

## **TLM Work package 4: Lifelong learning, school to work and labour market transitions – position paper**

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## 1. Introduction: scope of the paper

The concept of “Transitional Labour Markets” (TLM) has been developed as a theoretical approach which integrates several new challenges which have arisen in the employment system, in order to find new solutions for coping with those changes at the policy level. Schmid (2002) has pointed to the problems due to the cleavages between the traditional systems of social security and the new risks in the labour market resulting from globalisation as well as from individualisation processes. Since the traditional systems of social security have been built on the basis of “old risks” of age, health, and unemployment, they have run increasingly into difficulties in coping with the “new risks” arising from the demands for flexibility on both sides of the labour market, the enterprises and the individuals. Enterprises have to cope with rising competition in widening and more dynamic markets. Individuals are affected by those economic and technological changes, and they also increasingly articulate more diverse ambitions for their involvement in their work lives. The “new risks” of qualification loss or accidental career breaks multiply along the life course and get mixed up with the “old risks”.

The erosion of the core concepts of social security, such as the “standard employment contract” and full employment, can be seen as key signals for those changes and challenges. The involvement of individuals in an increasingly dynamic labour market due to the multiplication of various kinds of transitions is the other side of the coin, and this is taken as the starting point in the search for solutions. The building of *transitional labour markets as institutions enabling and securing those various transitions between different kinds of productive activities* is proposed as a new core aim of labour market policy (Schmid 2002, 176-177). In addition to sustainable economic growth, this approach seeks a greater variety of diversified employment opportunities as a means to increase employment and reduce unemployment. A new paradigm of full employment may be reached in the longer term, and this may include more varied work hours in the formal economy during the life course, a lower average level of life time employment, and more opportunities for activities outside the formal economy.

New kinds of non-standard employment are currently spreading forcefully. However, the key challenge of the TLM framework is to complement this rising flexibility with sufficient mechanisms of social security. The development of a dynamic employability based on adaptation and learning is a central objective of such a policy. In order to further economic competitiveness and to guarantee social security under these conditions, the support of employability must be established as a public good. Learning is clearly important here, and since education and training systems should support learning, labour market policy must be linked to education and training policy, in order to provide this public good. Consequently, 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.

This paper explores the implications and consequences of the TLM framework for education and training policies. It starts with what has been achieved in previous research on transitions between the education and training system and the employment system, and relates that research to the large body of literature on lifelong learning. The TLM framework and the discourse on lifelong learning are regarded as two bodies of knowledge which are related to each other, but have so far remained rather

distinct. It is the purpose of the paper to work out the relationships between these bodies of knowledge at the analytical, conceptual, empirical, and normative levels.

## **2. The contribution of the TLM perspective to lifelong learning policy: some key concepts and definitions**

This section relates the key concepts of the TLM perspective to the current discourses about lifelong learning at the research and policy making levels. The TLM perspective is conceived of as a conceptual framework at the theoretical level which relates a certain view of labour market dynamics to a certain policy model which is based on both analytical evidence and normative assumptions. The following questions need to be addressed: How does this perspective fit into the current concept of lifelong learning? Can we speak of a coherent framework of a lifelong learning strategy? What are the main elements, and how are labour markets conceived of, in this framework? What can the TLM perspective add to the concept of lifelong learning?

### **2.1. Education and training related transitions and TLMs**

In the basic understanding, the TLM perspective begins with transitions between four different positions (a. the household, b. education and training, c. unemployment, d. inactivity or retirement) and employment. Transitions are real movements at the individual level, influenced by contextual trends, a set of actors, and the institutional settings in which the actors are embedded. TLMs are institutional forms or regimes which are built on aggregates of transitions, and which also structure the transitions. Furthermore, they provide the basis for policy making on the one hand, and may also be influenced by policy making on the other.

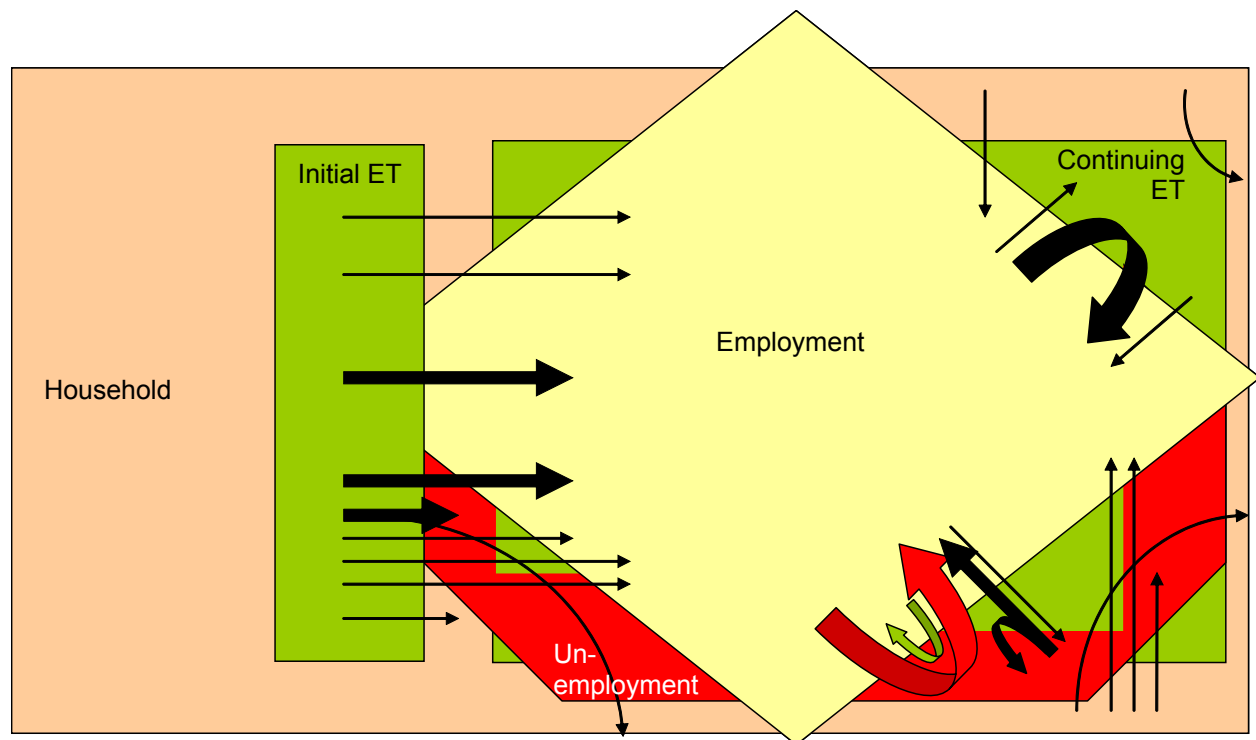
#### **2.1.1. Education and training related transitions**

Education and training related transitions (ETT) are movements of individuals between education or training and employment or any other of the positions in the framework.<sup>1</sup> We may differentiate three types of ETTs: a) Transitions which are movements between full time education and other positions; b) Transitions in and out of part-time education while holding another position (e.g., participation of in continuing education and training while being employed or unemployed, participation in further education while taking family responsibilities in the household); c) Parallel or combined transitions involving ETTs, that means transitions between education or training and other positions combined with (parallel) transitions between other positions (e.g., participation in continuing education and training combined with mobility from one employment position to another, labour market training and transition from unemployment to employment, or further education combined with transition from the household into employment).

The figure below 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 is composed of initial transitions mainly of type (a). Those 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, mainly of type (b) or (c), which involve continuing education and training. Participation in continuing education and training (CET) is typically part-time, it often occurs during employment, and it is sometimes related to changes of employment

positions. Processes of re-entry into employment may also be combined with participation in CET. The third category of transitions is related to unemployment and labour market policy, which often involves education and training measures. These transitions traditionally are of type (a) (unemployed persons in full time training courses). However, the use of combined transitions (type c) may be more effective: e.g., the combination of training measures with a job placement, or outplacement measures combined with an update of qualifications and competences.

### 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 transitions in the different groups of transitions outlined above. The most familiar ETTs or sequences of ETTs are the following:

- 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 transition from *unemployment to full-time (or part-time) labour market training* and to employment thereafter (or back to unemployment);
- the (more or less employer sponsored) transition from *employment to part-time (or full-time) continuing education and training*, usually in combination with staying in the job.

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 the household via training to unemployment is known to be a frequent (intended or unintended) by-product of labour market training;
- 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);

- the transition from the household to further part-time education in combination with a (re-entry) transition into employment is proposed as an important opportunity for meeting labour demands and providing opportunities for individuals.

Given the logical distinction between these familiar types of ETTs, there are also some expectations with respect to the meaning of different types of transitions for individuals, and, at the aggregate level, for the economy and society. The TLM perspective is basically in favour of transitions into employment, and also of other transitions which may increase the probability of transitions into employment over the long run.<sup>2</sup> Accordingly, transitions in the opposite direction (out of employment) should be avoided as much as possible. Against this background, ETTs are regarded as transitions which can support transitions into employment, or reduce the probability of transitions out of employment.

Three types of transitions have been established in a career or life course perspective. These are exclusionary, maintenance, and inclusive transitions (see O'Reilly/Cebrián/Lallement 2000; Schmid/Schömann 2003, 5).<sup>3</sup> In the light of these types of transitions, how can ETTs be expected to work? The table below shows that, intuitively, ETTs will primarily work as maintenance or inclusive transitions (depending on further contextual conditions), and only one ETT (transition from initial ET to unemployment) can be expected to be exclusionary (see also the table in the annex).

For the purpose of building TLMs as institutional settings, the incidence of these different kinds of transitions and sequences is important. As we will see, the empirical knowledge thus far does not differentiate sufficiently between these kinds of transitions. The table indicates some questions with regard to the different combinations or sequences of ETTs which are of major interest for the empirical study of those transitions.

### Empirical questions related to the types of transitions

TYPES OF TRANSITIONS	RELATED EMPIRICAL QUESTIONS
Transitions from initial education to employment and related sequences of transitions:	<i>From which kinds of education and training to which kinds of employment do transitions occur? To which extent do those combinations indicate matches and mismatches? Which sequences of employment indicate more or less successful transitions in a career perspective? Which incidences of unemployment or inactivity in those transitions indicate social risks in initial transitions?</i>
Transitions from unemployment to employment:	<i>Under which conditions do ETTs support transitions from unemployment to employment? Which conditions indicate important contextual and input factors for access to sustainable employment careers from unemployment?</i>
Transitions from the household to employment:	<i>Under which conditions do ETTs support transitions from the household to employment? Which conditions indicate important contextual and input factors for access to sustainable employment careers from the household? Which role do gender gaps in labour markets and labour market segments play in those transitions?</i>
Continuing education transitions during employment:	<i>What impact do ETTs have on the conditions of employment? What are the potentials of an increase in such ETTs for the individual and aggregate quality of employment?</i>
Transitions between different employment spells or different forms of employment:	<i>Which kinds of transitions do occur? How are they distributed? To which extent are those transitions of the exclusionary, maintenance or inclusive types? Under which conditions do ETTs influence these transitions?</i>
Transitions from employment to unemployment:	<i>Under which conditions could these transitions be substituted by ETTs?</i>
Transitions from employment to retirement:	<i>Under which conditions could ETTs transform these into transitions in other forms of employment instead of retirement?</i>

These transitions can be analysed in a short term or in a longer term, life course oriented perspective, using cross-sectional or longitudinal methodologies. Cross-sectional analyses are rather oriented to single transitions at a given point in time, whereas the latter direct the attention to multiple sequences of transitions over a longer time span. Such approaches have their specific pitfalls. The cross-sectional view of transitions at one particular time could be biased by certain current conditions (e.g., the economic situation, or certain external shocks), whereas the longer life course perspective focuses on long-term developments. Therefore, depending on the length of the observation period, inferences from past developments into the future might be incorrect, particularly in times of rapid change.

### 2.1.2. Education and training related transitions and transitional labour markets

The concept of transitional labour markets combines the aggregate patterns of flows of individuals being guided through certain channels with institutional arrangements which structure those transitions. In this sense, TLMs are bridging institutions built upon combinations or sequences 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 the 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. In the original formulation, TLM arrangements are based on the following *four principles* related to prescriptive policy: 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) and fiscal incentives favouring employment rather than unemployment. In addition, these principles are complemented by four criteria which 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; Schömann o.J. 4).<sup>4</sup> A somewhat more generalised model (Schmid 2002, 238-240) considers three basic strategies for risk management: 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. Four criteria identify good institutional arrangements: individual autonomy; solidarity; efficacy; and efficiency. So far, these elements have been formulated on a pragmatic basis combined with some theoretical inference, and they need to be further developed in a systematic way. The approach of risk management is proposed as an integrative framework for the building of TLMs (Schmid 2004).<sup>5</sup>

How does the concept of TLMs relate to the various forms of ETTs? TLMs are bound to establish arrangements which offer additional forms of employment opportunities, in combination with other sources for risk management. Risks with regard to ETTs concern employability which in turn should be improved by the establishment of TLMs. A certain distinction between initial and continuing education and training may be necessary, because the weight and impact of initial ET for employability is higher and the initial transition is much more clear-cut, and it is in some sense more fundamental compared

to continuing ETTs. Initial ET is a lasting and distinct position, which is also more or less clearly separated from employment and the labour market than continuing ETTs. Thus, while this transition leads from one position to another, it also does so from one subsystem to another. There are some exceptions, since part-time work is rather common among students in some systems. Apprenticeship is a special case which, in fact, bridges the subsystems and also combines positions in ET and employment; it is therefore the paradigmatic case of a TLM with regard to initial ET. Continuing ET is of different quality, since this position is usually less stable and does not last as long. It is also less clear-cut in some cases, because ET is often part-time and combined with other positions within the labour market, e.g., employment or unemployment.<sup>6</sup>

As bridging institutions, TLMs must establish institutional arrangements which combine an increased diversity of employment opportunities in the context of the initial transitions with appropriate mechanisms for the provision of security, primarily in terms of securing employability.

#### 2.1.2.1. TLMs related to initial ETTs

Applying the principle of diversity of employment opportunities does not seem to be a large problem in the context of initial ETTs. Young people basically do not have many alternatives to accepting the various kinds of non-standard employment offered to them; in this case the problem is rather the enforcement of the principle of voluntary and autonomous decision making. In order to secure and improve employability, providing opportunities for the acquisition of sustainable competences through appropriate institutional arrangements is the main challenge. Financing arrangements must primarily guarantee that incentives for further learning are provided in a feasible and equitable way. This concerns the private contribution to costs of education and training as well as income compensation mechanisms in cases of non standard employment which do not provide a minimum level of security as motivation for further learning.

#### 2.1.2.2. TLMs related to continuing ETTs

The relation of TLMs to continuing ETTs is less clear-cut. In principle, the institutional arrangements supporting the diversity of employment opportunities should include incentives to increase participation in CET. If these incentives are present, different types of continuing ETTs will be possible: stand alone transitions involving either a) full-time ET, b) part-time ET, c) or combined transitions, including ET participation in transitions between other positions, such as employment, unemployment, inactivity, etc. However, transitions merely in order to participate in CET and subsequently find employment (or not) do not necessarily imply the involvement of any kind of TLM. Accordingly, not every arrangement or policy in support of ET participation is a TLM. The direct inclusion of employment in the arrangement is essential to TLM status.

Which kinds of TLM arrangements can meet the principles and criteria mapped above? Some TLM policies which include such institutional arrangements aimed at improving lifelong learning have been already mentioned in the seminal paper (Schmid/Schömann 2003, 54-55; see also a more generalised formulation by Schmid 2004, 27-28). They include the following:

- conversion of unemployment benefits into vouchers for education and training;
- new legal rights to take training leaves which could be connected to replacement policies (cf. the Danish job rotation scheme);



- subsidized saving accounts for education and training;
- periodical competency assessment and training as a reciprocal obligation for firms and workers (cf. employability agreements in the Netherlands and Germany).

However, two of these arrangements (the conversion of unemployment benefits, and the subsidised saving accounts) rather concern transitions into ET than transitions into employment, and therefore they do not meet the criteria formulated above with respect to a direct relationship to employment. Are there additional TLM policies in relation to ETTs? Arrangements which link education and training measures more closely to employment opportunities in various ways are possible, such as:

- institutional structures which link the provision of education and training to the anticipation of labour demand, either at the sectoral, regional/local or providers' level;
- outplacement measures which provide education and training, in order to update the competencies of redundant or mobile workers of restructuring firms or sectors (cf. the employment foundations in Austria);
- established modules in education and training measures which provide a package of additional services, in order to encourage subsequent employment (information, guidance, job search, brokering)<sup>7</sup>;
- measures which help to establish self-employment through the creation of small enterprises;
- establishment of networks among enterprises, particularly small and medium ones, allowing them pool their resources for the provision and support of education and training, possibly at various levels (local/regional, clusters of suppliers, sectors, etc.).

In the area of continuing ETTs, to what extent do the concepts or models of the *learning organisation*<sup>8</sup> and of the *learning region*<sup>9</sup> carry strong homologies with the concept of TLMs? Which particular conditions must be fulfilled so that a learning region works as a TLM?

## **2.2. Lifelong learning and lifelong learning policy**

Since the mid 1990s, the concepts of lifelong learning (LLL) and related policies for the implementation of lifelong learning have met substantial interest at the research as well as the practical level. International and transnational institutions, such as UNESCO, ILO, OECD, EU, the G8, the World Bank, have played a major role in this process. The concept of lifelong learning is widely considered a paradigm shift among perspectives on education and training. A broad definition of LLL has been agreed on by the EU institutions as a basic framework for their policy making this definition encompasses all purposeful learning activity, whether formal or informal, continuously undertaken with the aim of improving knowledge, skills and competence.

Lifelong learning as an educational concept can be distinguished from lifelong learning policy which involves the implementation of certain aspects or dimensions of the educational concept. For the purpose of this paper, lifelong learning policy is defined as encompassing policy proposals by political actors at the supranational and national levels, formulating the intention to develop and implement broad policy strategies. At the international level, we can find much convergence on the issue since the mid-1990s, and there has been an increasing number of interactions between the international and the national levels in this respect. The OECD and subsequently the EU have increasingly shifted lifelong learning strategies to the core of their activities with regard to education and training.<sup>10</sup>

## The “common core” of lifelong learning policy, based on multiple sources of international and transnational bodies and organisations

<b>GOALS AND OBJECTIVES</b>
Multiplicity of goals (social, cultural, economic, individual), broad view on education
Broad and equitable access; basic right to ET; setting priorities according to social groups and sectors of ET
Orientation on demand for learning; diversity of provision at secondary and tertiary level
Foundation function of school, foundation skills; targeting to the hard-to-reach
Linkages in the learning chain; closing gaps in provision particularly in early and adult ET and in the enterprise sector
Emphasis on the motivation to learn
<b>MODES OF PROVISION</b>
Partnership, social dialogue, democratic structures, co-determination, inclusion of all stakeholders, policy coordination, institutional frameworks including public and private provision
Centrality of the learner as key criteria for provision and methodology, shift from teaching to learning, provision of all forms of learning (formal, non-formal, and informal), use of variety of settings (home, work, community), utilisation of self-directed and work based learning and on-the-job training
Early interventions at different stages
<b>INPUT</b>
Adequate, equitable, efficient investment and resource allocation (time, money); raising levels of investment, rationalisation; diverse sources for funding (state, individuals, private sector)
Full cycle secondary education as a cornerstone for further learning
Emphasis on teachers and trainers, the teaching profession
International cooperation
<b>INPUT-PROCESS</b>
Information, guidance, counselling
Innovative pedagogy, new learning culture, building motivation, adequate teaching methods, self-directed learning
ICT, distance learning
<b>PROCESS-OUTPUT</b>
Basic skills, foreign language learning, entrepreneurship
Testing, Excellence Targets for achievement levels, standards
<b>OUTCOME</b>
Recognition of qualifications, work experience, all forms of learning

Since the mid-1990s, the OECD has formulated a comprehensive strategy for the development of lifelong learning.<sup>11</sup> Particularly since the start of the European Employment Strategy (EES), the lifelong learning approach has gained momentum in EU policy-making with the introduction of a specific guideline which has been monitored annually in the update of the Joint Employment Report. The EES has been followed by the debate of the Memorandum about Lifelong Learning in member countries, and the decision at the Lisbon Summit to apply the method of open coordination to education and training policy through a programme for the implementation of broad education and training goals until 2010. The European Commission’s Communication about the “European Area for Lifelong Learning” is an integrating document on lifelong learning policy which has set strategic building blocks and priorities very much in line with the OECD policy proposals.<sup>12</sup>

We can construct a common core of lifelong learning policy out of the various proposals, summarised in the table above according to distinct policy dimensions. Some highlights of these proposals are the following:

- the goals span mainly the education and training system and the educational pipeline; the outcomes for the economy and society remain implicit;
- the modes of provision should be changed from the focus on supply by institutions to a diversity of provisions taking into account individual demand;
- the development of pathways for progression, taking into account various learning experiences and environments;

- outputs and outcomes are addressed and specified in a rather abstract manner, compared to the other dimensions.

What are the commonalities and differences between the TLM framework and the lifelong learning paradigm? How are the issues emphasised by the TLM framework included in the broader lifelong learning policy proposals and strategies? What could the TLM framework add to the lifelong learning policy proposals, be it additional policies, or ideas for restructuring or priority setting?

Education and training related transitions occur across the border between ET-systems and employment systems, moving in either direction. Policies could address transitions from ET to employment or transitions from employment to ET, and they could be oriented toward setting up institutional frameworks which support these transitions.

At the level of *initial ET* the primary concern is to support the transition from ET to employment. While this is the case for both frameworks, TLM and LLL, the main focus is somewhat different: LLL concerns itself with the construction of an ET provision which improves the “learning chain” and consequently the probability of successful transitions, whereas the main concern of TLM is the development of mechanisms which directly improve transitions.

At the level of *continuing ET* the approaches differ more strongly. The LLL framework basically focuses on transitions in one direction, from employment or other positions to ET (improving access to ET, which should also indirectly improve the probability of access to employment), whereas the TLM framework focuses on the other direction, from ET to employment, or on using access to ET more directly to support transitions into employment. Thus the two frameworks are complementary in some way, focusing on different aspects of the same processes.

A more systematic mapping of LLL and TLM policy proposals<sup>13</sup> reveals a certain structure of policy priorities, and of overlaps between the two perspectives. First, the overlaps mainly occur in the generative dimensions of *goals and objectives* and *modes of provision*. The TLM policy proposals particularly address access, strengthening of the learning chain, early intervention and orientation to demand and diversity of provision. In the more operative dimensions, only investment shows a clear overlap, and strengthening of information, guidance and counselling shows some limited overlap with the priorities of lifelong learning policy.

Among the specific proposals with regard to TLM policy, the development of learning regions, the periodical competence assessments and training updates, and the support of learning organisations in the enterprise sector are more strongly related to overall lifelong learning policy than other TLM proposals.

### **3. Evidence**

The TLM concept has been developed from theoretical reasoning about empirical changes in the employment behaviour of the involved actors (enterprises, individuals, policy makers) against the background of broader changes in the economy and society (globalisation and technological change). The following stylised facts can be taken for granted:

- the change of forms of employment, including the increase of non-standard employment and more flexible arrangements including working time regimes;
- changes occur both at the supply and the demand side of the labour market, indicate more diverse and individualised needs and interests of workers on the one hand, and the needs for flexibility because of the rising pressures of competition and innovation on the other;
- because of the new kinds of social risks arising on top of those changes the traditional insurance systems have problems to cope with them;
- no consensus seems to be possible about a way back to the traditional forms of social welfare;
- new forms of risk management emerge in certain areas of employment.

Based on a set of hypotheses about the changes in education and training, some more specific evidence has been obtained within the TLM framework.<sup>14</sup> Further evidence about labour market transitions related to TLMs has been generated by other academic research and by policy studies. This research is briefly reviewed and summarised in the following three sub-sections: evidence regarding ETTs, institutional structures influencing transitions, and policy strategies to improve the situation.

### **3.1. Research and evidence about initial transitions**

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>15</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.

#### **3.1.1. Empirical evidence about initial ETTs**

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>16</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 ETTs. 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>17</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 operationalises 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>18</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>19</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.

### 3.1.2. Structural and institutional factors influencing initial transitions

A thorough analysis of the effects of ET system structures<sup>20</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>21</sup> However, research on these interactions is in its early stages.

### 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. The approach might model the systems in a too holistic manner,<sup>22</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>23</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.

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

OECD (1999)<sup>24</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>25</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.

### **3.2. Evidence about adult and continuing education related transitions**

Comparative evidence at the level of adult ETTs is scarce and crude so far. This owes to the greater diversity and complexity of the field, and also to the much more recent research tradition in this area. The development of comparative data bases is a very recent development, and the available information is rather crude. Nevertheless, there are some traces of information which can be exploited for the present purpose.

#### **3.2.1. The lack of evidence about continuing and adult ETTs**

The comparative evidence about continuing ETTs is substantially less developed than the evidence about initial ETTs. More recently participation in different kinds of adult and continuing ET has been observed in more detail, particularly in the area of enterprise training (OECD 1999, OECD 2003a)<sup>26</sup>. However, the focus is on certain parts of ET, mainly non-formal participation, and the incidence of the various types of transitions defined above is more or less unknown.

Overall, the picture of adult learning so far does not give much information about transitions, the perspective is rather on stocks than on flows, and the overlap of activities is indicated indirectly at best. We know that training participation is strongly linked to employment and support by employers, and that women with family responsibilities are constraint to access training activities. Training of unemployed increase transitions into employment only under certain conditions, often only slightly and short term. An explicit analysis in a transition perspective, e.g., obtaining which kinds of transitions would be how frequent, is not available so far. We also know very little about the conditions under which those kinds of transitions occur, despite some general information about the frequency of constraints.

Particularly important from the transition perspective are the findings that participation is positively related to flexible labour market regimes (measured by the adoption of job-rotation, team-based work organisation, involvement of lower-level employees, and flattening of management structures). A negative relationship is found to working on temporary contracts or in part-time jobs.

For some groups or variables gaps in training provision/participation might result from different factors. Supply side constraints are estimated for women, immigrants, workers with low literacy, involuntary part-time and temporary workers, and employees in small firms, whereas demand side constraints are estimated for low-educated and older workers.

Lack of time is a serious factor limiting participation; about 60% of persons who have participated less than they would have wanted refer to various forms of time constraints. Substantially more respondents refer to time constraints than to financial constraints. However, the factors limiting participation vary according to groups. Financial factors are particularly important for low-skilled persons.

### 3.2.2. Structural and institutional factors influencing ETTs in adult life

The conditions and structures of systems at the level of adult transitions are much more complex than in initial transitions, as the market plays a bigger role and broader sets of actors are involved in those kinds of systems: ET providers, enterprises, labour market institutions, and social partners are involved more strongly, and the public authorities and legal frameworks play a less important role. Systems are much more scattered, and set up from different parts or elements, which might be not or very loosely coordinated. There are different kinds of providers: public or semi public (collective) providers, training measures in ALMP, providers on the private market, supply by the formal ET system, enterprises, etc. And different kinds of policy elements or frameworks exist, which are situated in different structures of provision: More or less inclusive financing arrangements exist, which focus in different mixtures on the supply and/or demand side, and are supported to a different degree by public funds, etc.

It is not very clear, how provision and participation depends on those elements, and to which extent transition patterns into adult ET and from adult ET depend on those frameworks. Some evidence is available rather on a qualitative and a case study basis. A closer inspection of the comprehensive data about participation rates and volume, and distributional aspects according to gender, age, and education from OECD 1999 does not give clear patterns about basic structures of adult ET systems. In sum, the available descriptive comparative evidence, which is scarce enough, does not indicate marked structures between different ET systems for adults. There have been conceptual developments, which stated the prevalence of comprehensive systems for skill development, or education and training regimes, and were able to corroborate that proposition by empirical analyses to some extent.<sup>27</sup> Lisa Lynch<sup>28</sup> analysed alternative systems of skill formation on a country case basis, and established the proposition, that institutional systems matter for overcoming market failure. A key idea of this study was that some systematic relationships between initial ET and enterprise training might exist. However, on a quantitative basis of indicators about the incidence of different initial ET systems and forms of training, the different systems did not show a consistent pattern.<sup>29</sup>

Ok/Tergeist (2003)<sup>30</sup> have analysed five stylised cases of CET systems, which concentrate on the enterprise and industrial relations level: France, Germany, Spain, US and Japan. Those are similar to the selection by Lisa Lynch. In France and Spain the CET systems at enterprise level are strongly regulated and embedded in tripartite and bipartite consultations systems. Representatives of workers play a role at the aggregate as well as at the enterprise levels. In Germany the apprenticeship system is regulated, whereas the CET system is hardly covered by regulations or formal agreements. In the US and Japan the influence of trade unions is rather small, in US because of small unionisation, and in Japan because of the informal practice of training matters. A key element in all systems, in different forms, are *firm level training plans*, to more or less extent negotiated between management and different kinds of workers' representatives. If we compare the indicators of participation, volume, and distribution, the unregulated systems of the US and Germany are similar in terms of the combined

participation and volume indicator, and at relative small inequalities by gender and education, whereas they differ in the components of training (higher participation in the US and higher volume in Germany), and at age inequality (with younger workers represented in Germany and older in the US). The average of the two regulated systems shows a similar participation as the US, but a much higher volume of training, and younger and higher educated people are very much more represented in training. However, the differences between the two regulated systems in France and Spain are also very marked, Spain having a similar training incidence to Germany, but much more inequality in terms of age and education, and France having a very high training incidence, and less inequality in terms of education, but also a similar age inequality as Spain.

ILO (2002) has provided a more inclusive overview about the establishment of institutional frameworks of learning and training for work, which extends mere financing schemes and instruments. That approach seems rather an inventory of institutional frameworks which might in certain combinations set up a system.<sup>31</sup> Some knowledge is available about how and where those institutional systems are implemented to some degree, however, as to how they interplay within systems of adult learning and within overall transition patterns is not known so far.

Because the enterprise behaviour seems essential for the development of life long learning, the firm's rationale for training has been assessed in the TLM framework. In theoretical approaches a close link of the firm's productivity and wages is postulated. In practice, however, seniority based wage structures frequently dominate the link between the age of an employee and individual productivity rather than observed productivity, also recognising severe measurement problems of individual productivity in team work and network dominated labour markets.

The very low rates of participation in continuing vocational training among ageing workers observed in most Member States of the European Union (France, Ireland, Netherlands analysed in much detail) combined with a seniority-based wage structure reflects the fragile integration status of older employees. Exclusion from a firm's labour force and transitions into early retirement, passive unemployment benefit receipt or disability benefits are the more likely the larger the discrepancy between worker productivity and wages.

A higher firm-level commitment to training, as part of the personnel management strategy of a firm, reduces the number of dismissals in the following years in the Netherlands less so in France and least so in Ireland. Based on firm-level data and individual level data it seems to be possible to identify persons on positive career tracks with multiple participation in training and those with high risk of exclusion from the labour market due to failure to participate in or being selected for training by the firm or public policy initiatives.

Labour market segmentation following patterns of industrial sectors which occurs at entry into the labour market is likely to be perpetuated by the firm's rationale for training throughout the European Union. In order to prevent market failure and therefore career tracks leading to labour market exclusion a much extended participation in public market oriented training and firm based training is needed to encompass the developmental needs of all employees irrespective of age.

### 3.2.3. Evidence about policies

#### 3.2.3.1. Labour market policy

Training is an important type of measure in active labour market policy.<sup>32</sup> In relation to unemployment the expenditure for active measures rose slightly (particularly between 1990 and 1993), whereas the expenditure on passive measures decreased (particularly in the mid 1990s). The Nordic countries have spent markedly more than all other groups of countries, with a comparatively high share of training measures.<sup>33</sup> During the 1990s the inflow into active measures rose more strongly than expenditure (from about 5% of the labour force to about 10%), indicating that measures have become less intensive.

Evaluation results of training policies obtain positive but small effects. Market oriented training programmes are shown to work best for both women and men in Ireland, the Netherlands and Germany. In terms of a benefit – cost re-analysis of evaluations of training measures it is shown that the net effect of training at the transitions from unemployment to employment is positive though relatively small in size.

The impact of political actors in the field of training is particularly important with respect to the relationship of initial and continuing ET, the European interventions, and the relationship of market failure and policy failure.

The ET systems within each country have experienced an evolution towards industry specific education and training strategies across the Union. Based on matched firm level case studies it is shown that the substitution phenomenon of initial training versus further training is no longer recognisable as has been argued previously comparing France and Germany. Rather than substitutes the two forms of training have become indispensable complements, thereby reinforcing the trend to set up positive career paths with upward mobility and frequent training versus static career tracks which are likely to lead eventually to exclusion from the labour market. An improved co-management and co-financing particularly concerning further training is indicated with an obvious way to combine training with changed working time arrangements along the lines proposed by the concept of transitional labour markets.

The multi-level governance in the European Union complemented by the European Social Fund and experimental training policies has turned the process of European integration into a process of institutional creativity. The community initiatives function as laboratories for social innovation. In order to find and define a role for the European Commission in this field it is noteworthy that both the elaboration and operationalisation of policies to fight social exclusion are largely delegated to semi-public organisations. It is by means of institutional creativity of both centralised and decentralised policy making that solutions will be found to increase social integration by not increasing the risk of social exclusion for some other groups simultaneously.

Overall, the work has revealed that social exclusion is a result of market failure in combination with policy failure, since the number of policies and social protection arrangements and budgets in the European Union are sufficiently to address these issues. More rigorous evaluations as well as solid

and multiple bridges between the world of education/training and the work will improve the potential for a wider spread of social integration in modern societies.

### 3.2.3.2. Continuing ET policy

Evidence about policies is very much related to certain types of specific measures, which mostly try to increase participation and to overcome market failure by different kinds of financing ET. Ok/Tergeist (2003) discuss training funds and levies, training leave schemes, collective bargaining agreements, and measures influenced by works councils. Current knowledge is mainly about incidence of those types of policies, rigorous knowledge about effects is not available so far.

OECD (2003a) has analysed a broader set of co-financing schemes which should help to overcome market failure in adult training. Many schemes of different scale are reported from member countries, some of them well established others of more recent origin. :

- *Tax arrangements for enterprises and individual learning accounts* are implemented more recently, and evaluations of impact are missing therefore.
- *Grant schemes and special funds for enterprises* are well established in some countries (most well-known in France), the evaluation is rather critical because of high administration costs, a trade-off between needs for flexibility versus the need for establishing clear eligibility criteria, and the schemes seem not to be attractive for SMEs which would primarily need support for training measures.
- *Subsidies to individuals and vouchers* are evaluated in most positive terms, issues discussed are the range of choice versus screening and targeting measures – even not targeted vouchers reach sometimes more disadvantaged groups.
- *Pay-back clauses and apprenticeships* are successful under certain conditions, dependent on certification of programmes and contractibility of courses.
- Several schemes are suffering from small acceptance: *Working-time and training-time accounts* depend on contractibility of training and do not work in case of strongly enterprise related training; *loan schemes* provide problems with indebtedness, unforeseen income contingency might be expensive, and there is a bias against women; training leaves and part-time study exclude sometimes part-time employees.
- *Tax incentives for individuals* are rather used for short or part-time training and are biased to higher earning persons, except when applied to saving schemes for future investments.

Broader strategies towards adult learning have been analysed in the thematic review about adult learning policies and practices (OECD 2003b).<sup>34</sup> The analysis shows a very broad and broadening diversity of objectives, dimensions, and approaches of policy in this field. It proves difficult to get a clear cut picture even about the functioning of overall policy within a specific country. The report gives rather an overview about that diversity, than an assessment of the effects of policies. A set of basic conditions for coherent policy making was defined (OECD 2003b, 91-92), including the following points:

- To reach a consensus among the key groups, potential learners, social partners, and policy makers about the need to invest, and to establish a financial commitment by them, related to priorities among kinds of learning
- The existence of an organisational structure with established responsibilities of the various actors, providing a framework for cooperation and partnership, and integration of adult learning in general ET policies

- To develop more technical elements, as institutional responsibility and quality assurance, support for target groups, and mechanisms for monitoring, evaluation, and feedback.

In addition to those basic policy requirements, OECD (2003a) points to three more specific framework conditions for the establishment of effective adult learning systems:

- Conditions for easy market entry to high quality providers, thus quality assurance should not limit quick reactions to newly emerging demand
- Information and guidance systems about the supply of ET
- Signalling systems about the available competencies and qualifications in the external labour market.

In sum very little evidence is available about the functioning of policies, and particularly questions from the TLM perspective, which concern the effects or impact of adult training policy measures other than labour market training for transitions into employment or parallel transitions are missing so far.

Questions are very much related to transitions into ET and to outcomes of ET without reflecting on the various kinds of transitions.

## **4. Summary, policy conclusions and research questions**

### **4.1. Summary of main results**

In this paper, we have first discussed the conceptual relationship of the TLM framework to the new paradigm of lifelong learning policy. The TLM framework postulates a new rationale of labour market policy, which provides institutional bridges in support of transitions between different positions around employment in the formal sector. Certain phenomena in the relationship between education and training (ET) on the one hand, and the labour market and employment on the other, are reformulated in this perspective. First, the attention is switched from stocks to flows, from positions to transitions, and the various kinds of transitions and sequences of education and training related transitions must be identified conceptually and empirically. Second, the existing institutional frameworks and the related policies are looked at from the perspective of how they could provide bridges in support of those transitions. The bridges are called transitional labour markets (TLMs). Third, in addition to these basic elements of the TLM framework, there are some guiding ideas about changing conditions in employment and the labour market and about the behaviour of actors important to the institutional set up. The actors are affected by an increasing number and variety of transitions, which are combined with various kinds of social risks for the actors. The institutional bridges must be able to provide new and reasonable ways of managing the distribution of such risks which are not sufficiently covered by traditional social security mechanisms.

Therefore, we need more knowledge about the ongoing transitions, about how they are embedded in the existing institutional frameworks, and about how policies are dealing with them. The conceptual analysis proposes a typology of education and training related transitions, and has worked out the communalities and differences between TLM policies and lifelong learning policies. The results of the exercise show first that lifelong learning policy is strongly related to transitions into education and training, whereas TLM policies are related to transitions into employment, or between different positions in employment. Second, most TLM policies are related to continuing ET. Third, there is overlap between TLM policy and the goals of lifelong learning policy, and with the proposals concerning the modes of provision, namely strengthening partnership among public and private actors, and taking into account the demand and motivation of learners in the design of education and

training supply. In both frameworks, there is a lack of specification of the envisaged output and outcomes of the policies.

The new paradigm of lifelong learning policy can thus be understood as compatible with a supply side (“neoliberal”) policy, which strongly puts the burden of taking risks on the individual, and which in principle also considers the education and training system a “normal” service that can be provided in the market, with its reliance on decentralised individual decisions resting on the availability of resources and the willingness to invest those resources in order to pay for the service. The TLM framework complements this supply-side perspective, by looking at the factors which influence successful transitions into employment, and by identifying the social risks implied in such transition processes.

The empirical evidence reviewed shows that substantial comparative research has been performed in the area of transitions from initial education and training into employment. However, the various kinds of education and training related transitions over an adult’s life remain rather unexplored so far. 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.

In the area of education and training related *transitions during adult life*, comparative empirical evidence is limited to some crude and overall measures, which concern the incidence and structure of participation in continuing ET, and in particular the provision of training as a measure of labour market policy. However, more qualitative information about the various kinds of transitions, and the factors influencing access and outcomes is so far lacking. Some established results in this area are:

- participation in continuing ET is minimal compared to the volume of initial ET, and its incidence is difficult to assess because the different categories of formal, non-formal, and informal ET have not been sufficiently analysed, and it is not known to what extent the forms are complementary or substitutes;
- participation in continuing ET is strongly supported by the enterprises, which may fall short of some part of their investment because of mobility of employees and poaching by other enterprises in the market;
- participation seems to be cumulative, such that the groups with more initial ET participate more in continuing ET, and they also get more out of their participation, whereas higher participation rates seem to reduce these differences;
- older people and groups in non-standard employment are particularly excluded from continuing ET.

The review of what is known about the effects of institutional frameworks on ET related transitions has shown that there is substantially more knowledge in the area of initial transitions about the shape of institutional frameworks than in the area of continuing ET. However, a clear picture of the interactions

between institutional structures and transition patterns is not available at this point. 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.

Evidence regarding policies is even more limited. Most evidence relates to labour market training, where rigorous evaluations frequently show positive results which, however, are significantly lower than anticipated. In the area of *initial transitions*, policy proposals are frequently oriented toward ET supply. Here the spiral of upgrading initial training, leaving behind those who performed less successfully, and potentially leading to over-education among the more successful individuals. 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. In the area of *adult transitions*, evidence is available with respect to some particular policy elements. However, the factors which support successful transitions are not yet very well known. The separation of labour market training and firm level human resource strategies seem to have brought about a combination of market failure and policy failure in the past, which may be overcome by a broader focus on continuing ET policies.

Pulling these results together, we can see a lack of evidence which would link together the three layers – transitions, institutions, and policies – and thereby indicate successful strategies for the support of quality transitions into employment, both for young people or adults. The review also shows that certain key elements of the TLM framework have not sufficiently been taken into account by research and policies. This holds for the analysis of the risks involved in transitions, as well as the behavioural traits of the actors in taking or avoiding those risks. This issue concerns all three layers of the analysis, and may be the crucial point distinguishing the set-up of TLMs from other similar policy proposals in the traditional policy tool kit. A sequential and life course perspective is another aspect which is strongly related to risk assessment, and which is also very much neglected in traditional research and policy making.

#### **4.2. Policy conclusions**

The review showed that the evidence and understanding of policies for lifelong learning is rather weak at this point, particularly in comparison with the high expectations prevalent in this policy field. We have extensive knowledge about differences in indicators, but these differences are not very well understood. Why are transitions of young people into employment so difficult in some countries, and how does this interact with institutional structures? Further, what can policy do to address this? Could additional investment in continuing ET make a difference in the pattern and distribution of transitions of



adult people, and how so? While answers to these questions are needed in order to devise appropriate policies, approaches to such questions have not been very comparative.

In contrast to the prevailing policies, the TLM framework focuses on certain aspects of policy which are rather marginal, or which are mentioned without clear underlying concepts and are therefore difficult to evaluate in comparison to competing proposals. We have seen in the review that there is no lack of proposed measures, but rather a lack of adequate selection criteria to determine which policy elements to choose in order to build an effective strategy. Which recommendations can be made at this point about the design of TLM related lifelong learning policies? Also, how could TLM policies be integrated into lifelong learning policy? The following preliminary observations are noteworthy:

- There are overlaps between lifelong learning policy and TLM related ET policy, but to some extent there is a different focus: LLL policy concentrates on transitions into ET, TLM policy concentrates on transitions from ET into employment, while taking into account interrelations with the former. This should be taken into account in the design of policy.
- Policy design should explicitly take into account the interconnectedness of different sub-systems of society (education and training system, employment system, social security, etc.); this is much more explicitly addressed by TLM policy. Conflicts between the respective endogenous logics of the involved systems, and issues of weighting those conflicting objectives are common inhibiting factors in ET policy coordination. Both the analysis of the behavioural traits of the involved actors in terms of their respective gains and investments, and the explicit reflection on the respective aggregate inputs and outputs by the included systems and actors to each other is part of the TLM framework.
- The risk and insurance perspective on ET which is part of the TLM framework could be used as an integrating factor in policy design.

A social model resting on some form of full employment needs to develop accurate mechanisms for the socially sustainable distribution of new social risks which accompany transitions during the life course arising from the ongoing changes in the employment system due to globalisation, technological change and individualisation. ET can be understood as an insurance against the risks inherent in transitions between different positions within the labour market. A basic assumption is that the allocation of social risks has changed, and will further change in comparison to the traditional risks of age, health, and unemployment covered by the traditional social insurance systems. At the same time, less stability and more individualisation means an increase of both opportunities and risks. Basic observations point to a set of changes in employment structures with respect to employment contracts, internal labour markets and mobility between enterprises, the interrelations between employment and household activities, and new forms of professionalism. The decline of the standard employment contract in particular and the increase of atypical or “precarious” employment, the multiplication of transitions between different forms of employment (dependent employment, self-employment, fixed-term contracts, contracts about products), and the tendency of the basic paradigm of the employment contract to change to a mixture of sales contracts are all related to the new risks, which are properly not covered by the traditional social security systems.

Schmid (2002) has analysed the structures of the labour markets in the cultural field as a potential new paradigm for employment relations in the future. The following key factors have been identified in several employment fields: a high level of qualification; a potential individual monopoly position achieved through a combination of the specialisation of competence, the building of reputation among

employers and principals, and the necessity of networking in order to hold and improve one's position; an overlap of dependent employment and self-employment; and volatile income streams. An innovation in artists' social security schemes is that consumers contribute to social security through the imposition of prices; at the same time the players in these markets are suffering from an uneven distribution due to high costs arising from a prevalent „winner-takes-it-all” logic.

More generally, different types of major risks related to the ETTs have been identified: mistaken occupational choices; outdated qualifications; changed preferences during the life course; the phenomenon of “compressed career” periods, particularly for younger women who have to manage various roles at the same time; lack of theoretical and symbolic forms of knowledge increasingly required by older and less educated employees; and the decline of internal labour markets which played the role of an employment insurance. Schmid considers the extension of those new risks over the whole life cycle the major new phenomenon, because of the multiplication of changes in the employment system, and because of the distribution of the risks among the younger generation (via non-standard employment) and older generation (via exclusion from employment and ET). The increase of job mobility and the related changes in employment contracts leads to a multiplication of opportunities at the individual level to get jobs that fit better with one's aspirations, but at the same time this leads to a multiplication of risks of unemployment or getting jobs which do not fulfil aspirations or minimal societal conditions. The concrete distribution of opportunities and risks will also differ according to the economic background and the level of unemployment.

This assessment clearly displays an overlap of mere functional and normative assumptions about a basic level of living quality. At the normative level, the European social model should guarantee some minimal level and conditions of quality of life. These, however, are also related to functional issues. The guarantee of minimal conditions should minimise dysfunctional effects at the more aggregate level of society. In the TLM approach, the underlying assumptions to some extent bridge the normative and functional dimensions. Opportunities will only be fully exploited if the accompanied risks are reasonably covered (at the individual level), while the aggregate costs of negative risks may impede societal development. Therefore, the costs of reasonable risk management through insurance mechanisms will lead to a surplus at the societal level.

The extension of the concept of TLM to the role of ET requires a fusion of the investment perspective of the human capital approach with an insurance perspective. In human capital theory, individual investment in ET is calculated on the basis of the expected returns on that investment. These returns are calculated on an aggregate level, and there remains the unresolved question of the relationship between individual and social returns. In the ideal model, the risks are carried by the individual, similar to investments on the stock market. However, in fact this ideal model is nowhere in place; there is always a combination of individual and social investments from some kind of public fund.

The difference between the human capital perspective and the insurance perspective with respect to these social costs is that the investment is not only discounted against the returns in terms of wage and productivity, but the returns also include an insurance component. The interpretation of education as an insurance is built on the indirect evidence that employment security rises with the acquisition of additional ET. Thus, ET in fact works like insurance: individuals (and the public) have paid for additional ET, and get additional security. Moreover, the idea of human capital theory that people would invest in ET in accordance with their expectations about future returns has seldom been

rigorously corroborated by evidence, only by a broad tendency. There are arguments which undermine human capital calculation, particularly since future returns cannot be properly estimated in advance. Therefore, the investment could also be credited as an insurance premium.

In a further step, this alternative interpretation makes a difference with respect to rational amounts of private and public investment in ET, if the component of an insurance against employment risks is publicly financed. First, the strong link to wages and productivity would be loosened (which is already the case in the approach of efficiency wages). Second, the notion of over-education would be changed. Third, the insurance component could be extended to insurance not only against individual risks, but also against the risk of bottlenecks due to supply-side constraints. However, these arguments are based on backward reasoning, and do not really help in determining how much the insurance premium in terms of the amount of money needed would be. In the case of insurance premiums, there is a calculation of risk, and the costs are related to the risk in order to obtain the necessary premium. It is unclear at this point how this should be done in the case of education.

Schmid (2004) shows that the methods of risk analysis known from other areas could be applied to the risks related to transitions in the labour market. Risk management would require foresight and the analysis of the distribution of risks among the actors, and knowledge about how the actors' decision-making reacts to the risks. The decisions of actors, such as individuals and enterprises, could be influenced by TLMs as mechanisms for risk management, which can provide security in the case of critical events on the one hand, and can also support risk-taking in the case of transitions under insecure expectations on the other. The following policies have been proposed as typical examples of TLM mechanisms in the area of ET related transitions, and they have also had the most favourable impact:

- apprenticeship systems, which in principle could be extended to adult workers;
- publicly supported learning accounts, which should be complemented by appropriate guarantees and counselling measures for the less educated;
- effective systems of foresight regarding the demand for qualifications, in order to manage the risk of educational decision-making for the respective actors, and the appropriate distribution and communication of the results.

#### **4.3. Topics for further research**

Given the available evidence, there are good arguments to take seriously the ideas proposed by the TLM framework. However, several aspects deserve more thorough analysis. Research on the following topics could improve knowledge about the contribution of ET policy to the European social model.

- The interrelations between transitions, institutional frameworks and policy interventions have only been analysed up to a certain degree in a comparative perspective, stating some hypotheses about those interrelations. There may be national or regional analyses available which could not be taken into account in this paper. To widen and improve this kind of analysis is an important step in understanding the effects of institutional frameworks and policy interventions in ET related transitions of both young people and adults.

- The analysis of the preferences and behaviour of the principal actors in the labour market is very important in understanding their decisions concerning education, training and employment vis-à-vis

the social risks they are confronted with. There is some available generalised knowledge about risk taking, e.g. from a psychological, market or insurance perspective. Specific analyses of ETTs are important to specifying appropriate TLM policies.

- Current knowledge about how institutional frameworks structure transitions, particularly in the area of adult life and continuing ET, is very limited. Proper understanding of institutions, which could establish transitional labour markets in the ET field (e.g., apprenticeship systems, systems for the anticipation of demand, systems using education and training measures as insurance against risks, job rotation models with education and training component, employment pacts or foundations) and their potential to improve transitions and making them more inclusive, could substantially inform policy-making in this area. Comparative analyses could also improve cross-national policy transfer and policy learning.

- Evaluation and policy analysis of ET measures, which is so far more or less confined to single programmes at a national level and some reviews or meta-studies, should take on a broader comparative perspective of lifelong learning policy.

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## Annex

### Typology of main education and training related transitions (ETTs) in a career perspective

	Inclusive	Maintenance	Exclusionary
- the transition from initial full-time education and training to the labour market, either to employment or (temporarily) unemployment (STW: school-to-work transition)	→Employment		→Unemployment, household
- the transition from unemployment to full-time (or part-time) labour market training and to employment thereafter (or back to unemployment)	→Training + employment	→Training	
- the (more or less intensive employer sponsored) transition from employment to part-time (or full-time) continuing education and training, usually in combination with staying in the job.		→Employer sponsored CVT	
- the transition from the household via training to unemployment is known to be a frequent (intended or unintended) by-product of labour market training	?Undetermined, depending on career path	?Undetermined, depending on career path	?Undetermined, depending on career path
- the transition from unemployment (or forms of inactivity) to a combination of training and subsidised (part-time) employment (or some other more loosely organised form of work experience) is used as a common measure of labour market policy	?Undetermined, depending on career path	?Undetermined, depending on career path	
- the apprenticeship system can be conceived of as a parallel transition from initial education and training to training combined with employment (or work experience)	?Undetermined, depending on career path		
- the transition from the household to further part-time education in combination with a (re-entry) transition into employment is proposed as an important opportunity for meeting labour demands and providing opportunities for individuals	→Further education + employment		

## **Key features for a successful transition system (based on OECD 2000)**

### **I. A healthy economy**

- good economic conditions
- youth-friendly labour markets
- education, employment, social policy efforts

### **II. Well organised pathways**

- clearly defined, well organised and open pathways
- life-long learning perspective
- evenly spread mix of principal pathways (general, vocational school based, apprenticeship)
- connections of upper secondary education to tertiary studies and work
- flexibility\*
- securing the status of upper secondary vocational education\*\*

### **III. Education and workplace experience**

- apprenticeship
- school-organised workplace experience (co-operative education; shorter periods)
- part-time and holiday jobs
- features: quality control, shared ownership, mutual benefits
- appropriate institutional arrangements

### **IV. Safety nets**

- small numbers of young people at risk
- policy coherence
- co-ordinating and tailoring local delivery mechanisms
- guarantees, balancing obligations and income support

### **V. Information and guidance**

- oriented to active planning and development
- attention to working conditions and signalling systems
- access to and affordability of good facilities
- key elements: information sources; self-directed mechanisms; career education; real work experience; community involvement

### **VI. Effective institutions and processes**

- effective policy processes (design and implementation)
- personal relationships among players, trust and sharing
- local partnerships
- shared ownership and strong institutional frameworks
- intermediary bodies as brokers

\* links vocational – tertiary studies; vocational into general; fewer but broader entry points; general into vocational; modular curriculum structures; pathways in more than one institutional setting; non-university programmes expanded

\*\* avoiding residual and dead end tracks; bridges to tertiary education; safety nets; even distribution of costs and benefits; avoiding risks of modularisation

Source: Checklist constructed by Lassnigg/Mayer, based on OECD 2000, From Initial Education to Working Life: Making Transitions Work. Paris: OECD, 13-20.

## EU Commission Communication on lifelong learning, priorities detailed<sup>35</sup>

<b>Valuing learning (Recognition)</b>	
<i>Valuing formal diplomas and certificates</i>	Minimum quality standards development (Commission, Member States social partners)
	Guide to, and glossary of, the Community instruments related to transparency of diplomas and certificates (Commission, 2002)
	a more uniform, transparent and flexible regime for professional recognition (regulated professions; Commission, 2001); access to information (Member States)
	support the 'Bologna process' (Commission, Member States)
<i>Valuing non-formal and informal learning; Exchange of experience</i>	voluntary development and implementation of European diplomas and certificates, criteria (Commission, Member States)
	systematic exchange of experience and good practice in the field of identification, assessment and recognition of non-formal learning (Commission, 2002, Member States, social partners, NGOs, OECD, Cedefop, Eurydice, ETF).
	developing methodologies and standards for valuing non-formal and informal learning (Member States and all relevant players, providers of non-formal learning, social partners, formal education, NGOs representing excluded groups).
	inventory of methodologies, systems and standards for the identification, assessment and recognition of non-formal and informal learning (Commission, 2003)
	legal framework to implement more widely the identification, assessment and recognition of non-formal and informal learning, individual right to assessment (Members States).
<i>European instruments for valuing</i>	implement measures for assessment and recognition of non-formal and informal learning by ET-institutions (Member States).
	'portfolio' system to group together individual qualifications and competences and present them (Commission 2002).
<b>Information, guidance and counselling</b>	
<i>European dimension of i-g-c</i>	'modular' system for the accumulation of qualifications from various institutions and countries (Commission, 2003, Member States) ECTS, Europass.
	Internet portal on learning opportunities (Commission, 2002, Member States)
	European Guidance Forum (Commission, 2002)
examine existing European networks and structures in the field of information, guidance and counselling (Commission, 2003)	
<b>Investing time and money in learning</b>	
<i>Raising levels of investment and making investment more transparent</i>	Funding infrastructure and venture capital for lifelong learning (EIB, EBRD, EIF)
	national targets (shared contributions to various sectors of learning) to raise investment levels, to increase participation in further education and training by gender, age group, educational attainment and target groups (Member States)
	use of ESF and EQUAL for lifelong learning; local learning partnerships and centres, learning opportunities at work, access to basic skills, training of learning facilitators (Member States)
	indicators, tools evaluation of impact and implementation of ESF on lifelong learning (Commission 2003).
	agreements to modernise the organisation of work, investment in lifelong learning, providing more time for learning (social partners) recognition, integration of non-formal and informal learning.
<i>Providing incentives and enabling investment</i>	assess impact of individual funding schemes on investment, participation and outcomes (Commission, 2002).
	support research into the benefits, costs and returns of investing in learning under the 6 <sup>th</sup> RFP (Commission).
	overview of fiscal incentives for learning financed by individuals and companies, identification and adoption of good practice (Commission)
<i>high quality outcomes</i>	guidelines and indicators on quality aspects of lifelong learning, exchanges of good practice and peer review (Commission, 2003, Member States)
<b>Bringing together learners and learning opportunities (Demand orientation)</b>	
<i>Support learning communities, cities and local regions and local learning centres</i>	multipurpose centres for lifelong learning (Member States)
	visibility of outcomes of non-formal and informal education resulting from activities of youth organisations.
	use of ERDF and ESF to support lifelong learning as part of local and regional development programmes, and ICT skills especially in SMEs (Member States)
	implementation of lifelong learning at regional and local levels, links between local and regional learning centres across Europe, use of ICT, promote most effective approaches to lifelong learning. (Committee of the Regions, European and national associations of local and regional levels),
	networks between those regions and cities with well-developed lifelong learning strategies (Commission)
<i>learning at the workplace - including in SMEs</i>	individual competence development plans, assessment of individual competences, accordance with enterprises' competence development plans (social partners)
	framework, common goals, to promote lifelong learning at all levels and at enterprise level (EU, national social partners)
	award for enterprises that invest in lifelong learning (Commission, 2003)
<b>Basic skills</b>	
<i>Identifying basic skills</i>	basic skills provision outside formal education and training and acquisition by adults, motivation to learn, include social, personal and ICT skills in curricula (Expert Group)
<i>basic skills available to everyone; less advantaged, ESL, adults</i>	free access to basic skills for all citizens, regardless of age (Member States)
	basic digital literacy in compulsory education, digital literacy for citizens at risk of exclusion, recognised certificate of basic ICT skills for unemployed (Member States)
	promotion of universal access to learning opportunities to achieve information society literacy (social partners, 2003)
	policy to promote the acquisition of basic skills and participation in mainstream lifelong learning for citizens at risk of exclusion (NGOs at European level)
<b>Innovative pedagogy</b>	
<i>New teaching and learning methods, new role of facilitators</i>	network for the training of teachers and trainers, including adult education, analyse and exchange innovative experience in formal and non-formal contexts, transfer, framework of reference for competences and qualifications of teachers and trainers, ICT based learning (Commission Member States, local and regional authorities, learning providers, teachers' representatives and NGOs, non-school youth education)
	support of learning facilitators in non-formal and informal learning (Social partners, NGOs, youth organisations, Commission, Member States)
	research about learning, development of efficient and effective pedagogic approaches for various groups of learners, including underrepresented groups/non-traditional learners (Commission, 6 <sup>th</sup> RFP, Leonardo, Socrates, Youth eLearning, IST, EQUAL)
	European quality recommendations aiming at learning organisations outside formal education and training, European label (Commission, 2003, Member States, social partners and international NGOs)
<i>ICT in lifelong learning</i>	seals of quality for ICT based learning and teaching material, in particular learning software. (Commission, Member States)
	develop ICT based learning with a European dimension (Commission)





## Endnotes

<sup>1</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>2</sup> However, the preference for transitions into employment is not unconditional. There should be at least a congruence between the individual preferences and the concrete employment opportunities, and some basic conditions of the quality of employment must be fulfilled. Further, individual sequences of employment should follow a path of improvement in quality of employment. Also, the meaning of employment is discussed critically; various forms of employment are taken into account, and a broader concept of productive work is taken into account which to some extent complements paid employment.

<sup>3</sup> J. O'Reilly and I. Cebrián, M. Lallement (eds.) 2000. Working-Time Changes. Social Integration Through Transitional Labour Markets, Cheltenham, UK and Northampton, MA, USA: Edward Elgar.

<sup>4</sup> Schmid G (1998) Transitional labour markets: A new European Employment Strategy. WZB Discussion Paper FS I 98-206, Berlin.; Schömann K (o.J.) The transitional labour market of education and training. WZB (unpublished paper from internet).

<sup>5</sup> Schmid G (2004) Soziales Risikomanagement durch Übergangsmärkte. Unpublished manuscript.

<sup>6</sup> The famous book about 15.000 hours indicates the time used for initial education until the age of about fifteen; an OECD estimate of lifetime formal or non-formal adult education is at less than 1.500 hours, if we double this on the basis of some estimates for informal ET, we reach 3.000 hours of continuing ET.

<sup>7</sup> OECD/CERI (2000) Overcoming exclusion through adult education. Paris: OECD; Schuller T (1992) Age, gender, and learning in the lifespan. In Tuijnman A / van der Kamp M, Eds. (1992) Learning across the lifespan. Theories, research, policies. Oxford: Pergamon, 17-32.

<sup>8</sup> Lassnigg L (2001) The learning-oriented company and policy perspectives for VET and HRD. In: Nieuwenhuis, L.F.M., Nijhof, W.J., (eds.) The dynamics of VET and HRD systems. Twente University Press, Enschede, 35-57.

<sup>9</sup> See: CEDEFOP (2000) Towards the learning region. Education and regional innovation in the European Union and the United States, Luxembourg: OOP-EC; OECD (1999) The Response of Higher Education Institutions to Regional Needs, Paris.

<sup>10</sup> However, other major organisations have also delivered policy statements about lifelong learning. World Bank: [http://www-wds.worldbank.org/servlet/WDSContentServer/WDSP/IB/2003/04/23/000094946\\_03041004024447/Rendered/PDF/multi0page.pdf](http://www-wds.worldbank.org/servlet/WDSContentServer/WDSP/IB/2003/04/23/000094946_03041004024447/Rendered/PDF/multi0page.pdf);

See:

<http://lnweb18.worldbank.org/ECA/ecspExt.nsf/0/DF4D7D052E6A5F3485256DE5007D0634?Opendocument&Start=1&Count=1000&ExpandView>;

World Bank (1999) Education sector strategy. Washington D.C.: The World Bank ([http://www.logos-net.net/ilo/150\\_base/en/publ/pdf\\_06.htm](http://www.logos-net.net/ilo/150_base/en/publ/pdf_06.htm)); see also Goel V K (2004) Innovation systems. World bank support for science and technology development. World bank working paper No. 32. Washington D.C.: The World Bank; The summary of the Global Conference on Lifelong Learning, which was attended by many countries from the different world regions and contributed to by major international institutions and companies, brings similar issues forward: definition of *competences* and *recognition* of informal learning; *institutional concerns* as the building of partnerships, the definition of responsibilities of stakeholders, and arrangements for the coordination of national and local levels; *financing* with a focus on the setting of financial responsibilities, cost sharing, and efficiency concerns, including the relation of investment to outcomes and the use of ICT; *pathways and articulation*, pointing to constraints for learner mobility between ET sectors, qualification frameworks and recognition of learning, eLearning and distant learning for promoting access to ET; *equity and access* concentrates on affordability, on who should pay for what, and on costs of doing nothing with regard to lifelong learning; lifelong learning was positioned as a *key driver* of transition in the knowledge-based economy, emphasising the interaction between tertiary education, knowledge production and ICT.

G8, the Cologne Charter: <http://www.ilo.org/public/english/employment/skills/recomm/report/annex3.htm>;

ILO: <http://www.ilo.org/public/english/dialogue/sector/techmeet/jmep2000/conclude.htm>;

<http://www.ilo.org/public/english/dialogue/sector/techmeet/jmep2000/jmep1.htm>.

<sup>11</sup> Four key features have been proposed by the OECD approach: (1) a systemic view of learning, (2) the centrality of the learner; (3) the motivation to learn, (4) a balanced view on multiple objectives of learning, economic, social, cultural outcomes, personal development, citizenship, etc. Based on that framework, and the analysis of policy practices in OECD countries, five policy areas were identified in the lifelong learning system: (I) recognition of all forms of learning; (II) foundation skills, including motivation and the capacity for self-directed learning; (III) reformulating access and equity priorities along the life-cycle and across different learning settings; (IV) considering resource allocation across all sectors and settings, including the mobilisation of additional resources for increased participation and rationalisation of provision; (V) collaboration among various partners (partnership).

<sup>12</sup> EC (2001) Making a European area of lifelong learning a reality. Communication from the Commission. Brussels, 21.11.01, COM(2001) 678 final ([http://europa.eu.int/comm/education/policies/lll/life/communication/com\\_en.pdf](http://europa.eu.int/comm/education/policies/lll/life/communication/com_en.pdf)); see also the overview in the Annex to the paper: the work programme for the follow-up of the Lisbon targets has particularly focused on improvement of initial ET quality. The Action Programme on Skills and Mobility focuses on the enterprise level, and it particularly proposes the support of human resource development activities and the systematic anticipation of skills needed. The activities to develop vocational education and training (VET) systems as part of the Copenhagen Process highlight the set-up of a transparency framework, the development of credit transfer systems, the validation and recognition of non-formal and informal learning, lifelong guidance, quality assurance, and the development of sectoral qualifications and competences. The draft joint employment report (JER) 2003/04 provides a mixed assessment of policies and underlines some priorities; Basic skills for everyone, reduction of early school leavers, and an increase of participation in adult learning are mentioned as key challenges; transparency of rights and obligations, quality standards and increasing investment by employers are further priorities.

<sup>13</sup> See the table in the Annex

<sup>14</sup> See Schömann K / O'Connell P J, Eds. (2002) Education, Training and Employment Dynamics. Transitional Labour Markets in the European Union, Cheltenham, UK and Northampton, MA, USA: Edward Elgar; the section draws heavily on the summary in the seminal paper by Schmid G / Schömann K. Eds. (2003) The Concept of Transitional Labour Markets and Some Policy Conclusions: The State of the Art. TLM.NET Working Paper No. 2003-01.

<sup>15</sup> OECD (1996) Growing into work: youth and the labour market over the 1980s and 1990s. Employment Outlook, Ch.4. Paris: OECD, 109-159.

<sup>16</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)

- <sup>17</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)); 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>18</sup> OECD (1998) Getting started, setting in: the transition from education to the labour market. Employment Outlook, Ch.3. Paris: OECD, 81-122.
- <sup>19</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>20</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 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>21</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>22</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/context. 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>23</sup> OECD (2000) From initial education to working life. Making transitions work. Paris: OECD.
- <sup>24</sup> OECD (1999) Giving youth a better start. Employment Outlook, Editorial. Paris: OECD, 7-11.
- <sup>25</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)).
- <sup>26</sup> OECD (1999) Training of adult workers in OECD countries. Measurement and analysis. Employment outlook, Ch. 3. Paris: OECD, 134-175, OECD (2003a) Upgrading workers' skills and competencies. Employment outlook, Ch.5. Paris: OECD, 237-296.
- <sup>27</sup> See Lassnigg L (2001) Ways for improving the co-ordination of VET and employment. IHS Sociological Series No. 51 (November). Download: <http://www.ihs.ac.at/publications/soc/rs51.pdf>.
- <sup>28</sup> The following systems were analysed: Apprenticeship training (Germany, UK pre 1980, the Netherlands); low employee turnover and extensive company training (Japan); government-led, school based (Sweden, Norway, UK post 1980); employer training tax (France, Australia); school-based, learning-by-doing (USA, Canada); Lynch L M, Ed. (1994) Training and the private sector. International comparisons. Chicago: University of Chicago Press (NBER Comparative Labor Market Series).
- <sup>29</sup> Buechtemann/Verdier (2000) have proposed the concept of education and training regimes which includes a complex multitude of elements involved in the provision of education and training at several levels of abstraction:
- the involved organisational units and actors: collective organisations (units of state administration, interest organisations, etc.), organisations operating in education and training and on the labour market (schools, training centres, employment offices, enterprises, etc.), specialised actors in those fields (teachers, trainers, etc.)
  - the structures connecting these units and allowing for flows and interactions among them: established education and training tracks, their internal selectivity, the degree of standardisation, the mutual interfaces, their weight in a national context, etc.
  - the customs, rules, and regulations governing internal functioning and the mutual coordination within the policy frameworks.
- Buechtemann C F / Verdier E (2000) Education and training regimes: macro-institutional evidence. Research paper, Séminaire de travail: Expansion de l'éducation, Emploi et Marché du Travail (Toulouse les 9-10 Novembre) Toulouse: LIRHE-EDEX (<http://www.univ-tlse1.fr/lirhe/index2.htm>).
- <sup>30</sup> Ok W / Tergeist P (2003) Improving workers' skills: analytical evidence and the role of social partners. OECD Social, employment and migration working papers, No. 10.
- <sup>31</sup> The overview comprises the following types of institutional developments: - training authorities, councils and boards; - arrangements for financing investments; - arrangements for provision of ET for employed workers; - ALMP and equity programmes; - qualification frameworks for learning and training for work; - labour market information, guidance, and counselling;
- <sup>32</sup> Training counts for about a quarter of expenditure for ALMP (24-29% on OECD average between 1985 and 1998), at the same time active spending rose from 0,72% to 0,85% of GDP in the OECD and from 0,86% to 1,07% of GDP in the EU, respective from 34% to 37% of overall LMP measures in the OECD and from 32% to 38% in the EU.
- <sup>33</sup> Active spending was 1,48% of GDP in 1989, the share of training measures 33% of active LMP expenditure.
- <sup>34</sup> OECD (2003b) Beyond rhetoric: adult learning policies and practices. Paris: OECD.
- <sup>35</sup> See Lassnigg 2004.
- <sup>36</sup> cf. the Danish job rotation scheme
- <sup>37</sup> cf. employability agreements in the Netherlands and Germany
- <sup>38</sup> cf. the employment foundations in Austria
- <sup>39</sup> cf. information, guidance, job search, brokering (cf. OECD 2000, Schuller 1992)
- <sup>40</sup> at sectoral, regional/local, providers' levels