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**"Research based policy proposals for the improvement of the school-to-work-transition"**

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Transition from school to work has gained considerable attention since the 1990s, when it became apparent that, despite demographic and economic improvements, the economic position of young people declined persistently (OECD 1996).<sup>i</sup> Some major comparative research and policy analysis projects at the OECD and European level have developed key concepts and collected important evidence with regard to this development.

However, some influential approaches for more appropriate employment and labour market policy might not be very conclusive for the problems in the situation of young people. The paper first introduces the basic ideas of the three approaches of "flexicurity", "transitional labour markets", and "integrated transition policies". Whereas two approaches have been developed to cope with the more general challenges for employment policy, the latter has been particularly developed for the purpose of the integration of disadvantaged young people. The following sections give an overview about the transitions of young people (2), review the knowledge about the influence of structural and institutional factors for youth transitions (3), and discuss policies and policy proposals and their effects (3).

1. Policy approaches and their relevance for youth transitions: Flexicurity, Transitional Labour Markets, and Integrated Transition Policies

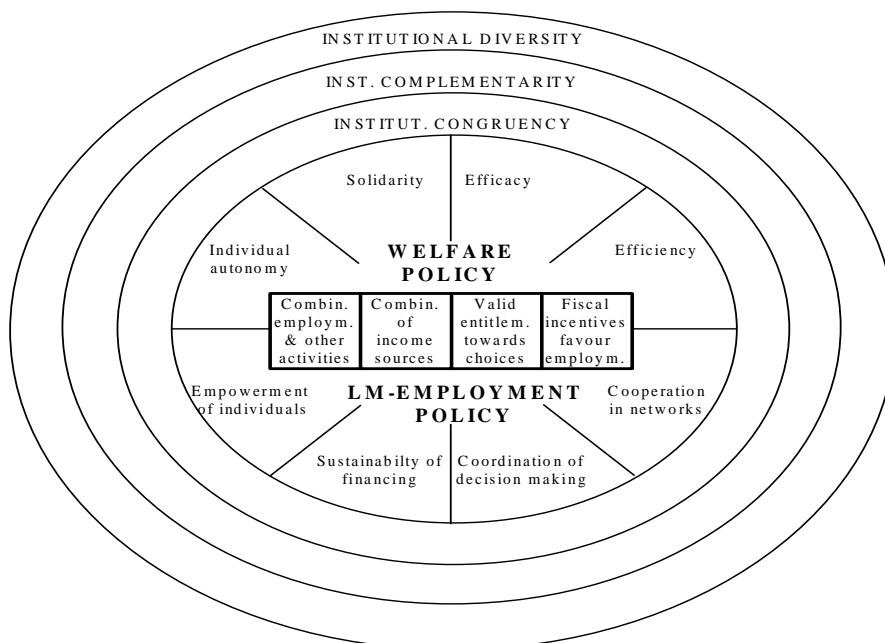
The *flexicurity* (FL) approach as a reconciliation of flexibility and security has been adopted by the European institutions as a generative approach for the further development of employment policy.<sup>ii</sup> The basic structure of this approach rests on two pillars, the flexicurity matrix which structures different patterns of flexibility and security, and the "golden triangle" of the Danish model, which comprises a certain combination and interaction of employment flexibility with generous income support and strong active labour market policy interventions.

The *transitional labour market* (TLM) approach is a broad theory driven approach which combines certain assumptions about changes in the employment system with criteria of the quality and comprehensiveness of policy making.<sup>iii</sup> The transition between education and training on the one hand, and employment on the other, has been defined as a particular type of labour market transitions. The overall challenge is how to build institutional mechanisms for the bridging of such transitions as parts of the social security system.

The concept of a transitional labour market as a "bridging institution" combines the patterns of transitions with institutional arrangements that structure them. In this sense, TLMs are bridging institutions built upon aggregates of transitions. These institutions must be explicitly identified within the broader framework of institutions covering the overall field in question: the complex education and training system, the institutions which govern employment and the labour market, and those relevant

to areas outside employment (the family, the retirement regulations, etc.). Moreover, TLMs are defined as institutional arrangements which should support a new concept of full employment. The core idea is that a multiplicity of different kinds of employment opportunities combined with the provision of security arrangements supporting mobility would increase employment and reduce unemployment overall.

**Figure 1** Core elements and criteria of TLM policy devices and requirements



Source Figure by the author, derived from Schmid 1998, 2002.

Figure 1 shows the basic principles and criteria of TLM arrangements and policies (Schmid 1998, 2002).<sup>iv</sup> The concept combines analytic and prescriptive elements. First, TLM arrangements are based on the four principles related to prescriptive policy, located in the centre of the figure. These principles directly affect the individuals and their social environment, and relate them to the other actors, i.e., the employers and the providers of public assistance:

- A) the combination of paid employment with other useful social activities;
- B) the combination of different income sources (e.g., wages and transfers);
- C) the provision of valid entitlements geared toward transitional choices;
- D) fiscal incentives favouring employment rather than unemployment.

Second, they are complemented by basic criteria for labour market and employment policy on the one hand, and for more general welfare policy on the other, the latter giving more general principles which also should be applied to labour market and employment policy as a part of welfare policies:

- At the level of *labour market and employment policy* four criteria should distinguish favourable from unfavourable transitional arrangements: empowerment of individuals; sustainability of financing the arrangement; flexible coordination between levels of decision making; and cooperation in networks (Schmid 1998, 9).

- At the level of *more general welfare policy provision* four generic criteria identify good institutional arrangements: individual autonomy; solidarity; efficacy; and efficiency.

Third, the outer three circles of figure 1 mark more generalised strategies which are considered as being essential for risk management (Schmid 2002, 238-240):

- a) institutional diversity, in order to cope with the various kinds of income related risks;
- b) institutional complementarities, in order to coordinate the various social security systems and the respective incentives;
- c) institutional congruency, in order to match decision making and responsibility.

Those two approaches (FL and TLM) are grossly comparable as they rest on some similar assumptions, however, as we have seen the TLM-approach is much more detailed and differentiated particularly in terms of the demands it sets on policy making.

Both approaches start with changes in the overall employment system, addressing challenges of an increase in demands for flexibility on both sides of the labour market, employers and employees. As the traditional security systems were basically built on stability, more flexible employment relations need a changed security regime. A basic problem is to bridge the divide between “insiders” in still stable employment relations and the various forms of “outsiders” which have to bear the main weight of flexibility in many systems so far. The basic position of young is initially outside of the employment system, therefore they are systematically at risk to bear much of the burden of flexibilisation if flexibility is distributed in an uneven way in segmented labour markets or employment systems. Deregulation of employment systems is sometimes proposed as a measure also for lowering the barriers for young people to enter employment.<sup>v</sup> Thus the challenge is laid on the side of stabilisation, i.e. to identify and to provide the necessary amount of stability and positive career opportunities for young people.

The FL approach generally proposes sufficient income security and active labour market measures in order to access the flexible employment system. However, we know from conventional evaluation of active labour market policy that the conventional measures do not work particularly for young people, at least according to the criteria of short-term employment or income gains. We also know that most systems for providing income security are based on previous employment, so young people are mostly excluded from income support. Thus we have to seek for specific solutions, and might firstly look at the experience of youth policy in Denmark as a leading example of flexicurity.

The TLM approach opts for the building of transitional labour markets as institutional bridges from education and training into employment. The apprenticeship system is frequently nominated as a paradigm case of a transitional labour market by the founding fathers of that approach (Schmid 2004,35).<sup>vi</sup>

A clearly observed phenomenon at the transition of young people into employment are the differentiated prospects for success for different groups of young people. A key factor is the amount of education and training required, which in turn depends strongly on the social and economic background of young people.<sup>vii</sup> The TLM approach has emphasised the notions of empowerment and choice as two basic assets of policy making.

The *integrated transition policies* (ITP) approach starts not with general employment policy but with the problems involved in the transition of disadvantaged young people.<sup>viii</sup> On the other hand a broader view on social integration based on the notion of citizenship and participation in society developed from a perspective of overall youth policy is at the centre of this approach. Social inclusion and

employment integration are seen as steps towards the broader goal of social integration. More specifically ITP are build on a concept of the interaction of structural and individual factors which are channelled through institutions. In the interaction of structures and individuals the (lack of) resources, and the increasing necessity of decisions of the individuals about their careers are emphasised as key factors. Therefore the potentials for perception, interpretation and coping on the side of young people is a key asset for balancing structure and agency. The institutions might influence those relationships in very different ways.

Changes in the basic transition patterns of young people are analysed which hit disadvantaged young people more strongly than others which own more resources to cope with them:

- De-standardisation of transitions leads to an increase of vulnerability;
- decoupling of education and employment has brought about a contradictory relationship of a reduction of the security and likelihood of good transitions from education to employment on the one hand and on the other hand an increase of the impact of educational credentials for successful transitions;
- decline of collective transition patterns increases the necessity and impact of individual decisions;
- fragmentation of different transition areas increases the scope and uncertainty of decisions for young people.

Because of the critical impact of motivation of young people (Walther, Pohl et al. 2005, 33), basic normative assumptions are postulated as a necessary starting point of successful integration policy, which comprises coordinated attempts in education policy (with schools taking responsibility for life chances and disadvantage of young people), social policy (enabling families to provide the necessary competences for children), and economic policy (with setting “binding obligations on companies regarding the social inclusion of disadvantaged youth”; EC 2006, 6).<sup>ix</sup> As important as the perception on the side of young people are the perceptions on the side of policy makers about the situation of young people, particularly how disadvantage is attributed. From this different policy strategies are constructed, based on two dichotomies, structural-individual diagnosis, and compensatory-preventive orientation.

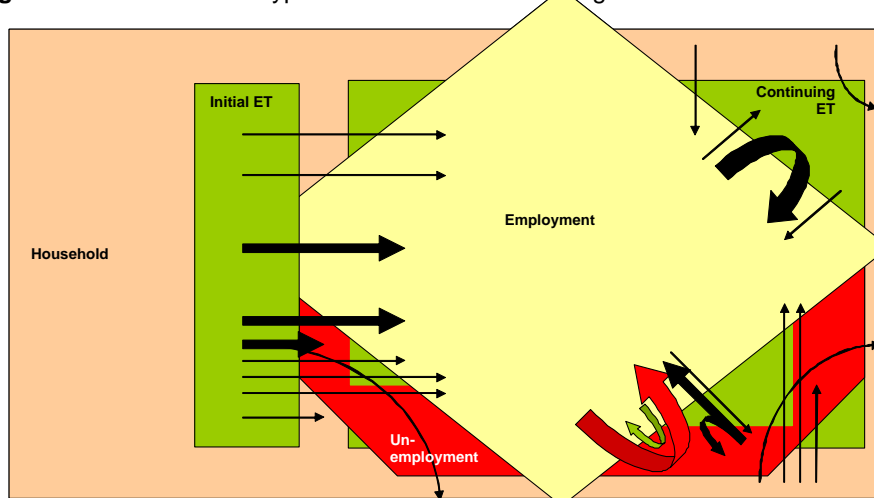
## 2. Research and evidence about initial transitions

The concept of a *transition period* has been defined by the change of main activities among a youth cohort from predominant ET to predominant employment. The OECD transition study<sup>x</sup> has built on a concept of transition which considers the process from the end of compulsory schooling to working life a part of a more complex rite of passage for young people. This period lasts about 10-15 years from ages 16-18 to ages 25-30, with considerable variation among countries which strongly depends on the structures of the ET system. An overall extension of the transition period, by about two years per decade, has been observed. The OECD transition study has identified several factors which potentially cause this prolongation: increasing participation and completion of ET at upper secondary and tertiary levels; increasing length of programmes or completion of more than one programme (“double dipping”); delayed progression because of waiting periods for study places or individual choices for “time off” (travelling, etc.); interactions between study conditions and working arrangements leading to delayed course completion; and increasing time gaps between completion of

initial ET and settling in working life due to problematic employment conditions or individual choices. Delayed leave of the parental home is another aspect of this development.

The transition period is an aggregate concept which consists of individual sequences of education and training related transitions (ETTs). In the TLM approach education and training related transitions are movements of individuals between education or training and employment or any other of the positions in the framework.<sup>xi</sup> Figure 2 gives a stylised picture of the main types of transitions which may occur within the TLM framework. Three rough groups of transitions can be distinguished: The first lead ideally directly from full-time education and training into employment, however, a broad range of transitions which include unemployment or inactivity also occur frequently at this level. Second, there are transitions, which involve continuing education and training. The third category of transitions is related to unemployment and labour market policy, which often involves education and training measures.

**Figure 2** Potential types of education and training related transitions in the TLM framework



Logically, we can view ETTs as one-step transitions or as sequences of transitions. The figure illustrates different kinds of sequences of initial transitions. The most familiar is the transition from initial full-time education and training to the labour market, either to employment or (temporary) unemployment (STW: school-to-work transition). The framework helps us identify a number of additional types of transitions which are not necessarily obvious forms of ETTs, but may be important empirically as well as politically:

- the transition from unemployment (or forms of inactivity) to some combination of training and subsidised (part-time) employment (or some other, more loosely organised form of work experience) is a common form of labour market policy measure;
- the apprenticeship system can be conceived of as a parallel transition from initial education and training to training combined with employment (or work experience).

Several types of ETTs have been empirically identified. The comparative analysis of the LFS module on transition (Müller et al 2002, see also Kogan/Schubert 2002)<sup>xii</sup> has provided insights regarding transitions of the younger parts of EU populations over a period of about 10 years (5 years for some countries) after completing the initial ET. This dataset best operationalised the concept of ETTs. This

data and some additional analyses provide a picture of the magnitude of the following types of ETTs: immediate transitions into employment; different kinds of unemployment and inactivity, ranging from short-term job seeking periods to persisting exclusion from the labour market. Some indications of sequences of ETTs, as e.g., different kinds of mobility, or incidence of returning to education and training are also provided.

This analysis has found that in the EU 14 (excluding Germany), the average age of completing initial education ranges from 18 to 24 years, the average time between leaving ET and starting the first job ranges from 5 to 35 months. About one fifth of respondents reported immediate entry into the first job, about one quarter found work within 6 months which means that 44% had a relatively short job search period. The employment rate rises from 70% in the beginning of the transition period to 80% after 10 years. The activity rate (employment + unemployment) during the first ten years is consistently at 90% in Europe. Men and women without children exhibit similar patterns above the overall average; the activity rate of women with children is about 10% points lower right from the beginning, and starts to decrease steadily after two years to about 65% during the overall period of ten years.

Looking at the *quality of jobs*, the proportion of precarious work defined as either involuntary fixed-term contracts or involuntary part-time jobs is seldom lower than 15% in the LFS-data, and goes up to 40-70% in some countries during the first years of the transition period. A former study (OECD 1998)<sup>xiii</sup> has observed similarly high proportions of temporary (about half of a cohort) and part-time jobs (about one third) in the short term after completing ET. In the longer term, initial unemployment has increased employment problems afterwards, and the effects of temporary contracts have been mixed, some leading to more permanent careers, others to bouncing back and forth between unemployment and short term jobs. Observed declines in earnings among the younger workers relative to older ones, and to some extent also the concentration of younger workers in low-skilled jobs or low-paying industries, fit into the phenomenon of declining job quality. TLM studies have found younger labour market entrants to be uncompetitive compared to older employees in firm's recruitment processes. Further, due to the earlier educational sorting, several more or less separate labour markets exist in specific industrial segments in the observed countries, which depend on the skill levels of the younger cohorts.

Looking at the *most problematic transitions*, we find a quite uneven picture, signalling that a significant proportion of young people do not successfully settle in the labour market. About two fifth of young people experienced a job search period of more than one year in the LFS-data (19% searching for up to two years, 26% even more than two years, while the latter proportion varies between 6% and 45% across countries). Aggregate unemployment decreases over the observation period of ten years from about 20% to slightly above 10%. However, the OECD transition study has questioned the validity of some indicators for a comparative assessment of the labour market position of young people. The unemployment rate is held to be rather problematic on several grounds. First, the proportion of the labour force differs due to varying institutional settings across countries. Second, students' unemployment is assessed differently in these countries. Third, the reduction of employment or unemployment ratios may be caused by prolonged participation in ET, which might work as a second best solution in a number of cases. More recently (OECD 2002)<sup>xiv</sup>, unemployed students seeking part-time jobs have been identified as a special case which distorts the comparability of youth unemployment indicators. Therefore, the use of non-student unemployment is recommended as comparative indicator. The proportion of cohorts of young people *neither in ET nor in employment* is proposed as a more valid indicator for problems of youth employment. This measure has shown

different results. An earlier OECD study (1996) has observed a tendency of declining employment participation among young men, and rising proportions of young men in neither ET nor employment (ranging between 4% and 24% among 18-year olds, and between 9% and 29% across countries in 1994). According to the OECD transition study, this indicator showed improvement during the 1980s and 1990s. However, in about one third of OECD countries, 5% to 10% of males aged 20-24 are neither in education nor in employment (OECD 2002, 43).

Young people, once settled in the labour market, *experience substantial mobility* during the early stages of their careers. About 30% of a cohort were mobile during the first five years, varying between 10% and more than 45% across countries. Occupational mobility among individuals varies between more than 50% and 85%, and more mobility processes are upward (more than 30%) than downward (more than 20%), leaving more than two fifths being lateral (ET levels have a similar composition, both for men and women). Self employment rises from about 5% to slightly more than 10% over the 10 years period.

The *educational level achieved was consistently found to be an important factor improving the ETTs*. According to the LFS-data, the activity rate of people with higher education is highest in most countries, and the unemployment rate is lowest. However, there may also be high unemployment rates among recent graduates. OECD studies have also found that higher level of ET increase the likelihood of reduced unemployment and increased permanent and full-time jobs. Consequently, young people choose higher levels of ET. Changing patterns of participation in upper secondary level education reveal a tendency of VET programmes to decline, particularly if they are not linked to tertiary ET, and a rising tendency of programmes providing a bridge to tertiary ET, whether they are oriented toward VET or not. TLM Studies on the factors influencing the demand for higher education indicate that access to higher education has been strongly driven by the supply of higher education and professional training, which increases the negative signalling effect for dropouts. These signals embedded in educational credentials earned in the full-time education system are largely held responsible for the sorting of individuals at labour market entry into specific industrial segments in France, Germany, Ireland, the Netherlands, Spain and the United Kingdom.

During the transition period, *recurrent ET participation among young people* rises to slightly more than 10% during the first five years, and decreases to a level of about 5% subsequently. About half of this participation takes place in school environments, and the other half in some mixture of classroom education and employment and training. This partially leads to more blurred transition periods, or parallel transitions, including various combinations of study and work (various forms of apprenticeship, part-time and summer jobs by students, and workplace experience programmes in ET). The overall incidence of this kind of experience, however, seems rather small, and evidence about the causes for such recurrent participation is lacking.

The analysed countries in the study about policies for disadvantaged young people have been selected from those with more severe problems of integration of young people (10 countries) and three cases of seemingly good practice with low integration problems. The overall problem identification rests mainly on the two dimensions of early school leaving and youth unemployment, the latter measured by the unemployment rate as well as the unemployment ratio and the share of long term unemployment among unemployment. Certain patterns of those two dimensions arise among the selected countries: When early school leaving is low, unemployment is rather concentrated on the

early school leavers, sometimes with high proportions of long-term unemployment – when early school leaving is high, youth unemployment is more common, and long-term unemployment is also more common among young people.

### 3. What do we know about structural and institutional factors influencing initial transitions

A thorough analysis of the effects of ET system structures<sup>xv</sup> on transition processes and outcomes, taking into account contextual factors, has been undertaken by the CATEWE project, which is closely related to the analysis of the LFS 2000 *ad hoc* module about transition from school to work. The study rests on the proposition that education, training and labour market systems interact to shape the transition process (CATEWE, Executive summary, 1).<sup>xvi</sup> However, research on these interactions is in its early stages.

**Figure 3** Stylised results of CATEWE project

	<i>ET system types, clusters</i>		
<i>Characteristic variables for systems:</i>	<b>Extensive VET type</b> (Germany, Netherlands, Austria, Denmark)	<b>Northern “comprehensive” type</b> (Scandinavia, Ireland, Scotland)	<b>Southern “comprehensive” type</b> (Spain, Italy)
Standardisation of curricula	high	high	High
Attainment level	high	high	<i>Low</i>
Track differentiation VET-AC	strong	<i>weak</i>	<i>Weak</i>
School-to-work linkages	strong	<i>weak</i>	<i>Weak</i>
Credentials	<i>vocational</i>	general	General
Market signals		strong	
<i>Transition related variables</i>			
Examination grades	Less effect	More effect	
Differences labour market entrants – experienced workers	Less pronounced	Intermediately pronounced, pattern of „insiders“ – „outsiders“ (also in France)	More pronounced
	Unemployment higher, employment stability lower, more lower skilled job		
Effects of higher ET levels on transition outcomes	Unemployment risk lower, quality of employment higher (occupational status, low skilled jobs, temporary jobs, access to professional positions, full-time contracts)		
VET participants	Smoother transition, more stable employment		
Apprenticeship system	Different role and status: alternative ET route to school (France, Netherlands) or post-school ET (Ireland, Scotland)		
Prevalence of youth programmes	Varies across countries		
Macroeconomic conditions	More effects on unemployment than on quality measures for transition		

The project has observed some distinct patterns of ET systems, which suggest some plausible relationships to the transition process. However, several variables do not show pronounced differences between the system patterns and the transitional outcomes. Figure 3 gives the stylised results. Three types of education and training systems have been identified due to a set of variables. Most of the transition variables do not differ systematically due to the system types. The approach might model the systems in a too holistic manner,<sup>xvii</sup> and the concept of the establishment of TLMs could be understood as a competing concept at a less aggregate level.

The OECD thematic review on transitions from school to work (OECD 2000)<sup>xviii</sup> looked more closely into the transition frameworks of a number of member countries with the help of a set of country reviews. By analysing more effective transition frameworks in terms of outcomes, the thematic review

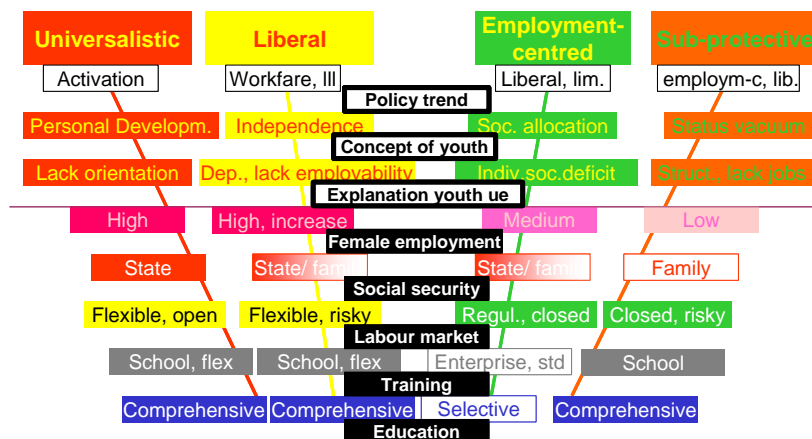


observed some key ingredients for successful transition policies. These observations may be considered “soft facts”, but they are a good starting point for further reasoning and analysis of institutional frameworks to improve transitions. Six key dimensions were identified as supporting successful initial transitions: a healthy economy; well organised pathways; education and workplace experience; safety nets; information and guidance; and effective institutions and processes (see Annex for more detailed information). These propositions are very much in line with the basic ideas of TLMs.

The ITP approach has identified different transition regimes, based on the principal typology of welfare regimes by Esping-Andersen, and using 8 variables for the classification: School structure, training, labour market, social security, female employment, explanation of youth unemployment, concept of youth, and policy change. Figure 4 shows the observed patterns. First the structural variables show the well-known pattern from the welfare regimes, which also are overlapping between certain types of the regimes. In terms of education the employment related regime shows a distinct pattern with a selective education system and enterprise based training in apprenticeship. Labour markets are flexible in two of the regimes and rather closed in the remaining two. Social security is divided differently between state and family, and female employment is related to this pattern, with a diminishing tendency with rising weight of the family. The variables related to youth policy do have a distinct pattern between the regimes:

- In the universal regime (Denmark, Finland) the lack of orientation and personal development has been observed as the basic pattern of youth policy, which is combined to a motivating activation strategy with broad coverage and positive incentives;
- in the liberal regime (U.K.) lack of employability and orientation towards early independence, related to workfare and negative sanctions predominate;
- in the employment related regime (Austria) the social allocation role and individual socialisation deficits of disadvantaged young people provide the basic policy pattern, combined with a moderate trends towards more liberal policy making;
- in the sub-protective regime (Greece, Spain, Italy, Portugal) the structural lack of jobs combined with a notion on a status vacuum for young people are combined with some policy trends towards the employment related and the liberal regime.

**Figure 4** Transition regimes and their characteristics



Source: Walther, Pohl et al. 2005, 41, Table 2

### 3. Evidence about policies to improve initial transitions

OECD (1999)<sup>xix</sup> provides an overview and assessment of policy responses in several countries aiming to solve problems of transitions of young people into employment. It describes a set of measures of the ET system, which are in line with evidence, but are rather supply oriented and only loosely related to employment. These measures include the development and reappraisal of the VET stream; the blurring of boundaries between VET and general/academic ET; and double-qualifying pathways. The proposals are meant to change the structure of ET supply among young people and broaden the options of young people, while taking into account the participation trends. Only one of the proposals is more clearly employment related and points to the direction of the establishment of TLMs. This proposal suggest to establish linkages between ET and employment through strengthening work based learning; to take steps towards the set-up of unified qualification frameworks; to introduce work based learning at school; and to involve employers in the design of VET qualifications.

OECD (2002) gives an overview of measures concerning young people in labour market policy. Spending on youth programmes in a number of OECD countries in 1999 amounted to about 20% of spending on active measures, and about 40% of participants in active LMP measures were under the age of 25. Young people were represented strongly in apprenticeship and training measures, and less so in job creation and business start-up programmes.

These studies also present some evidence supporting arguments as to how the disappointing results of many past labour market training interventions could be improved. These proposals are partially rather ET oriented and point to building a closer linkage between labour market training and the ET systems. They suggest paying attention to the content and pedagogy of learning, to the qualification of the instructors or teaching personnel, to improve and diversify pathways or ladders to further ET (in order to provide and nurture contact with the world of work), to develop an appropriate mix and intensity of different forms and targets of learning (i.e., academic and vocational), and/or to substantially increase the learning opportunities for the participants as compared to those of a short-term job of 12 weeks or even less (Martin/Grubb 2001).<sup>xx</sup>

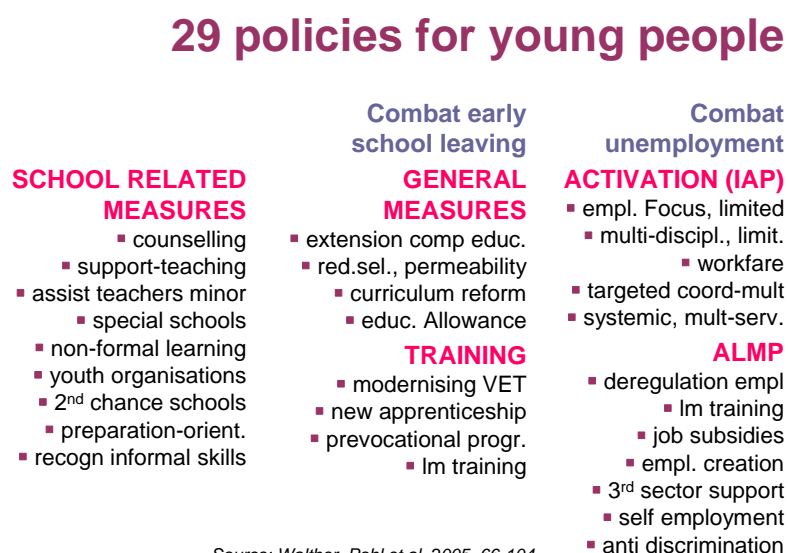
Some other proposals may be strongly supported or complemented by TLM mechanisms, such as the following: to build close relations to local labour markets and employers; to pay attention to the quality of jobs; and to provide a range of supporting services tailored to individual needs of disadvantaged persons, e.g., child care, counselling, support of job placement. The establishment of “*safety nets*” for school leavers and graduates which typically attempt to identify recent school leavers who are not yet employed but also do not apply for unemployment compensation while networking among the various local players is an example of such measures. Establishing regular contacts with difficult young people has produced positive results in some countries. “*Activation strategies*”, which combine (reduced) entitlement to social assistance with the requirement to participate in various kinds of training or employment related measures have been set up in several countries between the mid-1980s and the mid-1990s. These programmes have typically substantially reduced unemployment in the short term, while sustainable effects in the longer term are much smaller (up to a ratio of 5:1). Similarly, *large scale employment programmes* do have substantial quantitative effects in terms of temporary intake, but at high cost. Employment mostly occurs in the public sector, and moving to the private sector is difficult or often combined with a high degree of deadweight effects. Measures using the potential of “*dual systems*” for combining ET and work have also been established in some countries to provide

additional opportunities for young people. The successful implementation of new programmes seems to largely depend on rather low thresholds for qualification profiles and time spent on training, which leaves doubt for the longer term chances of employment.

The results of the CATEWE project point to the crucial role that education plays for transitions, leading to marginalisation of those with low levels of ET. Important measures therefore include preventing drop-outs and providing alternative routes for young people who failed the regular ET system. The results of VET programmes are mixed. They may lead to smoother transitions and better employment in the short term. However, in the longer term, participants tend to be excluded from higher status occupations. Early selection exacerbates unequal results, and policies should take into account diversity in terms of gender, class, and ethnicity. TLM research has made it clear that second chance education needs to be reformed by establishing elements of transitional labour markets in order to avoid exclusionary recruitment patterns within industrial sectors and to provide a sufficient equality of access for women. Gender specific recruitment practices at entry sites of the labour market are still prevalent across the European Union.

The study about integration of disadvantaged young people has identified a broad set of policies in the selected countries to combat early school leaving and unemployment. (see figure 5). The measures comprise a broad menu ranging from general education policies through training policies to various supportive school related measures to combat early school leaving. The measures against unemployment include firstly different patterns of individual action plans which differ first in coverage, and second in the variety of focus an interventions, ranging between a narrow focus on employment to broader multi-disciplinary and multi-service orientations. The second group of measures against unemployment are deregulation of employment and the well known categories of active labour market policy.

**Figure 5** Policies for young people

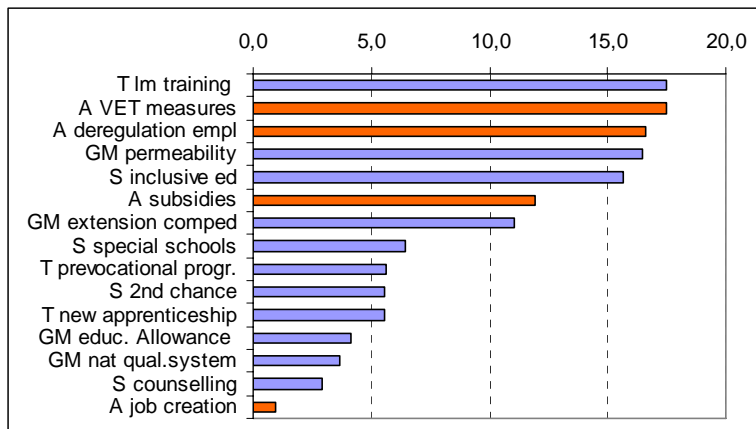


Source: Walther, Pohl et al. 2005, 66-104

Incidence (Figure 6) calculated on basis of the 13 selected countries providing the measure and the intensity of the policy in the country shows that five types of measures are utilised in (almost) all countries with high intensity: VET and labour market training are the most common measures,

followed by deregulation of employment, strengthening permeability of education systems and measures of inclusive education (e.g., support teaching or extra teachers for minority groups). Job subsidies in ALMP and extension of compulsory education are utilised on medium level (9 – 10 countries with fairly high intensity). The other types of measures are more seldom utilised (up to 8 countries). Counselling at school and more broad measures of job creation are the least utilised measures (3 – 5 countries only)

**Figure 6** Incidence of policy types



Source: Walther, Pohl et al. 2005, 97, Table 18

Figure 7 provides an overview about the proposed policy strategy in the ITP approach. Five broad elements are included: funding, access, coordination, reflexivity, and empowerment.

**Figure 7** Policy proposal for integrated transition policy



Source: Walther, Pohl et al. 2005, 158-165.

#### 4. Summary and conclusions

We can summarize the evidence according to the three fields of review as follows.

*Transitions:* The empirical evidence reviewed shows that substantial comparative research has been performed in the area of transitions from initial education and training into employment. Some established empirical facts in the area of *initial transitions* are:

- the varying length and structure of transition periods among different countries, with some countries having substantial proportions of young people taking quite long before settling into employment, or not successfully settling into employment at all;
- if jobs are found, increasing proportions of young people work under non-standard employment contracts (fixed-term and/or part-time), with partially negative consequences for their further careers;
- young women are disadvantaged in their transitions, because they more often find themselves in part-time jobs, or have to leave their employment for child-rearing.

*Institutions:* The review of what is known about the effects of institutional frameworks on ET related transitions has shown that there is some knowledge in the area of initial transitions about the shape of institutional frameworks, however, a clear picture of the interactions between institutional structures and transition patterns is still not available. This lack of knowledge partly depends on the lack of consensus about the indicators measuring the quality of transitions. There are two somewhat contradictory results with respect to initial transitions:

- More and higher level ET generally has positive effects on transitions, notwithstanding that young graduates from higher education may also suffer from severe transition problems.
- Several results indicate that apprenticeship systems and vocational education and training (VET) could substantially improve initial transitions; however, more detailed analyses often point to caveats to this conclusion, since apprenticeships might work better in the short run than in the long run, and might also result in other costs, particularly the exclusion from further ET pathways.
- There is some evidence about different transition regimes related to the types of welfare regimes which comprise different views about the position and integration of young people as well as different policy approaches. A broad coverage of young people and policies based on positive and motivating incentives seem to prevail mainly in the universalistic Nordic transition regime. Traditional apprenticeship is related to the employment-centred transition regime, which includes a high degree of social selection and reproduction of social inequalities.

*Policies:* In the area of *initial transitions*, policy proposals are frequently oriented toward ET supply. Here the spiral of upgrading initial training prevails, leaving behind those who performed less successfully, and potentially leading to over-education among the more successful individuals. Common policies taken to combat early school leaving and youth unemployment are strengthening of VET and training supply and increasing permeability of education systems. However, deregulation of employment is also one of the most common policies. Most policies which are aimed more directly at the improvement of transitions to employment only have short term results. Some policy proposals are strongly in line with the TLM framework; they strengthen the relationships between actors by building different kinds of networks among ET providers, policy makers, and enterprises, which provide young people with various channels of contact to the world of work. Strategies for building strong institutional bridges are mostly not at the core of those policies, however, and they could be strengthened.

If we try to compare the policies and policy proposals from the three approaches, we can first look at youth policy in Denmark as the paradigm case of the flexicurity approach. Denmark has already been cited as a particular good practice example in the OECD transition study, with a tightly knit safety net for young people, which has been implemented by the local communities (OECD 2000, 110-111). Walther, Pohl et al (2005) have classified Danish policy as being clearly preventive and structural orientated. Financial means are much higher than in all the other countries selected. The measures for young people seem more strongly centered at the education system and civil society (municipalities) than on active labour market policy. Production schools and the guidance and counselling system are assessed as good practice. There is an educational allowance in place which gives young people a basis for choice of options. Coverage is broad and individual action plans are used in a diversified and multi-actor and multi-service system. However, problems remain with immigrant young people in this system.

If we compare the ITP approach with the TLM approach, there appear many similarities in the overall policy approach at first sight. Coordination, reflexivity, and empowerment are clear issues of convergence. In the substance of the proposed strategies, however, we can find different paths of reasoning. A first point is that the apprenticeship system, which is the paradigm case of a TLM does not pass the test for being a viable instrument for the integration of disadvantaged young people. A second point is that funding is an important proposal in the ITP approach, however, issues of efficiency and cost benefits seem not so strongly addressed. The countries from the liberal and employment-centred transition regimes seem to achieve similar results in terms of early school leaving and unemployment as the universal regimes, but to substantially less costs.

Overall, the ITP approach is much more normative and policy driven than the TLM approach, with a basic inclination for structural and preventive policies. Individual action plans might be a complement to apprenticeship in this approach, which seem being an instrument which can be applied in many different forms, and which can bridge the individual and compensatory dimension to the structural preventive one. Structural frameworks of opportunities seem necessary to make them work properly, starting from allowances, and including educational and supporting options as guidance and counselling.

## Literature

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<sup>v</sup> However, the evidence is mixed on this issue, see Ryan, P (2001) 'The school-to-work transition: a cross-national perspective'. Journal of Economic Literature, Vol. 39, No. 1, 34-92.

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<sup>vii</sup> Much new evidence on those issues has been developed and summarised in recent studies; for an overview see Wößmann L/ Schütz G (2006): Efficiency and Equity in European Education and Training Systems. Analytical Report for the European Commission prepared by the European Expert Network on Economics of Education (EENEE) (Version: 26. 4. 2006). Internet: <http://ec.europa.eu/education/policies/2010/doc/eenee.pdf> [28.11.2006].

<sup>viii</sup> Andreas Walther, Axel Pohl et al. (2005) Thematic Study on Policy Measures concerning Disadvantaged Youth. Study commissioned by the European Commission, DG Employment and Social Affairs. Final Report. Coordinated by the Institute for Regional Innovation and Social Research (IRIS), Tübingen. Internet: [http://ec.europa.eu/employment\\_social/social\\_inclusion/docs/youth\\_study\\_en.pdf](http://ec.europa.eu/employment_social/social_inclusion/docs/youth_study_en.pdf)  
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<sup>ix</sup> EC (2006) Thematic study on policy measures concerning disadvantaged youth. Community Action Programme on Social Exclusion. Policy Studies Findings 6. Internet:

<sup>x</sup> See the material at [http://www.oecd.org/document/5/0,2340,en\\_2649\\_34511\\_2465989\\_1\\_1\\_1\\_1\\_00.html](http://www.oecd.org/document/5/0,2340,en_2649_34511_2465989_1_1_1_1_00.html) [28.11.2006].

<sup>xi</sup> Education and training is conceived in the TLM framework primarily as vocational education and training, or at least as being relevant to subsequent employment. This issue is an important point in the debate about lifelong learning policy.

<sup>xii</sup> Müller W et al. (2002) Indicators on school-to-work transitions in Europe. Mannheim: MZES ([http://www.mzes.uni-mannheim.de/publications/papers/LFS\\_indicator\\_report.pdf](http://www.mzes.uni-mannheim.de/publications/papers/LFS_indicator_report.pdf)) [28.11.2006]; Kogan I / Schubert F (2002) Youth transitions from education to working life in Europe: a general overview. In: Müller W et al. (2002) Indicators on school-to-work transitions in Europe. Mannheim: MZES, 1-22.

<sup>xiii</sup> OECD (1998) Getting started, setting in: the transition from education to the labour market. Employment Outlook, Ch.3. Paris: OECD, 81-122.

<sup>xiv</sup> OECD (2002) Recent labour market developments and prospects. Special focus on: a better start for youth. Employment Outlook, Ch.1. Paris: OECD, 13-60.

<sup>xv</sup> Structural variables: standardisation of curricula, track differentiation between VET and academic tracks, progression mechanisms, outcomes, school-to-work linkages, and youth training programmes; context variables: industrial and occupational structure, labour market structuration, labour market regulation, macroeconomic conditions, family- and state-based welfare

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provision, structuring of labour force by age, gender, ethnic groups; transition process (number and sequence of transitions, length of transition period, transition status distribution, inequalities) and outcomes (economic status, occupational status, industrial allocation, labour market segment, pay, access to training).

<sup>xvi</sup> A Comparative Analysis of Transitions from Education to Work in Europe (CATEWE), see: <http://www.mzes.uni-mannheim.de/projekte/catewe/Homepage.html>.

<sup>xvii</sup> Consequently the diversity of systems and different structural conditions is a key point. The same policy interventions are considered unlikely to provide the same results in different systems/contexts. An example for this is apprenticeship, which presupposes a broad set of institutional features for its proper functioning, which are difficult to create and implement in other systems (employment regulations, enterprise practices, labour market structures and signals).

<sup>xviii</sup> OECD (2000) From initial education to working life. Making transitions work. Paris: OECD.

<sup>xix</sup> OECD (1999) Giving youth a better start. Employment Outlook, Editorial. Paris: OECD, 7-11.

<sup>xx</sup> Martin J / Grubb D (2001), What Works and for Whom: A Review of OECD Countries' Experiences with Active Labour Market Policies. IFAU Working Paper 2001 ([www.ifau.se/eng/index.html](http://www.ifau.se/eng/index.html)).