



# A list of fields of study in an oversupply at the labour market and a list of fields of study in an undersupply in the labour market

Zoznam študijných odborov a učebných odborov nad rozsah potrieb trhu práce a Zoznam študijných odborov a učebných odborov s nedostatočným počtom absolventov pre potreby trhu práce



Slovakia

## 1 DESCRIPTION

**Timespan** Since 2014, still in operation.

**Stage** FULLY OPERATIONAL

**Focus area**



MATCHING SKILLS FOR TODAY'S JOB MARKET

## 2 FOUNDATIONS

**Policy Area**



INITIAL VOCATIONAL EDUCATION AND TRAINING

The tool was designed to regulate the structure of initial VET programmes according to the labour market needs.

**Policy Goal**

The policy goal is to better adjust the IVET system to labour market needs, in order to supply occupations in demand to the labour market and to prevent unemployment of IVET graduates. The intervention aims to better align supply and demand in the labour market. The instrument contributes to this by changing funding incentives for selected fields of study in IVET, to steer regulatory decisions of regional territorial units, which are founders of IVET schools in Slovakia.

**Mismatch**

**EXPLICITLY DESIGNED TO ADDRESS SKILL MISMATCH**

Lists have been implemented in order to better align the structure of education/IVET to labour market needs.

**Aim of policy instrument**



MATCH SKILLS OF YOUNG GRADUATES



ADDRESS SKILL SHORTAGES

**Legal basis**

MINISTERIAL ORDER

**Administrative level**

NATIONAL

**Main responsible body**

Ministry of Education, Science and Sports

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## Stakeholders



**GOVERNMENT (CENTRAL & REGIONAL)**



**EMPLOYER FEDERATIONS**



**TRADE UNIONS**



**CHAMBERS OF COMMERCE AND INDUSTRY**



**SOCIAL PARTNERS**

Professional associations are consulting the process of preparing the list, as well as social partners represented in the National Council for VET, who validate the lists. Regional strategies for VET (prepared by higher territorial units) and sectoral strategies for VET (prepared by sectoral councils for VET/professional associations) are taken into account when preparing the lists. The Central Office for Labour, Social Affairs and Family and CVTI (Centre for science and technical information and data) are also involved, mainly in the form of providing data inputs for the preparation of lists. The lists are prepared by public servants at the Ministry of Education, as stipulated by a decree, and no special funds are allocated to prepare the lists. The process engages various stakeholders and/or their outputs (e.g. regional VET strategies), and is fairly participatory. This implies an inbuilt monitoring process. The lists are regularly updated, which implies their evaluation.

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## Funding

No extra state funds are dedicated to the preparation of the lists, but the instrument adjusted the per capita funding formula, which is based on whether a given field of study is oversupplied (10% less) or undersupplied (10% more). Students with strong school performance can receive stipends if they enrol in undersupplied fields of study. The preparation of the lists is a task of public servants at the Ministry of Education, with data inputs from institutions such as Central Labour Office and CVTI, as stipulated by respective law and decree. No special funding has been allocated to this practice.

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## Intended beneficiaries

Provided that the regulation is effective (which has not been shown so far), the key beneficiary are firms that should be able to find more appropriately educated workforce in terms of the specialisations entering labour market. Students also benefit in the long run, as they should have easier school-to-work transitions. The state also benefits, as the regulation saves on costs related to youth unemployment, retraining costs, etc.

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## 3 PROCESSES

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### Use of labour market intelligence



**INFORM DECISIONS ON COURSE FUNDING/PROVISION**

The lists are based on several related data inputs. The key indicators are: graduate unemployment rate, replacement demand for a particular field of study, the number of students currently enrolled in a field of study, regional VET strategies, and sectoral VET strategies. These data are combined, discussed and debated, in order to produce widely agreed lists of fields of study, which are then considered in the IVET funding scheme.

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### Financial schemes

Funding of IVET programmes is linked to the lists. The per capita funding formula is adjusted to be higher/lower depending on whether a given field of study appears on the list in an undersupply/oversupply.

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### Frequency of updates

Frequency of updates is not specified, but the last adjustments were made two years apart. Adjustment are linked to labour market and legal developments in the country.

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**Development**

The tool was launched in 2014, formalised in a ministerial order in 2015 and re-adjusted in 2017. The new 2017 ministerial order decreased the thresholds of the graduate unemployment rate used to determine under/over-supplied fields of study. Furthermore, within VET fields, it defines as over-supplied all those fields of study where no dual education is offered. The new directive expanded the stakeholders involved in the process to include all major ministries, in addition to major stakeholders involved in the skill governance structure. The adjustments were made due to the changing situation in the labour market, where graduate unemployment rate has fallen, as well as to reflect the new VET law, which introduced elements of dual VET into the Slovak secondary education system.

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**Barriers**

Not aware of any barriers to the implementation as such, as it is a ministerial order and engages a wide range of actors. A soft barrier is a weak link between the tool and information accessible to pupils entering secondary education, which would enable them to make better informed choices about the selection of their fields of study.

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**Success factors**

The instrument engages a wide range of stakeholders, which increases its acceptance. Financial incentives tied to the list make regions more likely to adapt the structure of initial VET (through the number of entry classes) according to the lists.

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**Monitoring**

Indicators presented in an analysis of the instrument made by Education Policy Institute compares the number of entry classes suggested by schools and the number approved by the regional authorities. It shows a partial impact of the instrument.

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**Innovativeness****VERY INNOVATIVE**

Lists appear to be a fairly unique mode of regulation of IVET. They increase the capacity of central government in regulating IVET, which is formally the competence of regions. Regulation is soft in the sense that it is not binding, but financial incentives are aligned to the lists to make regions more likely to follow the lists. Success has been only partial - regions appear to be more successful in regulating fields of study in an oversupply, and less successful in attracting students to enrol in the fields of study in an undersupply.

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## 4 SUSTAINABILITY

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**Evidence of effectiveness**

The instrument is only partially effective. The analysis of the instrument made by Education Policy Institute points to methodological and data gaps, which hamper accuracy and impact of the instrument. Since the introduction of the instruments, regions have been more active in adapting the number of entry IVET classes. They have been more successful in decreasing the number of classes in the fields of study that are in oversupply, but less successful in attracting students to the fields of study in undersupply. Benefits are weaker due to insufficient career guidance, which would transmit information to pupils.

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**Engagement of stakeholders**

Engagement of stakeholders is stipulated in the ministerial order.

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**Transferability****NOT EASILY TRANSFERABLE**

The instrument responds to a particular governance structure of secondary education in Slovakia and is related to specific problems linked to it, such as difficulties to effectively regulate the structure of IVET.

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**Sustainability**

The instrument is part of a broader system of skill governance of the country. In spite of the critique, it is likely to continue, possibly with further changes and adjustments in the methodology.

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