAC and MSA in financing work-related adult training" was approved by a protocol decision of the Government of the Republic of 10 January 2008.	Achieved
Objective 11: The use of resources in VET is efficient, ensuring access to VET in all regions			
11.1.1	Arrangement of the network of VET institutions	The rearrangement of the network of VET institutions has been based on the principle that every county must maintain an opportunity for vocational education. During 2005-2008, 12 rearrangements have taken place, as a result of which the number of VET institutions in the area of government of MER has fallen from 44 to 30.	Achieved
11.2.1	Development of SCE on the basis of regional needs	The SCE process has been clearly defined, one of its parts being coordinating the distribution of SCE between schools with social partners. An application by a school for SCE is approved in the council of the VET institution where more than 50% of members represent partners and businesses.	Achieved
11.2.2	Elaboration of norms to regulate the use of premises in VET institutions	The norms have not been elaborated, because there has not been an acute need for them. The conditions and numbers of students have been changing as well, especially as regards the continuous and significant increase in the number of adult learners. When necessary, relevant figures from Finland have been used.	Not achieved
11.3.1	Participation of VET institutions in local development projects	The participation of VET institutions in local projects and business developments has been continuously growing. They have participated in various initiatives particularly as providers of necessary training.	Achieved
Objective 12: Access to VET is guaranteed to young people from disadvantaged families			
12.1.1	Extension of study allowances to VET students studying on the basis of basic education	The study allowances for post-basic school learners are in force since school year 2005/06. School lunch allowance is in force	Achieved

	Planned activities	Outcomes	Achievement
		since 2006/07.	
12.1.2	Ensuring places in student dormitories with proper living conditions for everyone interested	Renovation of student homes has been supported from the resources of EU structural funds during 2004-2006 and it is being continued during the new ERDF period 2007-2013. Student homes are the second most important investment priority after study workshops and equipment.	Achieved
12.1.3	Application of student dormitory allowances for VET students	Since 2007, The Study Allowances and Study Loans Act (hereinafter *SASLA*) implements a higher basic allowance coefficient (0.5) for students of VET institutions compared to higher education students. In 2008, amendments to the SASLA were prepared where housing allowance was introduced as a component of study allowance instead of the travel fare concessions applied so far. The implementation part of the act has been delayed until 2009; so far, there are no necessary additional resources available to ensure that allowance. Therefore, an amendment to SASLA has been initiated that will provide a possibility for VET institutions to increase the special allowance fund from 5% to 20% that would allow to support learners who have temporary learning difficulties by allowing them to continue their studies.	Partly achieved
12.1.4	Development of the system of travel fare concessions to meet the needs of the users	The system of travel fare concessions functions relatively well and covers the needs of students. There has been no serious need to change it. Apparently, planned this way, the point was redundant in the development plan	Not achieved

Annex 2. Execution of the financial part of the "Development plan for the Estonian vocational education and training system 2005-2008"

No	Activity		Amount (thousand EEK)28					Explanation of expenditure lines
			2005	2006	2007	2008	TOTAL	
2.1.1.	Raising the basic cost of VET	in the development plan		147,857	173,397	173,397	494,651	Only increases compared to 2005 basic budget are reflected
		actual			79,166	104,166	183,332	
2.1.2.	Implementation of new coefficients	in the development plan		106,235	106,235	106,235	318,705	Only increases compared to 2005 basic budget are reflected
		actual	12,752	106,355	106,355	106,355	331,817	
2.1.3.	Extra resources for the salary increase of teachers by 12% a year	in the development plan		36,380	81,170	122,791	240,341	Only increases compared to 2005 basic budget are reflected
		actual	32,800	36,380	66,380	164,380	299,940	
3.1.3.	Conducting a study on the satisfaction of social partners	in the development plan	150			150	300	
		actual	0			246	246	
4.1.1.	Introduction of professional examinations for VET institution graduates	in the development plan	9,811	15,918	15,918	15,918	57,565	
		actual	9,811	15,918	17,678	12,678	56,085	

[28] The table reflects state budgetary and EU resources.

No	Activity		Amount (thousand EEK)28					Explanation of expenditure lines
			2005	2006	2007	2008	TOTAL	
4.2.1.	Development of the professional qualifications system, harmonisation with respective EU systems	in the development plan			4,000	4,000	8,000	Estonian Qualification Authority's state budgetary activity support (excl. Europass) + ESF I and II period projects and programmes
		actual			9,362	8,450	17,812	
4.2.2.	Establishment of the national reference point for the comparison of qualifications, and the Europass centre	in the development plan	1,200	1,200	1,200	1,200	4,800	Europass centre
		actual	1,035	1,100	1,543	1,580	5,258	
5.1.1.	Development and implementation of the quality assurance system in VET	in the development plan			1,600	1,600	3,200	NEQC's internal evaluation counselling department (VET) + ESF II period programme "Substantive development of vocational education 2008-2013" (as regards the system of state recognition)
		actual			6,390	6,430	12,821	
5.3.1.	Development and implementation of initial and continuing training system for vocational teachers	in the development plan			4,000	4,000	8000	ESF I period project "Development of a system of initial and continuing training for vocational teachers" and ESF II period programme "Substantive development of vocational education 2008-2013" (as regards teacher training)
		actual			1,500	2,359	3,859	
5.4.1.	Establishment of a VET methodological centre by the NEQC for curriculum development and methodological development activities	in the development plan	1,000	1,500	2,000	2,000	6,500	State budgetary operational expenditure of the officials of the NEQC's Vocational Education Department who are involved in curricula + ESF expenditure from the I period project and Ii period programme
		actual	1,222	1,332	2,250	2,931	7,735	
5.5.1.	Application of state investments and ERDF resources for the development of school training bases	in the development plan	68,847	120,303	195,000	273,127	657,277	ERF I and ERF II period expenditure

No	Activity		Amount (thousand EEK)28					Explanation of expenditure lines
			2005	2006	2007	2008	TOTAL	
		actual	132,182	298,427	252,834	42,898	726,341	
6.2.2.	Development of national curricula	in the development plan			2,000	2,000	4,000	ESF I period project "Development of curricula of VET institutions" and ESF II period programme "Substantive development of vocational education 2008-2013" (as regards the development of curricula and study materials)
		actual		2,613	1,759	3,501	7,873	
7.2.1.	Programme promoting VET and occupations of mid-level specialists and skilled workers to the public	in the development plan	500	500	500	500	2,000	WorldSkills, EuroSkills, domestic vocational competitions and ESF II period programme "Popularisation of vocational education"
		actual		126	1,915	4,840	6,881	
8.1.3.	Extension of pre-vocational training and VET in basic and upper secondary schools	in the development plan	4,600	4,600	4,600	4,600	18,400	ESF I period projects related to pre-vocational training
		actual	180	2,185	7,581	4,491	14,437	
8.3.1.	Additional free of charge general education studies	in the development plan		500	500	500	1,500	financed from the line of general education
		actual					0	
9.1.5.	Implementation of apprenticeship training	in the development plan		4,300	5,300	6,300	15,900	ESF I period projects related to apprenticeship training
		actual	72	8,892	12,002	5,002	25,968	
9.1.7.	Development of eLearning in VET institutions through the establishment of an e-VET institution	in the development plan	1,000	1,000	1,000	1,000	4,000	ESF I period projects and ESF II period programme "Development of eLearning in vocational education" + state budgetary

No	Activity		Amount (thousand EEK)28					Explanation of expenditure lines
			2005	2006	2007	2008	TOTAL	
		actual	600	10,600	16,000	4,775	31,975	support for the e-VET institution
10.3.2.	Development of a system of training offers comprising entire adult education	in the development plan			1,000		1,000	A service by AS Mandator financed from IT expenditure of MER (estimated)
		actual				100	100	
12.1.1.	Extension of study allowances to VET students studying on the basis of basic education	in the development plan	27,721	27,721	27,721	27,721	110,884	study allowances for students learning on the basis of basic education since 1 September 2005 (basic allowance fund)
		actual	18,675	35,971	34,733	45,757	135,137	
12.1.3.	Application of student dormitory allowances for VET students	in the development plan				12,000	12,000	has not been implemented
		actual				0	0	
12.1.4.	Development of the system of travel fare concessions to meet the needs of the users	in the development plan			18,300	18,300	36,600	travel fare concessions for students learning on the basis of basic education and study allowances for students learning on the basis of secondary education (additional allowance)
		actual			16,852	19,750	36,602	
	TOTAL	in the development plan	114,829	468,014	645,441	777,339	2,005,623	
		actual	209,329	519,899	634,301	540,689	1,904,218	
	Implementing school lunch allowance for students learning on the basis of basic education	actual		10,175	37,248	42,748	90,171	
	TOTAL	in the	114,829	468,014	645,441	777,339	2,005,62	

No	Activity		Amount (thousand EEK)28					Explanation of expenditure lines
			2005	2006	2007	2008	TOTAL	
		development plan					3	
		actual	209,329	530,074	671,549	583,437	1,994,389	

Annex 3. Rearrangements of the school network in 2005–2008

In 2005

– Tallinn Medical School was rearranged as an institution of professional higher education Tallinn Health Care College.

– Tartu Medical School was rearranged as an institution of professional higher education Tartu Health Care College.

– Kohtla-Järve Polytechnic School, Kohtla-Järve Vocational School and Jõhvi Vocational School were joined to become Ida-Virumaa Vocational Training Centre (the professional higher education curricula of the Kohtla-Järve Polytechnic School were transferred to Virumaa College of the Tallinn University of Technology).

– The activities of Viljandi Special Vocational School were terminated, training in Viljandi Prison was taken over by Viljandi Joint Vocational Secondary School.

In 2006

– Tallinn Light Industry Technical School was merged with Tallinn University of Applied Sciences.

– Õisu Food Industry School was merged with Olustvere School of Service and Rural Economics.

– Kohtla Järve Medical School was merged with Tallinn Health Care College.

– Tallinn Pedagogical Seminar was reformed to become an institution of professional higher education.

– The activities of Tallinn Vocational School No 5 were terminated, training in Tallinn Prison was taken over by Tallinn Construction School.

In 2007

– Lääne-Viru County Higher Vocational School was rearranged as an institution of professional higher education Lääne-Viru College.

– The activities of Rummu Special Vocational School were terminated, training in Rummu Prison was taken over by Tallinn Industrial Education Centre.

In 2008

– Paide Vocational Secondary School and Türi School of Technology and Rural Economy were rearranged to become Järva County Vocational Training Centre.

In 2008, Ida-Virumaa Vocational Training Centre commenced vocational education in Viru Prison.

Annex 4. Quality assurance model for Estonian vocational education and training system

The aim of quality assurance in VET is to create an integrated system and a certainty at the state level that the different parts of the VET system, the environment of activity and VET stakeholders function in a co-ordinated manner. Implementing such a quality assurance system leads to constant improvement of the VET system and trust between stakeholders.

In the development of VET, strong emphasis has been put on quality issues. The "Development plan for the Estonian vocational education and training system 2005-2008" foresaw, in its section on quality of VET, the development of a quality assurance system and introduction of quality management principles at the state and VET institution's level, including regular internal and external evaluation of VET institutions involving social partners and development and implementation of a VET quality assurance system.

There are several initiatives in Europe that need reliability and transparency of education (including VET) in order to be realised – the Copenhagen Declaration, the recommendation on a qualifications framework (EQF), European Quality Assurance Reference Framework for VET (EQARF), free movement of labour, common educational space and lifelong learning. Achieving their goals is supported by VET quality assurance systems of Member States, which are based on common methodology and agreed indicators.

By a decision of the European Commission, a Technical Workgroup on Quality of VET (TWG) was established in 2003 in order to develop the principles and means of quality assurance in VET. One of the most important achievements of TWG was the establishment of a Common Quality Assurance Framework (CQAF) for VET. CQAF is a collection of recommendations with the aim of helping Member States to develop, improve and evaluate their own systems and activities for quality assurance. CQAF builds on the experiences of Member States in the area of assuring VET quality and reflects the common ground reached in its key issues. The principles of CQAF were approved by the Council of the European Union in May 2004. Implementing CQAF is optional for Member States, all their quality assurance systems are established by each state itself, taking account of local circumstances. On the basis of CQAF, a recommendation of the European Commission and the European Parliament has been prepared on the implementation of the European Quality Assurance Reference Framework (EQARF) that was approved by the Council of the European Union in May 2009.

CQAF includes:

– a model for facilitating planning, implementing, evaluation and feedback gathering in quality assurance systems (a model for a quality assurance system);

– methodology for evaluating the systems (with emphasis on self assessment, combined with external assessment);

– a system of monitoring and reviewing;

– a measuring system – a set of indicators intended to support Member States in evaluation and supervision of their own systems.

With the aim of developing VET quality assurance means and exchanging experiences at the European level, the European Network for Quality Assurance in Vocational Education and Training (ENQA-VET) was established in October 2005 in Dublin by EU Member States, EEA/EFTA countries, pre-accession states and representative organisations of employers and employees. Estonia is also a member of the cooperation network.

The working group established by a directive of the Minister of Education and Research to develop the model and principles for a VET quality assurance model also took as the basis for its work the CQAF model created by TWG.

The goal of the VET quality assurance model is to describe at the state level the stakeholders, activities and legal framework related to VET quality assurance as an integrated system.

The model is presented as mutually linked processes and divided into five parts (see Chart 15). Common principles form the centre of the model (methodology) on which the system as a whole is built and which provides principles for the implementation of individual components. Similarly to CQAF, the components of the system in the Estonian model are divided into four groups according to their nature:

– planning,

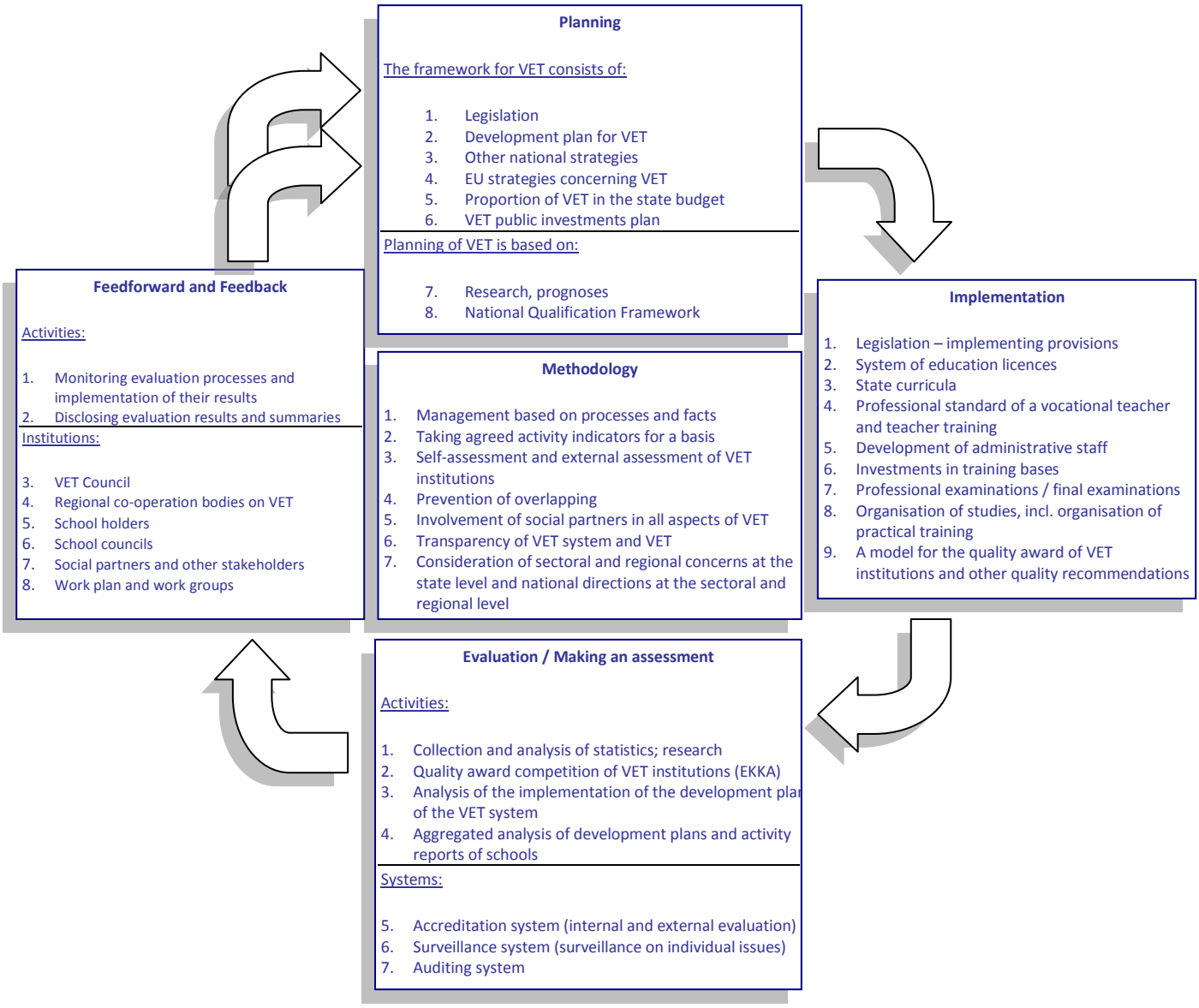
– implementation,

– evaluation / making an assessment (measuring),

– feedforward and feedback (adjustments).

The arrows located between the groups characterise the order and links between the groups and components – the components of one group are input for the components of another one. The components of the feedforward and feedback group can feed input to components of all other groups – therefore several arrows are shown there.

Chart 15. Quality assurance model for Estonian vocational education and training system



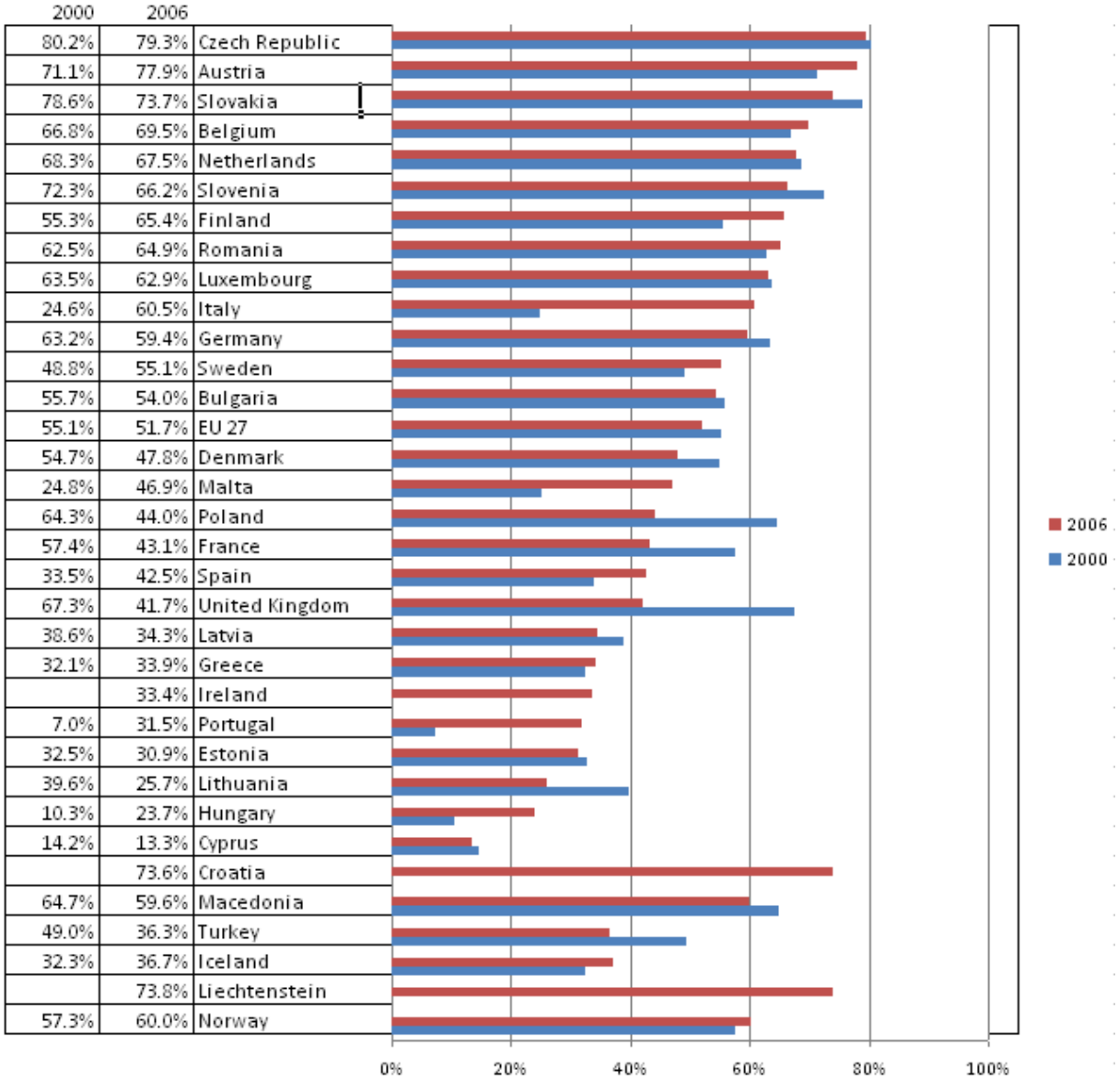
Annex 5. Estonian vocational education and training in international comparison

In view of the close connection between VET and the labour market, the fast internationalisation of the labour market and the growing mobility of the workforce, it is important to use international comparison to define the situation and development of Estonian VET. Only in comparison with other countries can we objectively assess the role, proportion and contribution of VET in the Estonian educational system as a whole and in the development of society and economy. Appreciation and reputation of VET is connected to society's overall level of development: the more developed and innovative society is, the higher VET is valued. This consideration and such a link are understandable – the more highly qualified and better professionally prepared workforce is the higher level of development society as a whole can achieve. Estonian workforce is not adequately qualified and also several international reports suggest that. Poorly qualified workforce is one of the main hindrances of the country's development.

1. VET participation rate

According to 2006 data, Estonian rate of VET participation 30.9% is among the last in the EU Member States – only Lithuania, Hungary and Cyprus are behind (see Chart 16). Portugal, having been behind Estonia just a few years ago, has now already passed us. In the European Union as a whole, participation in ISCED level 3 VET is 51.7%, i.e. more than in general education. The Czech Republic, Austria, Switzerland and Slovakia have most VET students in Europe (almost 80%). In Belgium, the Netherlands, Slovenia, Finland, Romania, Luxembourg and Italy, more than 60% of students acquire VET. Germany and Sweden remain slightly under that limit. In most of the more developed countries, the proportion of VET students from learners in secondary education is considerably bigger than in less developed countries, almost doubling the Estonian average.

Chart 16. Proportion of initial VET (according to ISCED level 3) students (%) from all 2nd level of education students in 2000 and 2006

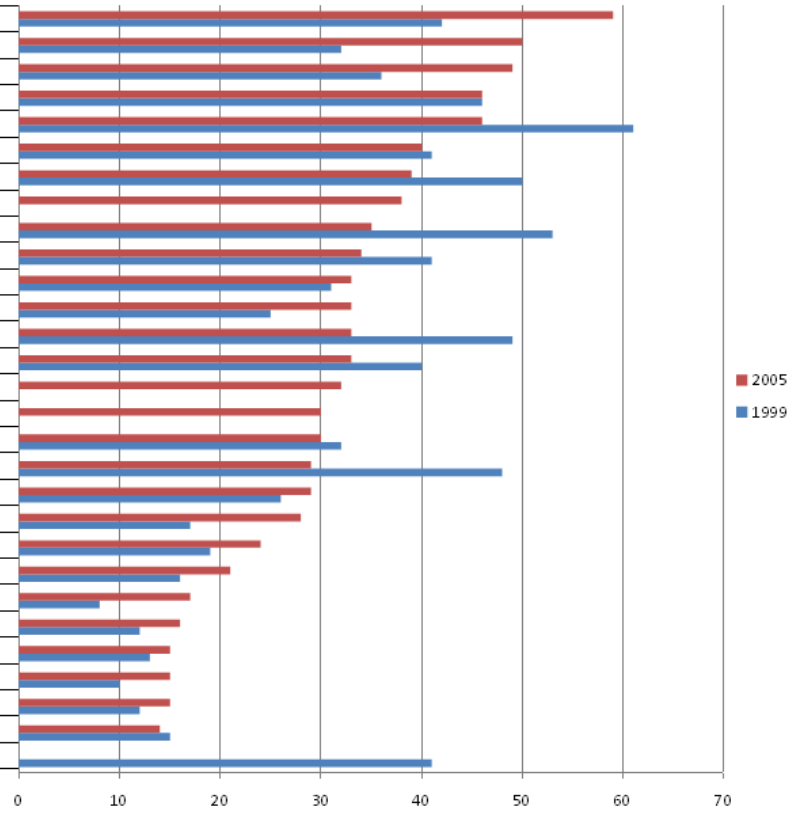


Source: Progress Towards the Lisbon Objectives in Education and Training. Indicators and Benchmarks 2008. p. 56.

While the participation in continuing vocational education has grown in recent years, Estonia is, in European context, still rather among underachievers (see Chart 17). Out of employees in Estonian businesses, 24% participated in continuing vocational education in 2005, but the EU 27 average was 33%. With this figure, we are doing better than both Latvia and Lithuania by 9% and several other new member states are behind us, too, but compared to the leaders (Belgium, the Czech Republic, France, Luxembourg, Slovenia, Finland, Sweden), we lag behind by up to 50%.

Chart 17. Participation of employees in continuing vocational education (%) in 1999 and 2005

	1999	2005
Czech Republic	42%	59%
Slovenia	32%	50%
Luxembourg	36%	49%
Sweden	61%	46%
France	46%	46%
Belgium	41%	40%
Finland	50%	39%
Slovakia		38%
Denmark	53%	35%
Netherlands	41%	34%
Austria	31%	33%
Spain	25%	33%
United Kingdom	49%	33%
EU 27	40%	33%
Malta		32%
Cyprus		30%
Germany	32%	30%
Norway	48%	29%
Italy	26%	29%
Portugal	17%	28%
Estonia	19%	24%
Poland	16%	21%
Romania	8%	17%
Hungary	12%	16%
Latvia	12%	15%
Lithuania	10%	15%
Bulgaria	13%	15%
Greece	15%	14%
Ireland	41%	



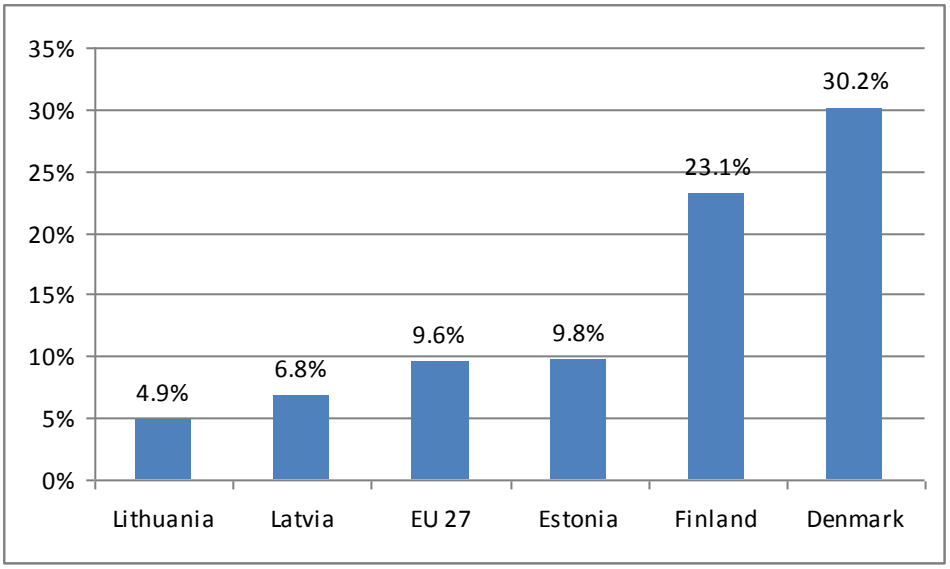
Source: Progress Towards the Lisbon Objectives in Education and Training. Indicators and Benchmarks 2008. p. 57.

2. Participation in lifelong learning

One of the objectives set in the Lisbon Strategy is to raise the participation rate of adults in lifelong learning to 12.5% in Europe by 2010. Regarding that, participation of people aged 25-64 in training is monitored in all Member States according to a common methodology. Until 2007, the relevant Estonian figure fluctuated between 6% and 7%, remaining under the European average. For EU 27, the average was 9.7% in 2007. The corresponding indicator was 29% in Denmark and 23% in Finland. In 2007, the proportion of participants in lifelong learning was 7.1% in Latvia and 5.3% in Lithuania.

In 2008, the participation rate of adults in lifelong learning has stayed stable in many countries and even fallen a little in some (e.g. Latvia and Lithuania). In Estonia, 2008 saw a significant rise of the rate of participation in lifelong learning – to 9.8% (see Chart 18). According to Statistics Estonia, there was considerable fluctuation in the participation rate between quarters: 11.6% in I quarter, 10.1% in II quarter, 6.5% in III quarter and 10.9% in IV quarter. The participation level still stayed higher than earlier in I quarter of 2009, reaching 10.8%, though it is still several times weaker than in the leading countries. In the situation of a financial and economic crisis, Estonian economy needs fast restructuring where continuing education and retraining for adults have a key role in the success of the process.

Chart 18. Participation of population aged 25-64 (%) in lifelong learning in 2008



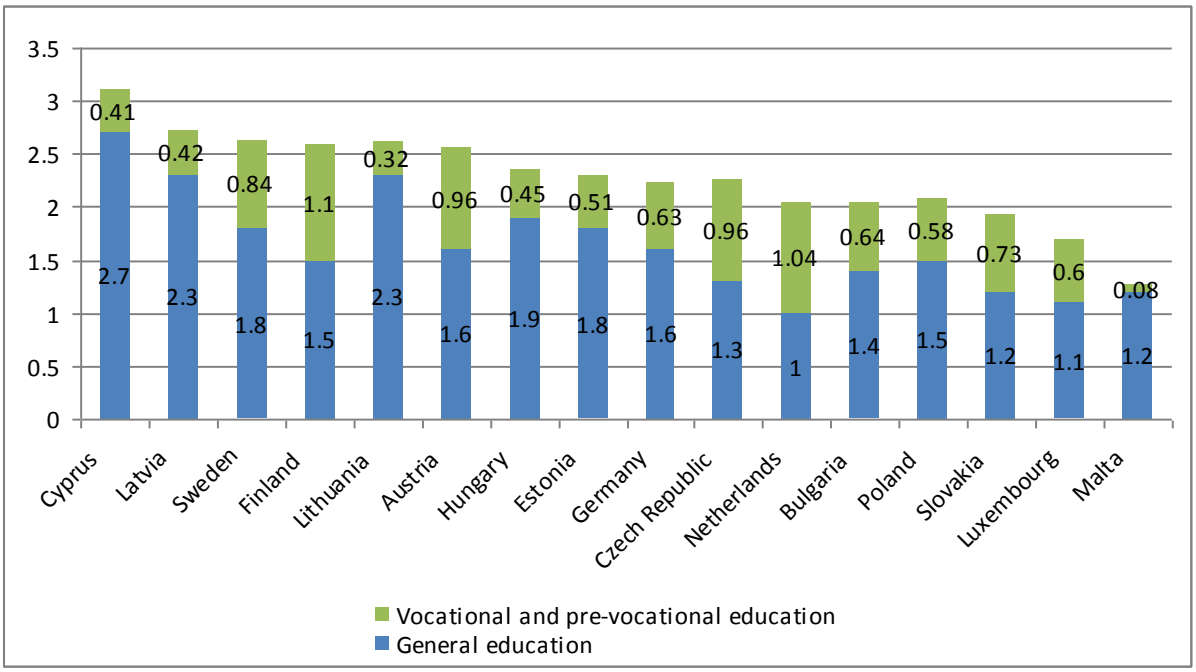
Source: Eurostat, 2009.

3. Financing VET

Financing gives an indirect estimate of the importance of different types of education in different countries. In Estonia, general secondary education has been preferred to vocational education for a long time, causing a continuous decrease of the proportion of VET in educational expenditure until 2004 (from 11% 1997 to 8% in 2004). In recent years, this trend has been reversed and in 2006 the proportion was back at the pre-fall level.

In almost all EU Member States for which data is available, more money was spent on general education than on vocational education in 2005 (as a percentage of GDP). The only exception is the Netherlands where the use of resources on vocational and general education was broadly equal. As a percentage of GDP, the expenditure remained between 1.0% (the Netherlands) and 2.7% (Cyprus) for general education and between 0.1% (Malta) and 1.1% (Finland) for vocational education. In addition to Finland, big proportions were spent on vocational education in the Netherlands, Austria and the Czech Republic (about 1%), but also in Sweden and Slovakia. As regards the relation between financing vocational and general education, the contrast is sharpest in Malta (the proportion of vocational education in ISCED II-IV level education expenditure is only 6.3%), Lithuania (12.2%), Cyprus (13.2%), Latvia (15.4%), Hungary (19.1%), followed by Estonia with 22.1%. The smallest differences in financing were shown by the Netherlands (the proportion of vocational education being 51%), the Czech Republic (42.4%), Finland (42.3%), Slovakia (37.8%) and Austria (37.5%). Expenditure on VET is considerably higher in developed countries (see Chart 19).

Chart 19. Proportion (%) of general education and vocational education financing from GDP at ISCED levels II-IV, 2005



Source: Continuity, Consolidation and Change. Towards a European VET Area, p. 29.

4. Average cost of a student place in Finland and in Estonia

Finland is a good example of a country where continuous and long-lasting development has led many areas of life to results noteworthy in the world. For a long time, Finland has also made balanced and cost-based investments into education, which is one of the cornerstones of their success. Well-functioning proportions between different types and levels of education have been developed (see Table 11). These close neighbours are a good example and comparison for us also in this area (see Table 12).

Table 11. Average cost of a student place in Finland (EUR, study costs, not including allowances and investments) in 2004–2009

	2004	2005	2006	2007	2008	2009
Basic school	4,863.4	5,043.2	5,201.1	5,343.3	6,219.5	6,504
Secondary school	4,288.1	4,476.7	4,643.1	4,796.3	5,692.8	5,816.5
VET institution	7,406.5	7,640.3	8,268.3	8,498.1	9,623	10,181.5
Institution of professional higher education	6,209.4	6,408.6	6,264.2	6,427.7	7,071.8	7,353.6

Source: OPH (Finnish National Board of Education) 2009.

Table 12. Average cost of a student place in Estonia (EUR, study costs and school lunch, not including study allowances and investments) in 2004–2008[29]

	2004	2005	2006	2007	2008
General education school	1,175.3	1,331.7	1,462.0	1,806.6	2,194.7
VET institution	1,236.6	1,373.9	1,697.1	2,105.4	2,498.1
Institution of professional higher education	1,406.5	1,783.5	1,767.8	2,086.4	2,804.4

Source: Planning Division of MER, 2009.

Comparing the available data on those two countries (see Tables 11 and 12), the following can be concluded:

1) in Finland, the ratio between average costs of a student place in a VET institution and an upper secondary school is at least 1.7; the ratio between average costs of a student place in a VET institution and general education (average student place of basic school + upper secondary school) is over 1.6, e.g. 1.65 in 2009. The Estonian goal for this ratio to reach 1.5 is moderate in this comparison. In Germany, the cost of a student place in VET exceeds that of the general education twofold[30];
2) the cost of a VET student place in Finland is 3.9 times higher than the cost in Estonia in 2008. Estonia has cut this difference, as in 2004 it was about 6 times. In recent years, the said ratio has been broadly stable; Estonia has not fallen significantly farther behind. The high cost of a VET student place in Finland is not exceptional – France may be taken as another comparison with its relevant figure at 10,750 EUR[31]. In contrast, the cost is 1,600 EUR in Bulgaria;
3) the difference between Estonia and Finland in the costs of student places of other types of education is significantly smaller. For example, according to 2007 data, the cost of a student place in Finland is only 2.65 times higher in general education than in Estonia, and in professional higher education, the ratio is 3.1. The underfinancing of training costs by types of education is sharpest in vocational education (about 4 times);
4) it is also noteworthy that in Finland the cost of a student place of professional higher education is considerably lower than that of vocational education. This can be explained by the different proportions of practical training in those curricula, while the elements that increase costs – wear of equipment and consumption of materials – are significantly bigger in vocational training. In Estonia, the ratio of costs was the other way round until 2007 and then again since 2008, because it is *a priori* presumed that higher education is costlier than vocational education.
5) The above description shows graphically that both in comparison of general financing and in comparison between the funding of different types of education, VET in Estonia is strongly underfinanced and in a worse position than general and higher education.

[29] The expenditure of general education schools includes educational costs of municipal, private and state schools plus school lunch costs (incl. amounts allocated from budgets of local governments). The information is based on spending. The expenditure of VET institutions includes educational costs plus school lunch costs (the latter was added in September 2006). The expenditure of institutions of professional higher education includes educational costs (SCE). The information is based on spending.

[30] Continuity, Consolidation and Change. Towards a European VET Area, p. 29.

[31] *Ibid*., p. 29.

Summary

- The more developed society is, the better is it able to value vocational education. Overwhelming preference for general education and, in a wider context, for academic educational paths over more practical vocational education is typical of less developed or transitional societies. In this regard, the positive example of Finland is very telling – the strong development of vocational education has been q conscious choice after the economic crisis of early 90s.

- Developing VET ensures more expedient use of human resources. Appreciating not only academically gifted young people, but also those with other kinds of abilities and gifts allows considerably effective use of the most important resource of society – the people.

- Valuing VET ensures better coherency of society and significantly reduces the number of people falling outside economic activities and employment, preventing the forming of disadvantaged social groups.

- People who have been trained in VET are first and foremost producers and service providers. Innovation in economy is unthinkable without performers at a contemporary level. Only an integrated approach to economy, innovation (including research), product development and training, but also creating and marketing products and services ensures real innovation.

Annex 6. Analysis and prognosis of Estonian employment

In planning state-commissioned education for a type of education as closely linked to the labour market as vocational education and training, it is important to take into account the need for workforce in different sectors of economy. During 2004-2008, Estonian economy was characterised by a very fast growth pace. The increased demand for labour decreased unemployment, but also brought negative consequences for the VET system. The vast growth of the construction sector caused early leaving from schools by many students, as it was possible to find well-paid work even without professional education. During the next period of the development plan, these tendencies are expected to change. The recession that started in 2008 forces businesses into cutting labour costs and increases unemployment. On the other hand, the negative trends in economy may be expected to lead to people's growing interest in education and individual development in order to improve their competitiveness in the labour market. At the same time, VET system is facing a major challenge – what kind of skills workers need the most in a situation where most economic sectors are in a downturn, but a restructuring of the economy and an accompanying new rise is ahead?

1. The structure of employment in 2004-2007[32]

The changes that have taken place in the labour market during the past four years are characterised by a significant increase in employment due to both the decrease in unemployment and in the number of economically inactive[33] people. In 2004-2007, total employment grew by 10% or 59,800 people. A major part of the new jobs was created in the fast-developing construction and real estate sectors (see Table 13). In the construction sector, employment increased by 34,000 workers or 73% by 2007. Employment also rose significantly in the areas of real estate, renting and business activities where the number of workers grew by more than 10,000 and in the sector of accommodation and catering services where new jobs were created for over 8,000 people.

[32] For the classification of areas of economic activity, Estonian Classification of Economic Activities that is based on the statistical classification of economic activities in the European Community (NACE) is used.

[33] Economically inactive population includes persons of working age who do not want or can not work (students, those on parental leave, disabled persons and discouraged persons i.e. those who have given up seeking for a job).

Table 13. The employed aged 15-74 by sectors in 2004-2007 (thousands)

	2004	2005	2006	2007		Change
Agriculture, hunting and forestry	31.4	29.4	29.9	28.8	↘	-8%
Fishing	3.6	2.8	2.2	2.1	↘	-42%
Mining	8	5.9	5.2	5.5	↘	-31%
Manufacturing	140.9	139.5	136.4	134.8	↘	-4%
Electricity, gas and water supply	12	12.5	12.4	9.5	↘	-21%
Construction	46.8	48.7	62.8	80.9	↗	73%
Wholesale and retail trade; repair of motor vehicles and household appliances	80	80.6	88.7	88.1	↗	10%
Accommodation and catering services	16.2	22.1	22.3	22.8	↗	41%
Transportation, storage and communications	51.5	54.6	61.5	58.4	↗	13%
Financial intermediation	7.9	6.9	7.3	9.4	↗	19%
Real estate, renting and business activities	39.4	46.4	48.1	49.5	↗	26%
Public administration and defence; compulsory social security	36.9	37.2	39	39.2	↗	6%
Education	54.5	54.9	58.5	54.5	→	0%
Healthcare and social welfare	37.5	35	37.5	36.4	↘	-3%
Other areas of activity	28.8	31.1	34.3	35.6	↗	24%
Areas of activity in total	595.5	607.4	646.3	655.3	↗	10%

Source: Statistics Estonia, 2009.

Nevertheless, not all economic sectors were able to be adequately competitive in the conditions of fast growth and shortage of labour force. The biggest relative falls were experienced in the sectors of fishing (42%) and mining (31%). In absolute terms, the number of employees decreased the most in manufacturing, where it had fallen by more than 6,000 people by 2007 . The decreases were also large in the sectors of agriculture, hunting and forestry (down by 2,600 jobs), mining (2,500) and electricity, gas and water supply (2,500).

A big part of VET graduates acquire vocational education in professions of production and processing, therefore it is important to analyse the employment situation also within manufacturing. During the period 2004-2007, the biggest number of new jobs was created in the area of metal and metal products manufacturing, where employment rose by 3,500 people, 2,100 new jobs were created in production of other non-metallic mineral products (e.g. building materials from concrete or clay) and 1,900 in the developing area of rubber and plastic products manufacturing (see Table 14). Employment fell significantly in the sector of food, beverages and tobacco production, where almost 6,000 jobs were lost. In manufacturing of timber and timber products, the number of employed went down by 2,800.

Table 14. The employed aged 15-74 in manufacturing in 2004-2007 (thousands)

	2004	2005	2006	2007		Change
Manufacturing of food, beverages and tobacco products	21.3	20.3	16	15.5	↘	-27%
Manufacturing of textiles	10.4	8.1	9.3	10.3	↘	-1%
Manufacturing of clothing, processing and dyeing of fur	11.5	13.7	13.7	12.4	↗	8%
Processing of leather and manufacturing of leather products	3.2	3.6	2	1.2	↘	-63%
Manufacturing of timber and timber products	22.9	21.2	21.6	20.1	↘	-12%
Manufacturing of paper pulp, paper and paper products	7	9.6	7.9	6.9	↘	-1%
Manufacturing of coke, refined petroleum products and nuclear fuel	3.4	4.1	3.4	3	↘	-12%
Manufacturing of rubber and plastic products	3.6	2.9	4.7	5.5	↗	53%
Manufacturing of other non-metallic mineral products	4.1	5.1	5.4	6.2	↗	51%
Manufacture of metal and metal products	14.4	15.4	16.7	17.9	↗	24%
Manufacturing of machinery and equipment not elsewhere categorised	3.4	3.4	3.8	4.3	↗	26%
Manufacturing of electrical and optical products	12.9	12.9	11.2	11.6	↘	-10%
Manufacturing of transport vehicles	7.3	5.7	6.5	7	↘	-4%
Manufacturing elsewhere not categorised	15.3	13.6	14.2	13	↘	-15%
Manufacturing in total	140.9	139.5	136.4	134.8	↘	-4%

Source: Statistics Estonia, 2009.

2. Prognosis of workforce need until 2015

Since 2003, the Ministry of Economic Affairs and Communications prepares mid-term forecasts of Estonian workforce need, which are one of the most important inputs in planning VET SCE. On the basis of "Prognosis of workforce need until 2015" prepared in 2008, an overview can be given on the expectations towards VET in the near future.

Compared to the average level of 2005-2007, the number of people in employment will remain virtually the same during the period of prognosis, new jobs being created mainly in the services sector. In the primary sector, the decrease of employment will continue, but at a slower pace than so far, while in forestry it will likely remain unchanged. Some fall in employment is also expected in the secondary sector. Increase of employment is seen mainly in the sectors with higher labour productivity and decrease in those where the added value per worker is below average. The number of employed will decrease in mining, manufacturing, energy and construction. Several industries with a high added value and orientation to export will create new jobs. In the most labour intensive parts of a sector, it will become increasingly difficult to compete with countries with lower labour costs. The expected rise of employment in the services sector is mainly due to the growth in consuming services arising from the improvement in the standard of living and to the increase in the volume of services export. A fast rise of employment is expected in the sector of accommodation and catering, where working abroad plays a significant part. Business services and social welfare are also areas with significant estimated job growth. In the structure of professions, the developments will be somewhat different depending on the sector, employment increasing mainly as regards specialists,

operators of machinery and equipment and skilled workers, and in the services sector as regards specialists and service workers. The number of unskilled workers will fall[34].

Very important components in a prognosis for workforce need are retiring and death rate, i.e. irreversible leaving from workforce or loss of workforce. In the coming years, 14,000 people are expected to leave the labour market annually. Larger workforce movements away from the sector are expected in several manufacturing branches, mining, energy, agriculture and fisheries, but also in healthcare and education, where the average age of workers is higher. In the services sector, the labour is younger.

For VET it is important that the prognosis of workforce need until 2015 also includes an analysis on three levels of education. The second level covers both VET and general secondary education. Assuming that general secondary education is mostly a preparation for continuing to higher education, the need for workers with second level education may be regarded as the need for workers with vocational education. Table 15 shows sectors where the need for workers with II level of education changes by 2015 by more than 500 people compared to the average of 2005-2007.

[34] Prognosis of workforce need until 2015. Ministry of Economic Affairs and Communications, 2008, p. 4.

Table 15. Prognosis of the change of workforce need with II level of education in 2015 (thousands)[35].

	2005/07	2015		Change
Agriculture, hunting and forestry	17.7	16.7	↘	-1
Manufacturing	87	85.3	↘	-1.7
- manufacturing of textiles	5.8	4.5	↘	-1.3
- manufacturing of clothing	8.6	6.2	↘	-2.4
- manufacturing of timber and timber products	13.2	12.3	↘	-0.9
- manufacturing of rubber and plastic products	2.7	3.4	↗	0.7
- manufacturing of metal and metal products	12.1	13.4	↗	1.3
- manufacturing of electrical and optical products	7	8.3	↗	1.3
- manufacturing of transport vehicles	2.8	3.3	↗	0.5
- furniture industry	7.9	6.4	↘	-1.5
Electricity, gas and water supply	6.9	6	↘	-0.9
Construction	40.9	38	↘	-2.9
Wholesale and retail trade	51.9	53.9	↗	2
- sale of motor vehicles and fuels	10	10.5	↗	0.5
- wholesale	10.1	8.2	↘	-1.9
- retail	31.7	34.9	↗	3.2
Hotels and restaurants	14.6	16.2	↗	1.6
Transportation, storage and communications	36.1	35.2	↘	-0.9
Real estate servicing	5.4	5.9	↗	0.5
Other rental and business services	15.2	16.1	↗	0.9
Public administration and defence	16.1	15.6	↘	-0.5
Healthcare and social work	14.9	16.9	↗	2

Source: Ministry of Economic Affairs and Communications, 2008.

Compared to the average of 2005-2007, the biggest rise in the need for workforce with II level of education is expected in the retail sector, where 3,200 new jobs will be created by 2015. Many new workers with vocational education will be needed also in accommodation and catering (1,600 people). In manufacturing, the requirement for new workers with vocational education is biggest in the sectors of metal and metal products and of electrical and optical products. The biggest fall in the need for workers with II level education is expected in construction, where by 2015 that requirement will have gone down by 2,900 compared to 2007. The sectors of clothing manufacturing and wholesale are also expected to experience a fall in the number of jobs (by 2,400 and 1,900 respectively). Taking account of the fact that many workers lack a vocational education diploma, the actual need for people with vocational education is significantly bigger than shown in the prognosis.

In order to increase added value per worker, Estonian businesses need to move into more profitable sectors and introduce new and more efficient technologies. This presumes the availability of people who operate complex equipment and machinery. At the moment, there are not enough such people

[35] The table presents sectors where the change in workforce need is more than 500 people.

in the labour market. Therefore, in addition to the innovativeness of companies, the ability and will of their workers to keep up with change and their willingness to continuously develop themselves will become ever more important. As skilled workers make up a large part of future specialists, it is very important that VET encouraged acquiring more complex skills and knowledge. In several sectors with a big workforce need, the problem might lie in the low attractiveness of the offered wage level for potential workers[36].

3. European labour market prognosis until 2020

For a small country like Estonia, monitoring the trends in the European labour market is very important. Coordinated by the European Centre for the Development of Vocational Training (CEDEFOP), a study was carried out with the aim of preparing a mid-term prognosis of the need for professional skills in Europe. Its results, including information on what kind of jobs might come into being in Europe and which are likely to disappear, are presented in the publication "Future skill supply in Europe up to 2020. medium term forecast and changes in sectors[37].

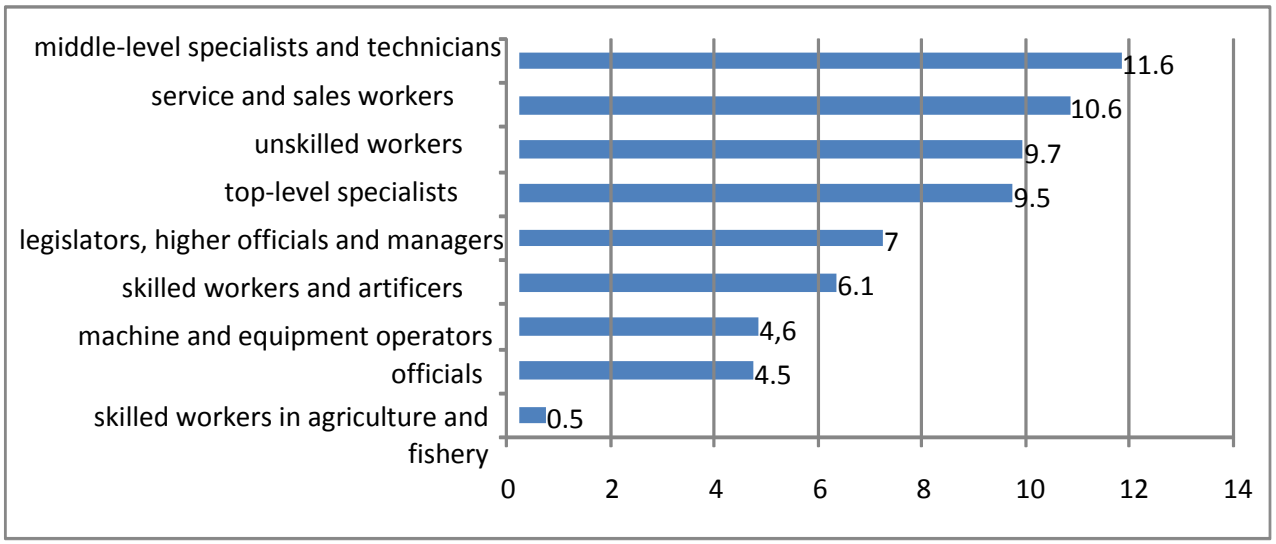
The study confirms that by areas of activity, the shift of the economic structure from the primary sector (especially in agriculture) and traditional industries towards services and knowledge intensive branches of economy continues. However, the sectoral changes are not revolutionary, but rather take place in a continuous development. In EU 25+ countries[38], the total number of jobs is expected to increase by 13 million. Looking at sectors, the biggest growth of jobs will be seen in the provision of business and other services (9 million). Trade, transportation, accommodation and catering will contribute 3.5 million new jobs, while almost as many (3.2 millions) will be created in the public services sector (education, healthcare, public administration). At the same time, more than two million jobs will be lost in agriculture and almost half a million in manufacturing The development of the construction sector which grew in the previous decade will probably be balanced somewhat during 2006-2015, with almost half a million new jobs being created. In 2015, Europe is estimated to have over 34 million jobs in the industry sector[39].

Out of occupations, the number of jobs will fall particularly in the group of skilled agricultural and fishery workers (see Chart 20). Out of 10 million jobs in that sector in 1996, almost half will be lost by 2015. The number of skilled workers and artificers was still large in 2006, standing at 29 million, due to a decline in the employment of the manufacturing sector, and there will be no escape from the impact of new technologies towards the loss of these jobs. The number of operators of equipment and machinery will remain stable in Europe, standing at about 17-18 million by 2015. In many other occupations, however, positive trends are expected to continue. These include top-level specialists, middle level specialists, technicians and managers. There is a general likelihood that the need for highly skilled workers will grow (ISCO 1-3). However, the number of jobs is also expected to rise in some occupations with lower skill requirements, e.g. service and sales workers, and among unskilled workers. In this context, it is important to keep in mind that although new jobs will be added in the groups where fewer skills are needed, the qualification requirements set before workers of these

[36] Prognosis of workforce need until 2015 Ministry of Economic Affairs and Communications, 2008, p. 5-6.
[37] "Future Skill Needs in Europe. Medium Term Forecast: Synthesis Report". Cedefop, 2008. The Estonian language version was issued by the VET Observatory in 2008.
[38] The forecast covers 25 EU member states (before the accession of Bulgaria and Romania), Norway and Switzerland.
[39] Future skill supply in Europe up to 2020. Medium term forecast and changes in sectors. VET Observatory, 2008, p. 18.

areas are showing an upward trend - even simple work cannot be done without adequate training. The addition of jobs requiring fewer skills confirms the continuing polarisation of work distribution: both edges of the distribution of professional areas are growing. Therefore, more attention should be paid to equality and social inclusion and possible nonconformity between skills and requirements[40].

Chart 20. Need for new workers in Europe by occupations in 2006-2015 (million people)



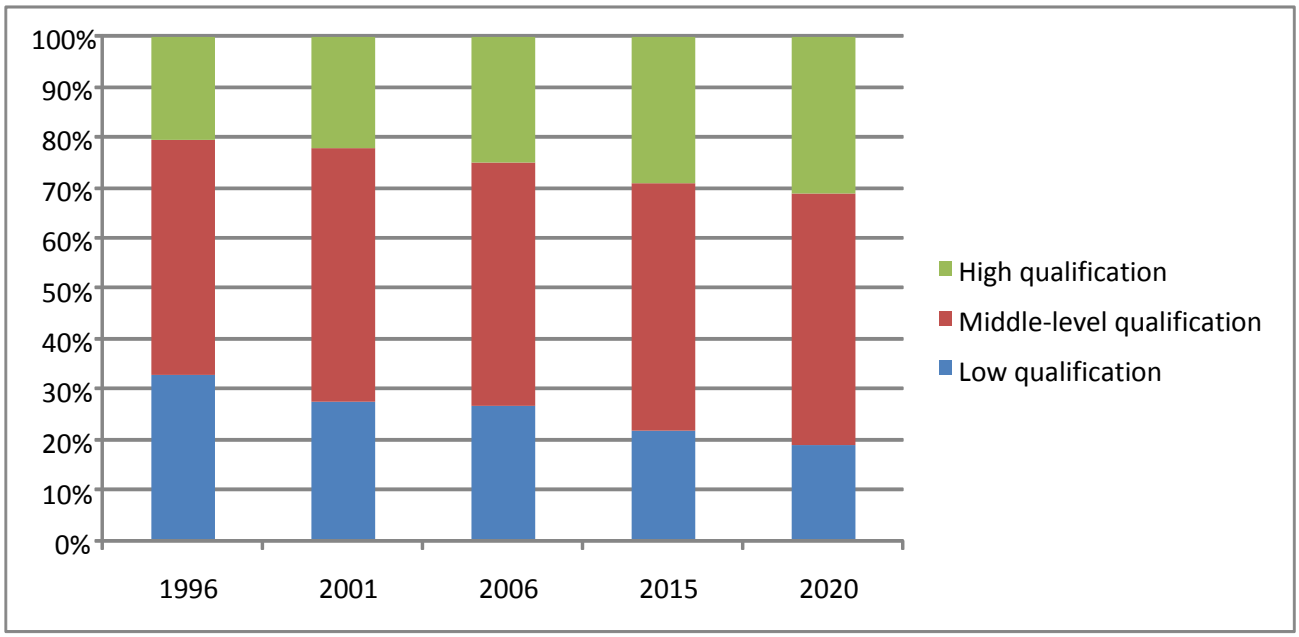
Source: CEDEFOP, 2008.

In order to assess the impact of changes taking place in economy on education, training and job opportunities, it is important to follow workforce replacement need as well. Due to population ageing, the replacement demand will include about a quarter of all workers in 2006-2015. Compared to that, the increase in the need for jobs related to the growth of economic sectors is negligible. Notwithstanding the negative expansion demand in some occupations, i.e. the decrease in the number of jobs, the replacement demand is so much larger that it creates a positive total demand. For example, as the number of skilled workers in agriculture and fisheries is expected to fall by 1.7 million during 2006-2015 and 2.2 million workers will leave jobs for various reasons, almost half a million new workers will still be needed in those years to fill the jobs that have become vacant[41].

According to the forecast, a higher qualification will be required in 31.5% and medium-level qualification in 50% of jobs in 2020 (see Chart 21). The need for people with low qualifications falls from 33% in 2006 to 18.5% in 2020. 58% of the 105 million jobs opening between 2006-2015, including new jobs with replacement demand, will require middle-level skills. Traditionally, these include also workers trained in VET. 41 million jobs will open for highly-qualified workers. 10 million jobs will become available for workers with low qualifications. Consequently, the current qualification structure of the workforce needs to change[42].

[40] *Ibid*., p. 20.
[41] Future skill supply in Europe up to 2020. Medium term forecast and changes in sectors. VET Observatory, 2008, p. 20-21.
[42] *Ibid*., p. 25.

Chart 21. Structure of jobs by levels of qualification between 1996-2020



Source: CEDEFOP, 2008.

Conclusions for VET

The Estonian Development Fund's report "The Estonian Economy Current Status of Competitiveness and Future Outlooks" stresses the changing of the structure of new arrivals on the job market through state-commissioned education as one of the most important tasks of the state[43]. In order to make products with more added value, more graduates are needed in the areas of sciences as well as technology, production and construction. While the SCE submitted by MER corresponds to society's needs, as confirmed by an audit by the National Audit Office on higher education SCE[44], the problem is that the priority areas do not have enough enrollers, and the percentage of interruptions in SCE student places is high. Consequently, institutions of higher education cannot ensure the number of graduates planned in SCE contracts. The problems with filling student places of sciences and technology, production and construction at the higher education level also get carried over to vocational education. Estonia lacks a clear vision of the branches of economy, preferentially developing of which could raise international competitiveness, and there are too few engineers, scientists and educated entrepreneurs who would develop those areas. For this reason, it would be neither reasonable nor possible for the VET system to start training skilled workers, specialists, technicians and machine and equipment operators in those areas. To ensure graduates' successful entry to the labour market, the Ministry of Education and Research takes as a basis the most accurate source dealing with future trends of the labour market – the prognosis of workforce need compiled by the Ministry of Economic Affairs and Communications. In view of the possible future structural changes, it is very important that almost 50% of VET graduates acquire education in the

[43] Eesti majanduse konkurentsivõime hetkeseis ja tulevikuväljavaated (The Estonian Economy Current Status of Competitiveness and Future Outlooks). Estonian Development Fund, 2008, p. 50.

[44] Kõrghariduse riiklik koolitustellimus. (State-commissioned higher education) Kas riik saab, mida soovib? (Does the state get what it wants?) National Audit Office, 2008, p. 1-2.

areas of study of sciences and technology, production and construction (as a balancing force to the slightly over 20% in higher education). A strong basis of technical education is a major advantage from the point of view of future success.

Involving a bigger part of the population into VET in both formal education after basic school and adult training remains the biggest challenge in VET. Today, about 30% of basic school graduates start vocational education, but in the future, this proportion should grow to 50%. While the proportion of young people who choose VET has constantly increased, this growth has been nowhere near adequate. The planned reform of separating basic schools from upper secondary schools will probably improve the situation, hopefully reducing the unhealthy competition between VET institutions and upper secondary schools so far. The prospect of VET in educating adults is apparent from the big number of people without professional training in Estonian society. The VET system also has to deal with retraining needed by people who have lost their jobs in the recession.

Annex 7. European initiatives in the development of VET

In March 2000, European political leaders agreed in Lisbon that by 2010, the European Union must become the most dynamic and competitive knowledge-based economic area in the world capable of sustainable economic growth with more better jobs and greater social cohesion, and respect for the environment. A precondition for the European success is high-quality lifelong learning as well as growing and increasingly efficient investments into human capital and creativity.

1. Education and training 2010

To achieve the goals set in the Lisbon Strategy, the Council of the European Union adopted a strategic document in 2001 that presented main objectives of the development of the area of education and training.

– In order to raise the quality and efficiency of the European Union education and training system, teacher training system should be improved, skills necessary for a knowledge-based economy should be developed, everyone's access to ICT tools should be ensured, admission to technical fields of study should be increased and available resources should be used efficiently.

– In order to secure everyone's access to education and training, it is necessary to create an open learning environment, increase attractiveness of learning, and support citizen activity, equal opportunities and social cohesion.

– In order to ensure openness of education systems, it is important to reinforce links between the world of labour, science and society, to develop entrepreneurship, to improve teaching of foreign languages, to increase mobility and to enhance pan-European cooperation.

2. Copenhagen Process

In Europe, cooperation in the field of vocational education and training is done under the Copenhagen Process, which was initiated in 2002 on the basis of the objectives of the Lisbon Strategy. Every two years, conclusions on the results of the preceding period are drawn and new targets are set for the following period. Meetings on this subject between educational leaders have been held in Maastricht (2004), Helsinki (2006) and Bordeaux (2008).

Europe sees VET as having a central role in processes of innovation and in transition to a knowledge-based economy. At the same time, the social role of VET in ensuring equal opportunities for everyone to receive education and to enter the job market is also important. The Copenhagen Declaration emphasizes the importance of the European dimension and the need to reinforce cooperation in the area of VET in order to promote the reliability, transparency and recognition of skills and qualifications, laying the foundation for better mobility and enabling access to lifelong learning.

1. In order to reinforce the *European dimension*, mobility and inter-institutional cooperation should be promoted, so that Europe could become a reference of education and training for learners in the whole world.

2. *Increasing transparency of VET*, including the integration of existing instruments such as the European CV, certificate and diploma supplements and Europass into one single framework.

3. *Strengthening information and counselling systems* at all levels of education, training and employment in order to support occupational mobility of citizens in Europe.

4. *In order to ensure transparency, comparability, transferability and recognition of qualifications*, reference levels, uniform principles of issuing certificates and the vocational education credit transfer system are to be developed in cooperation with social partners. The development of principles regarding the validation and recognition (RPL) of non-formal and informal education.

5. Encouraging cooperation in *quality assurance* in order to exchange experiences as regards quality assurance models, methods, criteria and principles.

6. Attention should be given to continuing training needs of *teachers and trainers* in all forms of VET.

So far, under the Copenhagen Process, principles of recognition of informal and non-formal learning (RPL) have been agreed upon, Europass framework and European Qualifications Framework (EQF) have been established, which has stimulated change at national level, for example creation of national qualifications frameworks in line with EQF.

A common credit point system (ECVET) and the European Quality Assurance Reference Framework (EQARF) are on their way. In order to promote cooperation between different institutions and interest groups, several working groups and networks have been created, pilot studies are being carried out and experiences are being exchanged.

3. Bordeaux Communiqué

In November 2008, European ministers responsible for the area of vocational education and training adopted the Bordeaux Communiqué where activity priorities for the last two years of the Copenhagen Process are defined. Similarly to earlier communiqués of Maastricht and Helsinki, the document approved in Bordeaux also supports Member States in shaping national VET policies.

Bordeaux Communiqué emphasizes the importance and role of VET in the globalisation process. In developing VET, both European and world-wide new structural changes that significantly affect the labour market should be taken into consideration. Intensification of global competition and rise of new economic power centres[45], demographic changes[46], fast technological developments[47] and the structural gap[48] in the European labour market require effective political action.

[45] Brazil, Russia, India and China are seen as new economic power centres (BRIC is the common acronym of the said countries, formed from the first letters of their English names).

[46] Demographic changes include mainly population ageing, change in skills needed in the labour market and persistent inequalities.

[47] New information technologies, the challenges posed by climate change and the need for sustainable development require anticipation of changes in the requirements towards workers' skills.

[48] Between 2006-2020, 20 million new jobs are created in Europe, while more than 3 million jobs are lost in agriculture and 0.8 million in manufacturing. Three quarters of jobs are expected to be connected to the services sector. Retiring will make vacant 85 million jobs, while the population decreases by 6 million.

VET is in the centre of economic, social and labour market policies. On the one hand, VET must provide opportunities to ensure top-level skills, but on the other hand, it must be equally available for all and ensure equal opportunities, being closely connected to general and higher education. In addition, VET has a very important role in implementing strategies of lifelong learning.

In planning VET policies, solutions must be found to problems that hinder the rise of European competitiveness:

– high youth unemployment that stood at the average of 15.5% in Europe in 2007;

– premature leaving of young people from the education system. Despite the progress made, 14.8% of young people settled with only basic education in 2007. The target for 2010 was that this proportion should go down to 10%;

– low level of qualification of adults – 78 million Europeans aged 25-64 have low qualification levels, but the adult participation in training is still low. More learning opportunities should be created for older people and people with low qualification levels as well as for workers of small and medium sized enterprises as these create the most new jobs.

4. Priorities for 2009-2010

In 2009 and 2010, effective implementation of already developed measures should be focused on. To give new momentum to this work, the Bordeaux Communiqué defines four priorities for future activities.

Promoting means of cooperation in the field of VET at national and European level

In the whole Europe, much attention is paid to increasing transparency of qualifications and promoting mobility:

– developing national qualifications systems and measures for recognising learning outcomes, based on the European common qualifications framework (EQF);

– implementing the common credit point system (ECVET) and the quality assurance reference framework of VET (EQAEF);

– ensuring coordination in the implementation of planned measures and systems.

Increasing quality and attractiveness of VET

In the implementation of lifelong learning strategies, VET has a twofold role. On the one hand, it contributes to the development of entrepreneurship and innovation, and on the other hand, it enables people to acquire the skills and knowledge they need at work. Attractiveness, accessibility and quality are the keywords that help VET in fulfilling these roles.

1. **Increasing attractiveness of VET:**

– promoting the possibilities of VET among students, parents, adults and enterprises (among other ways, through organisation of vocational competitions);

– ensuring access to VET for all target group (incl. early school leavers, low-skilled people and people with special needs);

– ensuring career services;

– strengthening links between different levels of education in order to encourage movement from one qualification level to another.

2. **Ensuring quality of VET:**

– developing quality assurance mechanisms (development of EQARF, active participation in the European Network for Quality Assurance in Vocational Education and Training (ENQA-VET), implementing EQF);

– initial and continuing training for teachers, trainers, tutors and counsellors;

– increasing investments;

– ensuring the reliability and accuracy of the statistics at the basis of VET policies;

– developing national qualifications systems;

– promoting innovation and creativity in VET;

– developing language learning;

– facilitating transfers between VET, general education and higher education.

Improving connection between VET and the labour market

To contribute to higher employment and to ensure workforce security, VET policies must be geared to labour market needs and social partners must be involved:

– continuing the development of mechanisms of forecasting workforce needs, both at national and European level;

– involving social partners and businesses in defining and implementing VET policies;

– improving the system of career services in order to improve transfer from education to employment;

– encouraging adult training;

– developing and implementing mechanisms for the recognition of non-formal and informal learning outcomes (RPL);

– increasing the mobility of people participating in work-related training;

– increasing the role of higher education in VET.

Strengthening pan-European cooperation

The Copenhagen Process and its results must be reflected in European future framework documents in the field of education and training:

– improving cooperation in the field of VET, increasing the efficiency of peer learning and capitalising on their results in terms of national policies;

– ensuring the visibility of VET in the European future strategic framework in the field of education and training, ensuring links between vocational education and general education, higher education and adult learning policies, strengthening cooperation on youth policies and language policies. More cooperation must be done between the implementers of Copenhagen and Bologna processes;

– consolidating exchanges and cooperation with third countries and international organisations, such as the OECD, the Council of Europe, the International Labour Organisation and UNESCO. All Member States must be ensured the right to participate in this cooperation.

The Estonian VET policies have been defined in line with the priorities of the European Union and Copenhagen Process. A number of initiatives (developing RPL principles, implementing new professional qualifications system) have indeed been set in motion from pan-European initiatives.

Annex 8. Connections with other development plans and strategy papers

The "Development plan for the Estonian vocational education and training system 2009-2013" is directly linked to the following development plans and strategy papers:

1. The development plan for the Estonian general education system 2007-2013, the activities of which support, taking into account the principles of lifelong learning, cohesion between the organisation of general education studies and VET (opportunities of further study in VET institutions, increasing the proportion of pre-vocational training in curricula of general education schools).

2. Estonian Higher Education Strategy 2006-2015, the aims of which include a stronger connection of higher education to the expectations of society and students and to the needs of the labour market, and ensuring the quality of education.

3. Strategy for the internationalisation of Estonian higher education for 2006-2015 with the development of knowledge-based society as one of its aims.

4. One of the aims of the development strategy of the Estonian language 2004-2010 is, similarly to this development plan, to ensure a level of Estonian language skills of VET graduates that would enable them to be successful in work life.

5. Similarly to the targets of integrated youth policies in the Estonian youth work strategy 2006-2013, one of the important goals of this development plan is to give to the youth basic knowledge in formal education, vocational and social skills necessary for coping in society and thereby to ensure the sustainability of society. In the context of the planned development plan, implementation of an integrated counselling model in order to improve the availability of counselling services has an important role.
6. The strategy of Estonian research and development and innovation for 2007-2013 "Knowledge-based Estonia". A knowledge-based and innovative society needs more high-level technicians, skilled workers and service providers. VET institutions must also contribute to their training.

7. Estonian strategy for eLearning in vocational and higher education 2007-2012 states as its goal everyday use of eLearning methods and information and communication technology tools in VET.

8. Estonian action plan for growth and jobs 2008-2011, defining the important role of VET in raising the competitiveness of workers both through increasing the number of learners in formal education and through offering wider continuing education.

9. The development plan must consider the "Development Plan for Estonian Adult Education 2009-2013" that is being prepared in the Ministry of Education and Research and will be presented to the Government of the Republic for approval in the second half of 2009.

10. Estonian teacher education strategy for 2009-2013 specifies as a goal implementing flexible models in teacher education that take into consideration the needs of the education system and individuality of learners Universities ensure furthering professional knowledge and skills in the

curricula for the initial training of vocational teachers to the extent of at least 25% of the total volume of the curriculum.

11. The action programme of the Government of the Republic for 2007-2011 aims at flexible VET opportunities, arranged network of VET institutions and average financing of a VET student place with a coefficient of 1.5 as compared to general education, and establishment of conditions for significantly wider involvement of private sector in modernising VET. Extending work-related adult training opportunities in VET institutions serves a goal of the action programme of the Government of the Republic for 2007-2011 to increase participation of adults in education from 6% to 12.5% by 2010.

12. National structural funds implementation strategy 2007-2013, human resources development implementation plan 2007-2013, the priority area of lifelong learning and the development of education infrastructure under living environment development implementation plan 2007-2013 deal with VET.

Other strategic and national documents that need to be considered

1. “Strategy Sustainable Estonia 21”
2. State budget strategy 2009–2012
3. Transport development plan 2006–2013
4. Estonian Enterprise Policy 2007–2013
5. Estonian Rural Development Strategy 2007–2013
6. Estonian Fisheries Strategy 2007-2013
7. Estonian Integration Programme 2008–2013
8. Estonian Information Society Strategy 2013
9. Lifelong Learning Strategy 2005-2008

International strategies and guidelines

1. Lisbon Strategy (2000) and its implementation plans, including the basic document of the programme "Education and Training 2010" (2001)
2. The Community Strategic Guidelines 2007–2013 (2005)
3. Recommendation of the European Parliament and of the Council on the establishment of the European Qualifications Framework for lifelong learning (2008)
4. Copenhagen Declaration (2002)
5. Maastricht Communiqué (2004)
6. Helsinki Communiqué (2006)
7. Bordeaux Communiqué (2008)