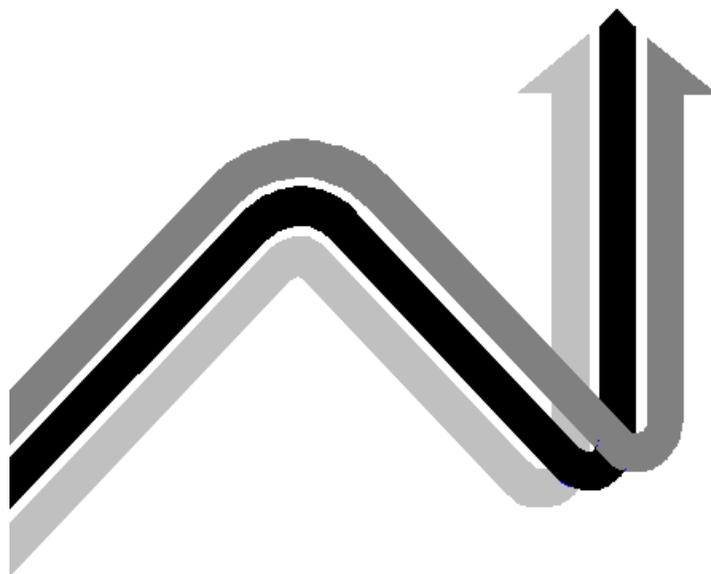


THEMATIC REVIEW OF THE TRANSITION FROM INITIAL EDUCATION TO WORKING LIFE



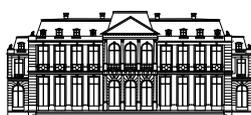
SWEDEN

COUNTRY NOTE

NOVEMBER 1999

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1. INTRODUCTION

1.1 *Objectives and organisation of the comparative country reviews*

The OECD's Education Committee launched the Thematic Review of the Transition from Initial Education to Working Life in November 1996. Within a lifelong learning framework the Thematic Review has been concerned with two broad questions:

- How has young people's transition to working life been changing during the 1990s?
- What sorts of policies and programmes are effective in delivering successful transition outcomes for young people?

Fourteen of the OECD's Member countries have taken part in the Thematic Review. In addition to Sweden, the last of the 14 to participate, they are: Australia; Austria; Canada; the Czech Republic; Denmark; Finland; Hungary; Japan; Norway; Portugal; Switzerland; the United Kingdom; and the United States. These countries differ widely in the institutional arrangements that they make for the transition to working life, in their social and economic contexts, and in the policy concerns that are uppermost to them.

Under the guidance of a national steering committee participating countries prepare a national Background Report using a common analytical framework¹. Each country is visited by a team that includes both independent experts and representation from the OECD secretariat. Following these visits a Country Note is prepared that summarises the team's observations, conclusions and suggestions. An interim comparative report summarising the lessons learned from the first six of the 14 country reviews was prepared for the November 1998 meeting of the OECD Education Committee (OECD, 1998f). The final comparative report from the Thematic Review will be presented to the November 1999 meeting of the Education Committee. Background Reports, Country Notes and the interim comparative report are available at the Thematic Review's web site: <http://www.oecd.org/els/edu/index.htm#ThematicReview>.

1.2 *Sweden's participation in the Thematic Review*

Sweden's participation in the Thematic Review will be of particular interest to other OECD Member countries. It made major changes to its transition arrangements in the 1970s, and has introduced further substantial changes in the 1990s. In each instance these changes have been designed to foster a broader preparation for working life, as well as to lay a solid foundation for learning throughout life. Sweden has had a longstanding commitment to equity in its social policies, including its education policies, and this sits alongside a strong commitment within public policies to the promotion of a high quality of working life. It is a society that in recent years has had to balance these objectives with adjustment to changed and difficult labour market circumstances. At the same time it has made some major changes to the ways in which its public services, including education and employment, are administered, giving a greatly increased role to actors at the local and regional levels.

Sweden's participation in the Thematic Review has been co-ordinated by the Ministry of Education and Science, which, under an internal steering committee, took responsibility for the preparation of Sweden's Background Report, and for the preparation of the comprehensive and stimulating programme of visits that

¹ This may be found as Appendix 3 of OECD (1998f).

took place in late January and early February 1999. The assistance of the Ministry in both of these respects was greatly appreciated by the review team.

The programme of visits included discussions with Swedish young people, employers, teachers, school administrators, higher education institutions, employer and employee representatives and educational policy makers. Its particular strength was the exposure that it provided to some key issues in Swedish upper secondary and tertiary education. The discussions concentrated on four main issues:

- The ways in which young people's transition to work in Sweden is changing;
- Where the main problems lie, including identification of those most at risk in the transition;
- How the transition process might be improved for young Swedes; and
- Identifying policies and programmes that are particularly effective, including the reasons for their success.

The present review has followed an earlier national review of Swedish education policy (OECD, 1995), Sweden's participation in the Thematic Review of the Initial Years of Tertiary Education (OECD, 1998e), and an OECD economic survey of Sweden which paid particular attention to education, training and labour market reform issues (OECD, 1998d). Needless to say, the paper that follows is the responsibility of the review team. Although it benefited greatly from the Background Report and the materials assembled before, during and after² the visit, any errors and misinterpretations are our own.

This Country Note is intended to serve several purposes: to provide the Swedish authorities with an external assessment of the Swedish transition system and with some pointers to key policy issues; to provide non-Swedish readers with a better understanding of how young Swedes make the transition from initial education to working life; and to provide non-Swedish readers with a better understanding of good practices in Sweden. Section 2 describes the context of young people's transition to working life in Sweden, both to assist non-Swedish readers and to provide background for some of the policy issues raised by the Country Note. Section 3 provides an analysis of the transition process in Sweden and of the ways that it has changed during the 1990s. Section 4 discusses some key policy issues, and Section 5 offers some concluding remarks.

² Particular thanks are offered to Statistics Sweden for material provided after the conclusion of the review team's visit.

2. THE CONTEXT OF YOUNG PEOPLES' TRANSITION TO WORKING LIFE IN SWEDEN

Young people's transition to working life in Sweden has been shaped by a number of key features of Swedish society: its values and traditions; its labour market; and its education system.

2.1 *Some key features of Swedish society and government*

A commitment to equity and social inclusion

Sweden's longstanding commitment to equity pervades almost all aspects of public decision making. It can be seen in the vigorous efforts that have been made to ensure that women can fully participate in all aspects of Swedish life, and is reflected in female labour force participation rates that are among the highest in the OECD³. It can be seen in the efforts that have been made in the 1990s to ensure regional equality of access to and provision of education, despite a decentralisation of decision making. It can be seen in the abolition of apprenticeship in 1970, a decision that in large part was taken to avoid what was seen at the time in Sweden to be an education system divided on gender and class lines. The commitment to equity can be seen in decisions, even prior to the upper secondary reforms of the 1990s, to ensure that the choice of a vocational programme within upper secondary school should not be seen as an educational dead end. As a result for some years all upper secondary pathways and programmes have enabled young people to progress to tertiary study in Sweden. This has been an important achievement within the OECD that many other countries are now striving to emulate.

A further indication of a commitment to equity in Swedish life is a relatively high degree of wage compression. The smaller, compared to other OECD countries, differences that can be observed between the earnings of upper secondary graduates and tertiary graduates⁴, between blue collar and white collar workers, between non exporting domestic industries and internationally competitive exporting industries, between young workers and older workers⁵, are the result of a number of factors in Sweden's economic and industrial relations history in addition to a commitment to equality. These include the belief that small wage differentials will encourage a movement of individuals from low to high skill occupations, and that high wages for lower skilled work will penalise low skill, low profit firms, thus improving the overall efficiency of the Swedish economy. But a belief in equity, as well as efficiency, has been just as powerful an influence⁶. (See for example Erixon (1994), Robinson (1995), Björklund and Freeman (1995) and European Commission (1996)).

³ In 1997 75% of 15-64 year-old Swedish women were members of the labour force, a participation rate exceeded only by Iceland, Norway and Denmark.

⁴ Employed persons aged 30-44 with a university-level qualification earned only 49% more than those with an upper secondary-level qualification in 1996. This compared to an OECD average of 60%. (Source: OECD, 1998a).

⁵ In the ordinary labour market there have generally been no special wages for young people. Minimum wages exist for most jobs, and equal wages are normally paid for the same job, regardless of age. However some collective agreements now allow lower youth wages.

⁶ Nickell and Layard (1998) argue that the high degree of wage compression observed in Sweden is a function of the compressed real skill levels of Swedish adults, compared to other countries, as measured by national performance in international studies of numeracy skills. Using performance on identical test items Wolf and Steedman (1998) show that the numeracy skills of Swedish upper secondary students in the lower half of the attainment range are above those of English students in the lower half of the attainment range.

A commitment to openness and participation

Sweden has a strong commitment to openness and participation in its public decision making. This ensures that key educational policy changes are subjected to full and public discussion, outside of the parliament as well as within, and that key interest groups are widely consulted before legislation is enacted. It helps to ensure that key reforms, such as the 1991 legislation which introduced a new structure for upper secondary education, have bipartisan support and are not reversed upon a change of government. This gives continuity and stability to educational policy making. It helps to support a climate in which educational reforms are evaluated, and the results of these evaluations are placed in the public domain (Tuijnman and Wallin, 1995).

Openness in public decision making is reflected in a belief that the public has a right to access key information, a right enshrined in the Co-determination Act. Public access to key information helps to ensure that education is a very public activity, and that the decisions of policy makers are subject to the scrutiny of parents, teachers and employers. It helps to ensure that public debates on education are informed. In turn informed public debate is made easier by the high levels of general education within the Swedish population. Within labour market policy, perhaps to a greater extent than in education policy, a belief in the importance of participative decision making has ensured that many decisions are not taken without the involvement of employer organisations and the trade unions, even if the nature of this involvement has been changing during the 1990s as a result of the more decentralised nature of public decision making in Sweden.

A devolution of power and responsibility

Before the early 1990s centralised decision making and centralised resource allocation were typical of much of Swedish public administration. They were supported by a corporatist tradition that gave national employer organisations and national trade unions a key consultative and decision making role in a wide range of economic and social policies. But Sweden has now become one of the most highly decentralised members of the OECD in many aspects of public administration. Local responsibility at the level of Sweden's 289 municipalities, rather than central responsibility, local revenue raising as well as local control over expenditure, steering by goals and by targets rather than by central direction and by central budgetary control, and schools themselves rather than regional or national authorities having responsibility for some aspects of educational decision making have become more common within Swedish education in the late 1990s.

Within education these changes have been associated with a shift from multiple ear-marked grants to fund and control schools to much broader block grants, to quality assurance through the specification of the key goals to be achieved using these grants, and to reporting and monitoring mechanisms designed to measure progress towards the achievement of goals. Accompanying these changes has been a new emphasis upon diversity and choice. Legislation has made the establishment of independent schools easier, and funding that accompanies the student makes it possible for independent schools to access public funds⁷ (Ministry of Education and Science, 1994).

Decentralisation has also occurred in labour market and employment policy, and key actors in young people's transition have been forced to respond. For example SAF, the Swedish Employers' Confederation, now prefers to encourage its regional branches to engage in dialogue with schools, and to encourage them in turn to stimulate individual firms to work with schools. In the past it was more likely to operate by co-ordinating national employer discussions with national bodies such as the Ministry of

⁷ However the actual numbers attending independent schools remains very small at around 2%.

Education or the National Agency for Education. The 1991 legislation that laid down the framework for the new upper secondary school gives all young people the right to a programme of their choice on entering upper secondary school. In part this was intended to increase labour market flexibility. By moving away from central planning as a means of allocating resources between different programmes, it was thought that the balance between supply and demand for skills was more likely to be the result of individual choices and local needs.

2.2 *The Swedish labour market*

Some background

Sweden became an industrialised nation somewhat later than many other European countries. Its economic development during the twentieth century has capitalised upon natural advantages conferred by plentiful supplies of timber and iron ore. But Sweden has also relied heavily upon the application of technical and scientific knowledge and innovation and upon excellent design to build the core of its modern economy around a limited number of large manufacturing corporations that put it among the world leaders in industries such as vehicle manufacturing, electrical engineering, telecommunications, pulp and paper machinery and crystal. Seventy per cent of the manufacturing work force has been concentrated in large corporations such as Volvo, Asea Brown Boveri, SKF, Ericsson and Electrolux, giving it what has been referred to as the “schnapps glass effect”⁸, with very few of the private sector work force employed in small to medium sized enterprises and a rate of creation of new firms that is among the lowest in Europe. Swedish firms typically are niche-players that position themselves preferably in top segments of whatever markets they operate in. Because of the limited scale of the country (and of bordering countries), many cannot afford to concentrate on the home market, and once operating in global markets they are forced into the top segments because of their high wages and taxes. This helps to explain the under-representation of small and medium sized enterprises: they lack the critical mass to operate on a global scale. It also explains the necessity of following a high skill, high wage strategy, and, indirectly, it explains the Swedish harmony model: high quality production requires stable labour relations, industrial democracy on all levels, and an absence of strikes. A high skill, high wage strategy also requires a well educated workforce with high levels of general knowledge.

Swedish industrial and employment policies have been characterised by a heavy emphasis upon the development of human resources. The country has a highly educated population and places a great emphasis upon fluency in English, the principal language of international commerce. The large corporations that play a major role in the Swedish economy have traditionally had large human resource development departments (OECD, 1993). Sweden has been an international innovator in quality of working life research. Swedish managers are more likely than those from other countries to delegate, to take a long term perspective, and to fit the job to the person rather than the person to the job (Hampden-Turner and Trompenars, 1993). The 1938 Saltsjöbaden accord between employers and the trade union movement resulted in education and training within active labour market policies and adult education being seen as essential elements of full employment policies.

High costs within exporting industries, a reliance upon employment growth within the public sector to cushion the impact of unemployment in association with limited employment growth in small and medium sized enterprises, and a high public sector debt were among the causes of a sharp rise in unemployment in the early 1990s. Total unemployment jumped from under 2% of the labour force in 1990 to over 10% in 1997. This rapid rise in unemployment has led to serious questioning, without a clear and agreed

⁸ “Small isn’t beautiful in Sweden”, *The Economist*, February 18, 1995.

alternative emerging, of the continued validity of the “Swedish model” of economic management. Since the early 1950s this has sought to find a “third way” between Keynesianism and monetarism, combining full employment with growth and low levels of inflation (Olson, 1990; de Geer, 1992)⁹. During the 1990s job creation by major Swedish corporations has been concentrated outside of Sweden, and a number of large Swedish corporations -- including Pharmacia, Nordbanken, Nobel Industries, ABB, Ikea and Alfa Laval -- have moved their headquarters abroad. In 1998 Ericsson, Sweden’s largest exporter, decided to move some of its corporate functions and its European headquarters to London¹⁰.

The Swedish labour market is at best only weakly occupationally organised. Although, as we will see below, a substantial share of upper secondary students take vocational education programmes, occupationally specific qualifications are generally not required for entry to particular jobs, and only a handful of occupations or professions require a recognised certificate or diploma for entry (for example aircraft maintenance technician, dental nurse, ship mechanic and electrician). Unlike many other countries, there is no national scheme of vocational qualifications. This reduces the role of employers and trade unions in determining matters such as the level and content of vocational education. As Sweden to all intents and purposes has lacked an apprenticeship system between 1970 and the late 1990s, employer-union negotiations on training have largely been confined to continuing education and training, in-firm training, educational leave and similar matters that are of most concern to existing work force members, and on these matters their involvement has been extensive. Their presence in initial education and training has however been weak, and the State has been dominant.

Key changes in the Swedish labour market in the 1990s

Falling employment

The single factor having more impact than any other in shaping young people’s transition from initial education to working life in Sweden has been the sharp fall in overall employment levels in the 1990s. As Figure 1 shows, it has been among the largest fall in employment levels of the 14 countries participating in the Thematic Review, with the total number of jobs falling by nearly 12%, exceeded only by Finland. Sweden’s experience stands in marked contrast to the rising employment levels experienced by countries such as Austria, Norway and the United States during the 1990s. Unlike Finland, Hungary and the Czech Republic, which have also experienced marked falls in overall employment during the 1990s, Sweden’s falling employment levels cannot be ascribed to the sharp economic transformations required as a result of the disintegration of the former Soviet Union.

The impact of the fall in the total number of people with jobs in Sweden during the 1990s can be seen in a number of indicators, summarised in Table 1. The employment to population ratio¹¹ has fallen sharply, from being one of the highest in the OECD (84.4%) at the beginning of the decade to 72.6% in 1998. The total unemployment rate jumped from only 1.8% in 1990 to 10.3% in 1997, although it fell to 8.3% in 1998. In addition to those who are formally seeking work, nearly half as many again are participating in active labour market programmes¹², so that the real size of the group who would like work but cannot find it is significantly greater than formal unemployment rates show. Long term unemployment¹³ has more than

⁹ The Swedish model has also entailed a societal bargain: a willingness to accept a high level of taxation in exchange for a high level of provision of public services, all this founded on a strong feeling of community and a high level of ‘trust’ among people.

¹⁰ “Call for probe into corporate exodus”, *Financial Times*, January 13, 1999.

¹¹ Defined as the total number of employed persons as a proportion of the population aged 16-74.

¹² The number peaked at 5.3% of the labour force in 1994, but has since been scaled down to around 4.5% (OECD, 1998d).

¹³ Unemployment of six months or more duration.

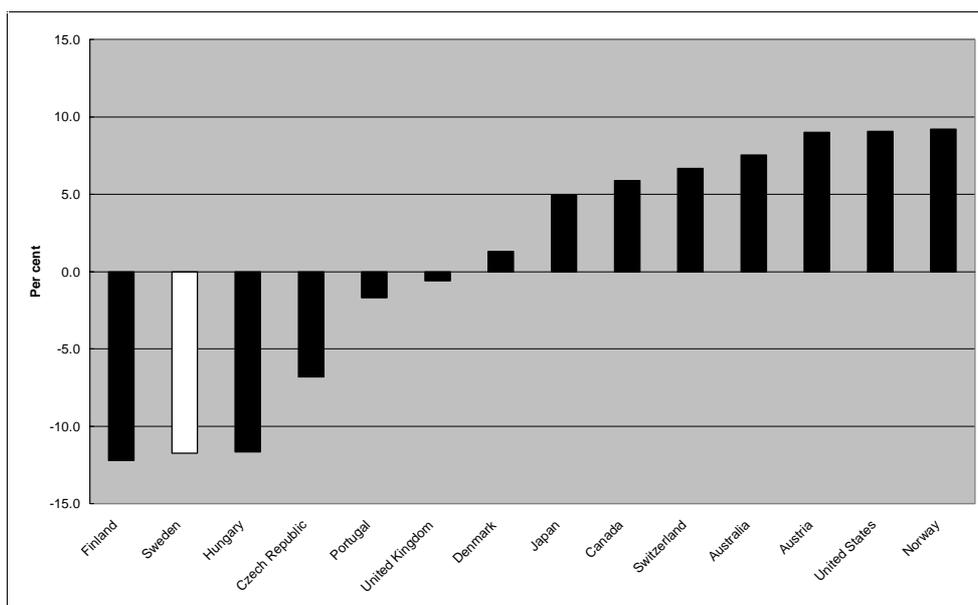
doubled, rising from 22% of total unemployment in 1990 to 46% in 1998. The deteriorating labour market has had a particular impact upon those without tertiary qualifications. In 1990 the gap between the unemployment rates of those with compulsory education, those with upper secondary education and those with higher education qualifications was very small, with each being between 1% and 2.5%. By the mid 1990s, however, the gap between these groups had widened considerably. For those with less than upper secondary education the unemployment rate in 1995 was 10.1%, and for those with upper secondary education it was 8.7%. However for those with a university-level education the unemployment rate was only half these levels, at 4.2% (OECD, 1997, Table E2.1a).

Table 1 Labour market indicators, 1990-98

	1990	1991	1992	1993	1994	1995	1996	1997	1998
Employment to population ratio	84.4	82.5	78.7	73.9	72.8	73.5	72.7	71.7	72.6
Unemployment rate	1.8	3.2	5.8	9.5	9.8	9.2	10.0	10.3	8.3
Long term unemployment	22.2	22.8	29.0	32.8	41.8	40.8	44.5	48.1	45.6

Source: OECD (1998c) and OECD labour force database.

Figure 1 Change in total civilian employment, Thematic Review countries, 1990-97 (%)



Source: OECD (1998c)

Impact upon youth

These changes have had a particularly severe impact upon young people. Of the 515 000 jobs lost in Sweden between 1990 and 1998, 79% were lost by 15-24 year-olds, even though this age group made up only 16% of the labour force in 1990. While the total number of jobs fell by over 11% between 1990 and 1998, among 15-19 year-olds it fell by 56% and among 20-24 year-olds it fell by 38%. Between 1990 and 1998 the proportion of 15-19 year-olds with a job more than halved, falling from 48% to 23%. Among 20-24 year-olds the proportion with a job fell from 80% to 55%.

Although unemployment is typically briefer among youth than among adults, the incidence of long term unemployment has been rising steadily among 20-24 year-olds during the 1990s in Sweden (Table 2). It was very low in the early 1990s, but by 1998 had risen to be within the average range of the OECD. Among teenagers the incidence of long term unemployment is roughly half that among 20-24 year-olds, and has remained consistently within the average range of the OECD during the 1990s, despite the overall worsening of the Swedish labour market, both overall and for youth.

The duration of long term unemployment among youth is still not high in Sweden by OECD standards. Nevertheless Sweden's experience during the 1990s stands in contrast to other Nordic countries. Denmark, Finland and Norway have each experienced a falling incidence of long term unemployment among both teenagers and young adults during the 1990s, and now each is well below the OECD average.

Table 2 Per cent of total youth unemployment that is of six months duration or more, Nordic countries, 1990-98

	<u>15-19 year-olds</u>									
	1990	1991	1992	1993	1994	1995	1996	1997	1998	
Denmark	32.9	36.4	23.4	28.7	22.6	18.6	25.8	19.0	16.2	
Finland	<i>m</i>	<i>m</i>	<i>m</i>	<i>m</i>	<i>m</i>	14.8	15.7	9.7	13.0	
Norway	21.4	20.8	22.6	30.8	20.6	30.0	0.0	0.0	0.0	
Sweden	22.4	18.3	21.3	17.6	22.3	29.8	25.3	22.3	23.3	
OECD average	24.7	23.0	19.9	21.4	24.6	22.0	23.8	24.6	24.9	
	<u>20-24 year-olds</u>									
	1990	1991	1992	1993	1994	1995	1996	1997	1998	
Denmark	43.5	39.6	37.0	31.8	36.4	25.7	22.5	21.1	27.0	
Finland	<i>m</i>	<i>m</i>	<i>m</i>	<i>m</i>	<i>m</i>	40.2	33.1	27.6	20.4	
Norway	35.0	35.8	33.5	39.1	35.5	27.8	26.1	15.8	18.8	
Sweden	11.8	18.3	23.4	31.0	40.9	38.5	42.3	41.7	44.6	
OECD average	49.1	48.6	49.1	50.9	52.5	51.7	51.3	49.7	48.5	

Source: OECD labour force data base

At the time of the review team's visit there was a belief in some quarters that young people were benefiting from the modest upturn in total employment that has been observed since 1997. It was thought, for example, that as they were more likely to have modern labour force skills -- such as foreign languages and computing skills -- than many older job seekers, this was advantaging them in expanding employment

areas such as financial services¹⁴. In addition young people have been the beneficiaries of the increasing number of temporary jobs that have been created in Sweden during the 1990s. Both of these may be the case, but a very substantial improvement indeed would be needed for overall youth employment levels to return to their late 1980s levels. The creation of temporary jobs, while helping young people to get a first foothold in the labour market, will not improve the overall employment level if they are simply substituted for permanent jobs. As will be shown in Section 3.2, the proportion of all employed youth in temporary jobs has grown appreciably during the 1990s.

A more detailed picture of the ways in which the labour market has changed for Swedish youth during the 1990s is given by single year of age data for 16-29 year-olds extracted from the Labour Force Survey for the first quarter of each year from 1990 to 1998. This is summarised in four charts shown in Appendix 3 which contrast 1990 and 1998 on four indicators: i) the per cent of each age who were employed and not in education; ii) the per cent of each age who were unemployed and not in education; iii) the per cent of each age who were neither in the labour market nor in education; and iv) the per cent of each age who were in education.

In brief, the four charts reveal that, between 1990 and 1998:

- Employment levels for young people who are not in education dropped sharply at all ages, and halved for 19-20 year olds. Among those in the immediate upper secondary school leaving ages (19 and 20) who have left education only 20% to 30% now have a job, compared to around 60% at the beginning of the decade. For those under the age of 19 who have left education there is now almost no prospect of employment in Sweden.
- The proportion of those aged between 19 and 29 who have left education and who are unemployed has jumped sharply, from around 2% to between 6% and 9%. However among those under the age of 19 the proportion of each age who have left education and who are looking for work has in fact fallen. Whilst the numbers are small, this is a significant achievement given the state of the Swedish labour market in the period.
- The proportion of young Swedes under the age of 19 who neither in education nor the labour market is extremely small, and during the 1990s has fallen below even the very low levels of roughly 2% observed in 1990. The proportion of each age who are neither in education nor in the labour market has changed very little over the period, except among 19 year olds. Again, given the difficult situation of the Swedish labour market, both of these should be seen as achievements, as other countries -- such as Hungary and Australia among Thematic Review participants -- have experienced rising levels of young people who are isolated both from education and from the labour force when overall labour market circumstances are difficult. There is a sharp rise in the proportion of young people who leave both education and the labour market between the ages of 19 and 20, with some one in six 19 year olds being found in neither, but the level drops sharply by age 21. This is a distinctive feature of Swedish transition patterns, and is likely to be related both to military service requirements¹⁵ and to travel abroad.
- The proportion of youth of all ages who are in education has risen significantly during the 1990s. The growth in participation has been particularly sharp among 19-22 year-olds, with participation almost doubling or more.

¹⁴ Finance, insurance, real estate and business services is the only major industry sector in which total employment grew in Sweden between 1990 and 1997 -- by 28%. In all other major industry sectors it declined. (OECD, 1998c).

¹⁵ Although those who are undertaking military service should be included among the employed in national Labour Force Surveys.

Migrant youth

The adverse labour market of the 1990s has had a much greater impact upon young people born abroad than upon those born in Sweden (Table 3). Throughout the 1990s unemployment rates have been from one and a half to twice as high among immigrant youth as among the native born. Since the early 1990s a third or more of immigrant youth who are in the labour market have not been able to find work. Unemployment continued to grow among immigrant youth after it had begun to fall among the native born. Immigrant youth have also been much slower to receive the benefits of improvements in the labour market in the late 1990s, with their unemployment rates falling far more slowly than among young people born in Sweden.

Table 3 Unemployment rates by age and birth place, 1991-1998

	<u>16-19</u>		<u>20-24</u>	
	Sweden	Abroad	Sweden	Abroad
1991	9.9	17.9	6.1	12.2
1992	15.0	25.2	12.4	19.4
1993	25.3	33.8	21.0	32.8
1994	24.1	35.3	21.2	36.0
1995	20.0	36.7	18.3	35.6
1996	21.5	37.5	19.4	39.5
1997	23.4	36.2	19.2	33.3
1998	19.9	33.0	14.4	31.7

Source: Statistics Sweden

2.3 The Swedish education system

Educational participation and attainment levels

Educational participation rates are high in Sweden in the ages that correspond to upper secondary education (16-18), and although these rates dip below the average for the OECD in the years immediately following upper secondary education (19-20)¹⁶, from that age onwards young Swedes participate in education at a greater rate than the OECD norm up to their late 20s (Table 4). Compared to other countries Sweden's population is a well educated one. Comparatively few adults have not completed at least upper secondary education (Table 5), and literacy levels among adults are impressively high¹⁷. The basic educational attainment of the population has been increasing in recent years, with the proportion of 25-64 year olds with less than a completed upper secondary education falling from 40% to 26% between 1985 and 1996 (Statistics Sweden, 1996).

¹⁶ This feature of Swedish transition patterns is likely to be due to a number of factors. These include: military service requirements; deferred tertiary study as the result of overseas travel; and deferred tertiary study because of a shortage of places and selection mechanisms that favour those with work experience. It is related to the temporary jump in the proportion neither in education nor in the labour market at the age of 19 described above.

¹⁷ In the 1994-95 IALS survey, the proportion of the 16-65 year-old Swedish population performing below a level considered a desirable minimum was the lowest of the 13 participating countries, and the proportion performing at the highest level was the greatest. The average scores of those who had not completed upper secondary education in Sweden were close to those of upper secondary graduates in Australia, Ireland and Switzerland. The performance of the bottom quarter of Swedish adults exceeded the average score in eight of the other twelve participating countries. OECD (1998a).

Table 4 Educational participation by single years of age, 1996

	<u>Age</u>													
	16	17	18	19	20	21	22	23	24	25	26	27	28	29
Sweden	97	96	94	34	33	34	34	30	27	22	19	16	13	12
OECD Average	89	82	68	49	41	34	29	23	19	15	12	10	8	7

Source: OECD education database

Upper secondary completion rates have been rising in Sweden, but the proportion of the each generation who attain a university-level qualification has been falling. Among 25-34 year-olds the proportion with university-level qualifications is now less than seven tenths the proportion among 45-54 year-olds. The generation that left upper secondary education during the 1980s was both significantly less likely to obtain a university level qualification than previous generations and significantly less likely to obtain one than young people of the same age in other OECD countries. Sweden is one of the few OECD countries in which a smaller proportion of 25-34 year olds than of 45-54 year-olds have a university-level qualification. Indeed the difference between the two ages groups in the rates of attainment of university-level qualifications is greater in Sweden than in any other OECD country (Figure 2).

Factors that explain this include a failure of higher education expansion to continue from the mid 1970s to the late 1980s, and a favourable labour market in the 1970s and 1980s, in which those without tertiary qualifications could readily obtain good jobs. Higher education enrolments have grown by some 50% during the 1990s -- from around 200 000 to around 300 000 -- but graduation rates have not risen apace, and the annual number of degrees awarded has remained static at around 35 000. So the increased participation has done little to help close the qualifications gap that opened up in previous decades.

In addition to the gap between Sweden and the OECD in the rate at which university graduates are currently being produced, there is a substantially larger gap between it and the rest of the OECD in the rate at which non-university level tertiary qualifications are achieved. The ratio of graduates to population is between 73% and 89%¹⁸ of the OECD average for short first university degree programmes, and 89% of the OECD average for long first university degree programmes. However for non-university tertiary programmes the Swedish ratio is only a quarter of the OECD average, and only Spain and Italy produce fewer graduates at this level (Figure 3).

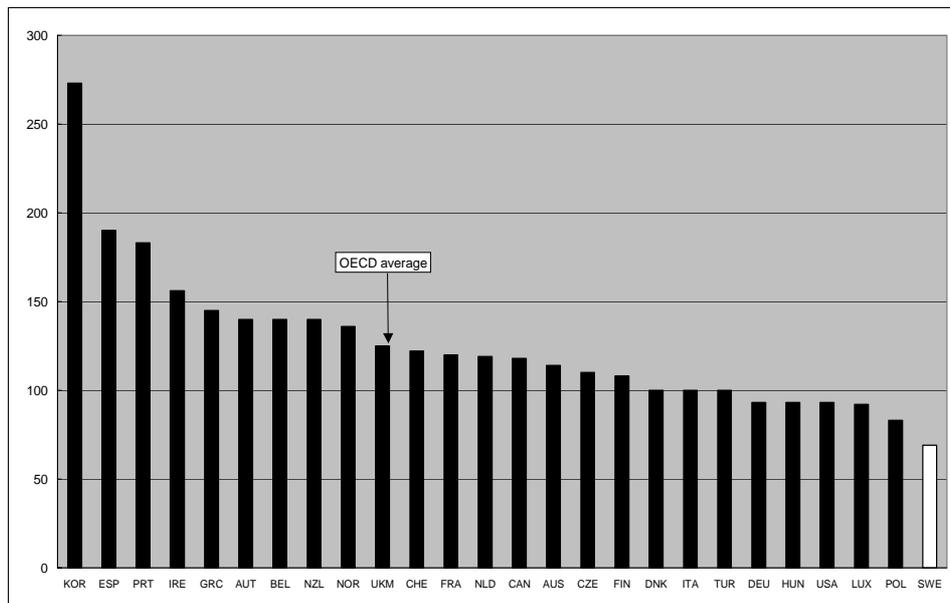
¹⁸ Source: OECD (1998a) Table C4.2b. The lower figure is the net graduation rate, which is the sum of age-specific graduation rates by single years of age, which can be interpreted as the percentage of people within a virtual age-cohort who obtain a qualification. The higher figure is the gross graduation rate, or the ratio of graduates to population at the typical age of graduation, times 100.

Table 5 Education levels of the adult population, Sweden and OECD average, 1996

Per cent of population with at least:	<u>Age</u>				
	25-34	35-44	45-54	55-64	25-64
<i>Upper secondary level education</i>					
Sweden	87	80	70	53	74
OECD average	72	65	55	42	60
Sweden as a per cent of the OECD average	121	123	127	126	123
<i>University level education</i>					
Sweden	11	15	16	10	13
OECD average	15	14	12	8	13
Sweden as a per cent of the OECD average	73	107	133	125	100

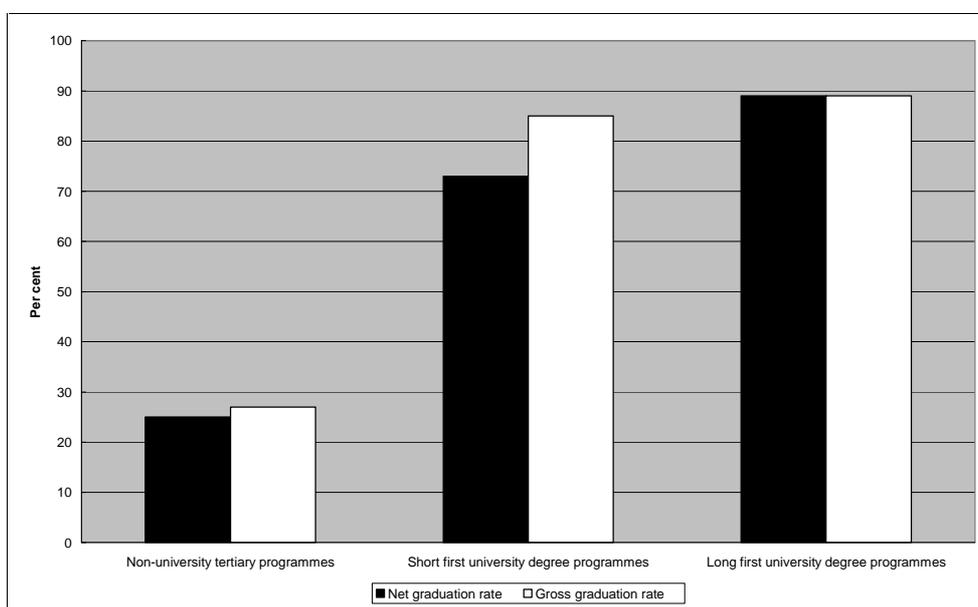
Source: OECD (1998a)

Figure 2 Level of university level attainment among 25-34 year-olds as a per cent of the level of university level attainment among 45-54 year olds, 1996



Source: OECD (1998a)

Figure 3 Swedish tertiary graduation rates as a per cent of the OECD average, 1996



Source: OECD (1998a)

The organisation and structure of education in Sweden

Compulsory education

Education in Sweden is traditionally free, public and comprehensive. Primary and lower secondary education (*grundskola*) last for nine years, with students able to leave school from the age of 16. In practice all except a small minority remain at school until they are 18, just as in practice most start education before the compulsory age of seven, with close to three in four taking part in early childhood education and care.

Providing that certain conditions are met, all young people who have completed the compulsory school are entitled to go on to upper secondary school, and some 98% do. However in order to pursue a national programme or a specially designed programme (see below) pupils must, from the 1998-99 school year, have at least a pass in Swedish as a second language, English and mathematics from the *grundskola*. Those whose standard in these subjects is insufficient will normally be required to enrol in an individual programme until the necessary standard has been met.

Upper secondary education

Upper secondary education lasts for three years and is organised around 16 national programmes, specially designed programmes and individual programmes:

- Two of the national programmes, the Natural Science and the Social Science programmes, are theoretical programmes intended to prepare students for tertiary study. They account for some four in ten of all those who commence upper secondary school.

- Fourteen of the national programmes are vocational in their focus. They are organised around a number of broadly defined occupational or industry areas (for example Construction, Health Care, and Business and Administration). Most of the vocational programmes contain a number of branches, so that although students begin by taking a broad common approach to occupational studies in the first year of the programme, opportunities to specialise are offered in later years. For example the Electricity programme contains branches in Automation, Electronics and Installation, and the Arts programme contains Art and Design, Music, and Dance and Theatre branches. The 14 vocational programmes account for slightly more than 40% of all those who begin upper secondary school. No one programme accounts for more than 5% of commencing students, and three account for 1% or less.
- In addition, students may enrol in specially designed programmes that are able to reflect both individual needs and local circumstances. Slightly under 5% of commencing upper secondary students enrol in these programmes.
- The individual programme, accounting for slightly more than 10% of those commencing upper secondary school, caters for the needs of those who have difficulty in satisfying the academic requirements of the other 16 national programmes. Some students move from compulsory schooling directly to an individual programme, and then move to one of the national vocational programmes. Other students drop out of other programmes and continue in an individual programme in their second and third years. The individual programme is an important way of allowing students with academic difficulties to complete an upper secondary education.

Swedish, English, mathematics, civics, religious education, general science, physical education and the arts are included as core subjects in all programmes, and account for roughly a third of students' time in the vocational programmes. Approximately half of the total time in vocational programmes is spent on vocational subjects that are specific to the occupational or industry area that is the programme's focus. The balance of the time in vocational programmes -- some 15% -- can be spent on subjects of the student's choice, on local additions, and on special projects.

This structure, introduced in 1991 legislation (Ministry of Education and Cultural Affairs, 1991) which foreshadowed a major reorganisation of upper secondary education, replaced a system with some 33 lines or programmes of two, three or four years duration, each containing sub lines. This resulted in the actual number of courses theoretically available for students to choose from numbering over 500¹⁹. In addition to reducing the number of entry points to upper secondary education and broadening their vocational focus, the reforms increased the general education content of the vocational programmes from less than a quarter to a third of students' study time. This was done to extend opportunities for students to progress from vocational education to tertiary study, and to broaden their preparation for a working life expected to make increasing demands upon general competencies.

An increased commitment to choice and diversity is another important feature of the 1991 reform. An increased proportion of time is now devoted to individually chosen subjects and to projects and the like. The new individual programme and the specially designed programmes now together account for around one in six of all students. The 1991 legislation requires schools and local authorities to attempt to provide all students with access to a programme of their first choice. An important reason for this was to increase students' motivation to learn, as research had shown that students were significantly more likely to drop out of school if they were forced into a line of study chosen as their third or fourth alternative (Hjorth,

¹⁹ Details of the 1970 reforms, which abolished apprenticeship as Sweden's dominant means of developing vocational competence in youth, can be found in OECD (1987).

1994). Around 80% of those who commence an upper secondary education in Sweden complete it within four years.

The new vocational programmes require 15% of students' time over three years to be spent in the workplace, where they are to be treated as students rather than as employees, and accordingly not paid. Unlike the previous (pre-1991) system, in which the workplace was largely seen as a subsidiary to the school, workplace training or APU²⁰ is now intended to be "syllabus-guided". In other words it is to be treated as teaching and learning time, and structured and assessed accordingly, in order to strengthen the connection between the school and working life. In effect there is now an implicit partnership between employers and the state, although with an obligation being imposed only upon the state, with employers to be co-educators of students and the curriculum to be divided between the two sites. It is this new relationship to the workplace, rather than any increase in the total amount of time spent in the workplace, that is the principal difference between the use of workplace time in the reformed upper secondary programmes and the pre-1991 system²¹.

Although initially intended for students in vocational programmes, APU is now undertaken by around one in ten students in the Natural Science programme and around one in five in the Social Science programme, and can be a way of students learning to see the relationship between general education subjects and working life.

The 1991 reforms were introduced in stages, with large scale pilot programmes preceding general implementation. All young people who commenced upper secondary school in the 1994-95 school year did so under the new system. Those who completed upper secondary school in 1997 were the first full cohort to participate in the new system. In many respects the system is still subject to development and evolution as familiarity with it increases, even if its basic features remain unaltered. One of the developments of considerable interest at the time of the review team's visit was the introduction, in the 1997-98 school year, of pilot modern apprenticeship programs in a small number of municipalities. These will be discussed in more detail in Section 4.2.

Education after upper secondary school: adult education

A longstanding feature of Swedish education has been its strong emphasis on the provision of multiple opportunities to return later in life to complete upper secondary education. In 1996-97 there were around 237 000 students in municipal adult education, or komvux, which is open to all those aged 20 and over. Of these, three quarters took part in upper secondary studies, 20% were enrolled in basic adult education, and 5% were in supplementary adult education courses designed to meet individual needs and local circumstances. The curriculum of upper secondary adult education is required to be identical to that of the upper secondary school system. Komvux can be an important part of the transition system in Sweden for those young people who have failed to complete upper secondary school, or for those who wish to improve their grades in order to meet higher education entry requirements or to improve their chances of gaining entry. With limited job opportunities and strong competition for university entry, the number of young people enrolling in komvux has been growing in recent years.

In addition to komvux, the state adult education system consists of two national distance education schools for adults, municipal education for adults with learning disabilities, and Swedish tuition for migrants. Sitting beside these there is a "popular" adult education system consisting of 147 folk high schools and 11

²⁰ To be distinguished from prao, or work experience intended to assist career choice, which largely occurs during compulsory school.

²¹ For example students in the distribution and clerical line of the old system spent a total of 480 hours in the workplace in their second year, but now can spend only 15% of 2,400 hours, or 360 hours over three years.

educational associations with 270 or more affiliated member organisations which are free to determine their own goals and activities, the most common of which are external study circles and cultural programmes. All Swedish employees are entitled to educational leave, with the choice of study programme being left entirely to the individual. Roughly 200 000 people attend folk high schools each year, and almost three quarters of Swedes aged 18-75 have, at one time or another, attended a study circle.

Education and training have long been key elements of the Swedish approach to full employment policies. During the recession of the 1990s the number of people on labour market programmes has climbed rapidly, representing perhaps five per cent of the labour force at any one time. Funded through the National Labour Market Board (AMS) and delivered through county Labour Market Boards in association with the local employment offices and a diverse network of contracted public and private education and training suppliers, the Swedish approach to labour market programmes has traditionally placed a strong emphasis upon employment related training.

The Adult Education Initiative, or Knowledge Lift, is an important recent initiative to raise the educational level of the labour force. It represents a significant change of direction in the way that education and training are provided for the unemployed. Launched in July 1997, the initiative is a five year investment in adult education intended to have 140 000 annual places, corresponding to 3.5% of the labour force, when fully developed. Its principal target is adults who lack an upper secondary education, and its principal goal is for them to attain one. In the first instance it has targeted unemployed adults who lack an upper secondary education. Through the initiative, the focus of education and training for unemployed adults is shifting from occupationally specific training of relatively short duration to the provision of a full upper secondary education, either theoretical or vocational. This has meant a significant shift of resources and of responsibility for unemployed adults from the AMU training centres to the komvux system.

Education after upper secondary school: higher education

Higher education, postgraduate studies and research in Sweden take place at 13 universities that have the right to award postgraduate degrees. Moreover there are six university colleges that have the right to award postgraduate degrees, of which three have private governing bodies. There are 23 university colleges that have the right to award undergraduate degrees. In addition there are three university colleges of health sciences which are organised by county councils. Diploma, bachelors and masters programmes are offered whose formal length is two, three and four years of study respectively. In recent years growth has been greater in the longer programmes than the shorter.

To enter higher education, a pupil leaving upper secondary school must have completed a national programme and passed courses comprising at least 90% of the number of upper secondary "points" required for a complete programme. In addition specific entry requirements for particular courses must be met. Those aged 25 or older who have been employed for at least four years or who have in some other way acquired experience, and have a knowledge of Swedish and English equivalent to having completed a national upper secondary school programme, are also eligible for admission. In addition to grades and work experience, universities and colleges can use special examinations, aptitude tests and previous education in selecting students. Some 40% to 50% of an age group will participate in tertiary education over the course of their life span, although, as we will see later, it is common for entry to higher education to be delayed until some years after the completion of upper secondary school. Special entry provisions for adults with work experience are one factor providing young Swedes with an incentive to delay higher education entry after finishing upper secondary education

After remaining steady during the 1970s and 1980s, the number of admissions to higher education has been growing steadily during the 1990s. The annual number of first time university entrants has risen from slightly more than 40 000 per year in the late 1980s to around 65 000 in the late 1990s, and the total

number of enrolled students has risen from slightly below 200 000 to around 300 000 over the same period. Despite this expansion the supply of tertiary places continues to lag behind demand. In the early 1990s just over half of all first time applicants were offered a place, but in 1997 this had fallen to 40%²².

Students who have satisfactorily completed all of the national upper secondary programmes, either theoretical or vocational, can progress to higher education. This longstanding feature of Swedish education is firmly rooted in its egalitarian traditions. Some 10% of students from vocational programmes enter university within two years (Table 8), although the transfer rate varies widely from programme to programme.

Other forms of post-secondary education

Concern at a possible shortage of middle-level skills, as well as a desire to strengthen tertiary education opportunities for graduates of upper secondary vocational programmes, led to the establishment in 1996 of pilot programmes of what is variously referred to as qualified vocational education, advanced post upper secondary education or advanced vocational training (*kvalificerad yrkesutbildning* or KY). From autumn 1999 these will provide 12 000 places, intended to be in areas where there is a clear shortage of skilled labour. The courses are open both to school leavers and to those with work experience, are between one and two year's duration, and require one third of the student's time to be spent in the workplace.

In addition to the pilot KY programmes, non-university post-secondary education is available in supplementary adult education provided through the municipalities, in seven state funded vocational colleges, in private education and training colleges, and through labour market programmes for the unemployed.

These other forms of post-secondary education and training are an important part of Sweden's transition arrangements: non-university forms of education and training account for nearly as many school leavers as does higher education. In March 1997 16% of those who had completed upper secondary education in 1996 were participating in higher education, 7% were enrolled in municipal adult education, and 8% were enrolled in "Other" forms of education (Statistics Sweden, 1997, Table 17)²³. The organisation of post-secondary education will be discussed in more detail in Section 4.

Quality assurance

After having a highly centralised school system up to the early 1990s, Sweden now has one of the most decentralised school systems in the OECD. A higher proportion of educational decisions are taken at the school level (rather than the central or regional level) in Sweden than in any OECD country apart from the Netherlands (OECD, 1998a, Table E5.1). Quality control and quality assurance in such a decentralised system are key policy issues. Steering is by goals and results, with school organisers²⁴ free to decide how the goals should be met. Schools and school organisers are responsible for developing plans to indicate how they intend to achieve the required goals, and for reporting in a common format their progress in achieving them. The Ministry of Education and Science is responsible for developing the goals to be achieved, which are laid down in the curriculum and the School Act. The National Agency for Education undertakes a broad role in monitoring and evaluating the system. Public reporting of outcomes is at the level of the municipality rather than the school. Within higher education the National Agency for Higher Education carries out a similar role, with 1993 reforms having given substantially increased autonomy to universities and colleges.

²² National Agency for Higher Education 1997 annual report.

²³ A separate table shows that 13% were taking part in labour market programmes.

²⁴ In the majority of cases the municipalities, but some schools are organised by the counties or privately.

The national government allocates general state grants to municipalities, which can decide how these are to be divided between education and other purposes. Grants to the municipalities are based on population size, and supplemented by a formula that takes into account a range of socio-economic factors such as the proportion of the population living in isolated areas and the proportion born abroad. Municipalities supplement state grants with revenues raised through taxes and fees. This system for funding and quality assurance could carry risks of rising regional and social inequalities. Differences of up to 50% exist between municipalities in per capita student funding (OECD, 1998d), much of it related to factors such as relative school size and the average distances students have to travel to school. However there is a strong political commitment in Sweden to equivalence of access and provision, with major efforts to ensure similar learning environments and opportunities, and with a consensus that schooling should lay a solid foundation for all in general subjects, both for individual development and to meet labour force needs.

As a result the education system is fairly homogeneous. Differences between high and low achieving students are smaller than in many other countries (for example in 8th grade mathematics in the TIMSS study), and relatively little of the variation in student achievement is associated with differences between schools and classes. Variation in participation in upper secondary education between and within municipalities of different types such as big cities, rural municipalities, and suburban municipalities is very small. The average participation rate varies by only 2% between municipalities with the smallest populations (0 to 4 999) and those with the largest (200 000 to 400 000), and 80% of all municipalities have participation rates that are between 73% and 79%²⁵. This is an impressive achievement. Nevertheless concern about quality and equivalence in a decentralised system persist. A national quality control board is being established within the National Agency for Education, and the Agency's supervision and evaluation role strengthened.

Financing student participation

Compared to other OECD countries Sweden spends a high proportion of its national wealth upon education. In 1995 direct public expenditure on educational institutions represented 6.6% of GDP. This compared to an OECD mean of 4.9% and was exceeded only by Norway. Total expenditure on education, for all purposes and from all sources, was 7.9% of GDP compared to an OECD mean of 5.9%, and was exceeded only by Denmark (OECD, 1998a).

Financial aid to students represents a substantially higher proportion of educational expenditure in Sweden than in all other OECD countries except Denmark. In 1995 it represented 15% of total expenditure compared to an OECD mean of only 6%. In primary and secondary education student financial aid was 12% of total expenditure compared to an OECD mean of 4%. In tertiary education it was 26% of total expenditure compared to an OECD mean of 13%.

All full-time students in upper secondary education aged between 16 and 20 are eligible for a student grant that is equal to the basic child allowance. Tertiary students are supported through a combination of grants and loans for a maximum period of six years, with grants representing around 28% of the assistance provided. Students at tertiary level can graduate with a high debt burden, but the repayment terms are generous, and are spread over a long period. Financial assistance depends upon the student's income, but it is independent of parental income. All tuition is free. Separate systems exist for financing adult students and for financing unemployed people taking part in education. Student financial assistance will be discussed in more detail in Section 4.3.

²⁵ Source: National Agency for Education.

3. THE TRANSITION PROCESS IN SWEDEN

3.1 *A longer transition*

The point at which the transition to working life begins can be defined in a variety of ways, but for present purposes it is helpful to see it as starting at the end of compulsory schooling, or at the age of 16. It is at that point that Swedish youth make key decisions about the pathways that they will take to work: to leave school or to continue to upper secondary education; to orient oneself primarily to tertiary study or primarily to work; to take a general programme or a vocational programme and if so which one. The end point of the transition can similarly be defined in several ways, from either the individual perspective or the perspective of entire cohorts. For the purposes of the Thematic Review it is defined from the perspective of entire cohorts as that age at which 50% of the cohort is employed but not studying. The difference between these two end points defines the total duration of the transition period. It is composed of two separate periods:

- The period spent in the post-compulsory education system. This is defined as the difference between the compulsory school leaving age (16 in the case of Sweden) and the age at which 50% of the cohort are not in education.
- The period taken to settle into work after leaving education. This is defined as the difference between the age at which 50% of the cohort are not in education and the age at which 50% of the cohort are not in education and are employed²⁶.

At the beginning of the 1990s the transition to work was a relatively brief one for most young Swedes. While those who went to university took longer, and many delayed the transition as a result of military service or travel abroad, for most young Swedes in 1990 a relatively short period of upper secondary education was followed by a quick and smooth transition into work shortly after leaving school. On average the transition period consisted of 2.4 years in post-compulsory education, and only a third of a year was taken to settle into work after leaving education.

Table 6 Indicators of the duration of the transition in Sweden, 1990-1998

		1990	1991	1992	1993	1994	1995	1996	1997	1998
A	First age at which education is not compulsory	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0
B	Age at which 50% are not in education	18.4	18.5	18.6	19.1	19.6	19.6	19.6	19.5	19.4
C	Age at which 50% are not in education and are employed	18.7	19.0	20.4	20.9	23.0	23.1	23.6	24.0	23.5
C-A	Total length of transition period in years	2.7	3.0	4.4	4.9	7.0	7.1	7.6	8.0	7.5
<i>B-A</i>	<i>Period in post-compulsory education</i>	<i>2.4</i>	<i>2.5</i>	<i>2.6</i>	<i>3.1</i>	<i>3.6</i>	<i>3.6</i>	<i>3.6</i>	<i>3.5</i>	<i>3.4</i>
<i>C-B</i>	<i>Period taken to settle into work after leaving education</i>	<i>0.3</i>	<i>0.5</i>	<i>1.8</i>	<i>1.8</i>	<i>3.4</i>	<i>3.5</i>	<i>4.0</i>	<i>4.5</i>	<i>4.1</i>

Source: Statistics Sweden Labour Force Survey single year of age data for the first quarter of each year.

The total length of the transition in Sweden has increased considerably during the 1990s (Table 6), now taking close to eight years. At the beginning of the decade 50% of the cohort had settled into work before the age of 19, but now this does not occur until nearly the age of 24. By the end of the 1990s the part of the

²⁶ In turn this consists of two periods: the period between leaving school and entering the labour market; and the period between entering the labour market and settling into work. This distinction is referred to in paragraph 64 below.

transition period that is spent in education had stretched from roughly two and a half years to roughly three and a half, partly as the result of the introduction of three years as the standard length of upper secondary vocational programmes, and partly as a result of increased participation in tertiary education. However the period taken to settle into work after leaving education had grown very sharply: from four months to over four years. Thus more than 80% of the extension to the transition period during the 1990s has been due to factors other than longer periods of initial education. As we shall see below, this is associated with the transition process becoming more blurred, more disorderly, more uncertain, more insecure and having more side tracks.

Clearly this has a lot to do with the deterioration of the Swedish labour market in the 1990s, and with the collapse in levels of youth employment. But it is important to stress that it is likely to have at least something to do with young people's attitudes and values as well: with a preference for a period to explore themselves and their options, and to travel before settling into work and a career. Studies of the attitudes to work of Swedish upper secondary students in 1990 and 1993 (Hagström and Gamberale, 1995) show that despite the deterioration of the labour market over the period, the importance attached to interesting work grew, and the importance attached to job security fell.

The increased delay in settling into work after leaving education is not all due to increasingly long periods of job search in a tighter labour market. While the average period between labour market entry and settling into work has risen from a little over a month to one and a half years during the 1990s, this accounts for only around a third of the total time taken to settle into work after leaving education. It is likely to be due to a number of other factors, many of which could, of course, be reactions by young people to a tighter labour market in order to delay job search: participation in labour market programmes; and periods of foreign travel and study abroad. Government policies are also likely to be a factor in the extended transitions of Swedish youth: bottlenecks in entry to tertiary education caused by a number of places that is too few for the level of demand; incentives to delay entry to tertiary study by being able to accumulate points from work experience; and student financial assistance policies that can provide some students with incentives to delay completing their studies are among them.

3.2 *An insecure transition*

Two recent school leaver surveys, summarised in Table 7, illustrate the extended, uncertain and interrupted nature of the transition (Statistics Sweden, 1997 and 1998).

- *Close to a year after leaving upper secondary school*, nearly half of all upper secondary leavers surveyed in 1997 were neither working nor involved in tertiary study and only one in four had a job. Five per cent were unemployed, 13% in labour market programmes. Nearly a third were in "other" activities. The most significant form of this is military service, with 50% of young male leavers in "other" activities compared to only 12% of young women. Only 5% were unemployed at the time they were surveyed, but one in three had been unemployed at some point in the preceding eight months. Of those who had a job one year after leaving school, only 43% had a permanent job. 55% had a temporary job and 2% were self-employed. Of those with a job, less than half (47%) were working full-time. Most had part-time jobs, and in more than half of all instances these lasted for less than 20 hours a week. Only 15% were attending higher education, but another 39% were planning to attend.
- *Three years after upper secondary school*, work is still the main activity of only one in three upper secondary leavers. By that time nearly one in five are neither in education nor in work:

either unemployed, in labour market programmes, or in “other”²⁷ activities. The fall in the size of the group neither in education nor in work -- from one in two one year after leaving school to around one in five three years after -- is largely the result of an increase in participation in tertiary study. It has much less to do with an increase in access to work. Three years after leaving upper secondary school less than half (49%) of all leavers have had a permanent job. Of those with a permanent job, one in three had taken more than six months to find it. Over half (56%) had been unemployed at some point since leaving upper secondary school, even though only 6% were unemployed at the time of the survey. 15% had worked abroad at some stage since leaving school and 7% had studied abroad. Three years after upper secondary school nearly half of all young people are in tertiary study (mostly through university studies). 79% had taken part in some form of education and training since leaving school. 44% had done some higher education, 23% had undertaken municipal adult education, with the balance being accounted for by in-firm training, further upper secondary studies, and study abroad.

Table 7 Outcomes for upper secondary national programme completers one and three years after leaving school (%)

	One year after ¹	Three years after ²
Employed	25	32
Tertiary study	25	50
- Higher education	- 15	- 39
- Other	- 10 ³	- 11
Neither work nor study	49	18
- Unemployed	- 5	- 6
- Labour market programmes	- 13	- 5
- Other	- 31	- 7
Total	100	100

Notes:

1. 1996 leavers surveyed in March 1997

2. 1995 leavers surveyed in March 1998

3. Roughly half of this group is accounted for by municipal adult education and under 10% by those who have returned to upper secondary school.

Source: Statistics Sweden, U 83 SM 9701 and U 83 SM 9801.

There have been important changes to the quality of work available to young Swedes during the 1990s, as well as to its quantity. Among 20-24 year-olds the proportion with temporary work among those who had left education and were employed doubled from 20% to 43% between 1990 and 1998. Among comparable 25-29 year-olds the proportion in temporary jobs doubled from 11% to 22%. The labour market is particularly insecure for those under the age of 20 who have left education. As indicated above, their chances of finding work at all are very limited and fell sharply during the 1990s. However if they do find work the chances now are that with very few exceptions it will be temporary: among 16-19 year-old employed non students the proportion in temporary jobs rose from 49% in 1990 to 78% in 1998²⁸.

In summary, for many the transition process is marked by difficulty in finding work, even within three years of leaving school, by work which is highly likely to be temporary or part-time when it is found, and

²⁷ With military service and parental leave accounting for less than half of this group.

²⁸ Source: Statistics Sweden.

by strong chances of spending at least some time after leaving school unemployed or in labour market programmes. Swedish research (Schröder, 1996) points to a substantial risk of many young people being trapped in a cycle of temporary work, labour market programmes and unemployment, and school leaver surveys show that many of those who have taken vocational programmes in upper secondary school, as well as many of those who cannot find a job, are quite pessimistic about their chances of finding permanent work within five years.

3.3 *Delayed entry to tertiary study*

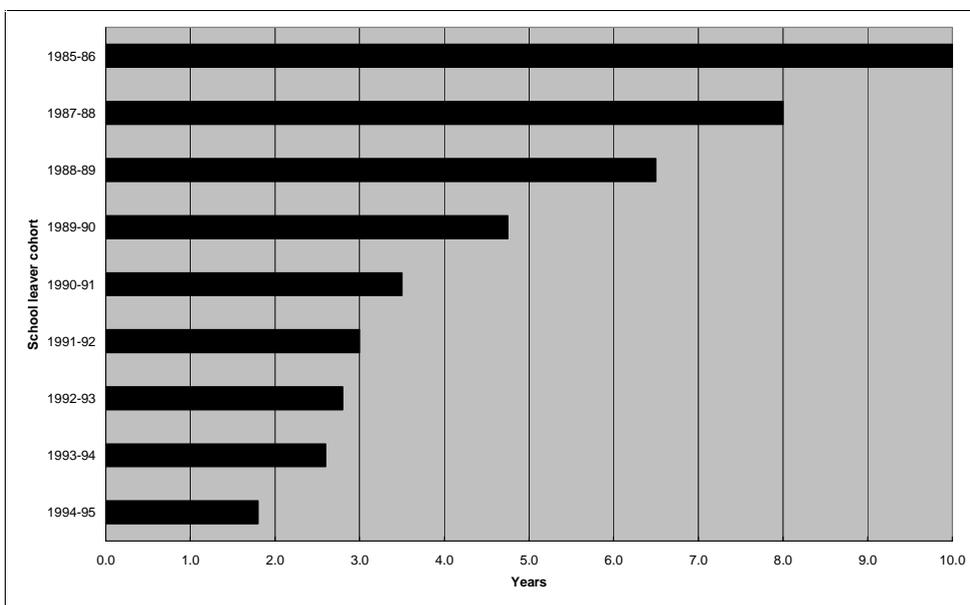
Typically the transition from school to higher education has been a delayed one in Sweden, and few of those who enter higher education do so immediately after leaving school. This is only partly the result of military service requirements. Other factors responsible for the delay include a bottleneck caused by a shortage of places, with many young people applying more than once before gaining entry, the desire to travel or work for a period before starting tertiary study, and the favourable treatment given to those 25 and over who have worked for four years in selection for higher education. Of the cohort that graduated from upper secondary school in 1985-86, only 8% entered higher education the following year, although 34% had started higher education within ten years. Nearly half of all higher education students are aged 26 or more, and nearly one in three are aged 30 or more. By itself delayed entry to tertiary study can be viewed in several ways. On the one hand a period of work experience after leaving school can be used to lay a firmer foundation for career decisions, based upon greater personal maturity and wider understanding of the world of work. On the other hand delay as the result of blocked entry possibilities arising from a shortage of places, or from perverse incentives that cause young people to delay entry even though they are fully prepared and ready for tertiary study, can lead to frustration and time wasting.

The transition to higher education is, however, becoming faster. This can be illustrated in two ways. One is to look at the amount of time that it has taken successive cohorts of school leavers to achieve the 34% higher education participation rate that was achieved by the 1985-86 cohort only after ten years. The other is to look at the participation rate achieved within three years by a cohort of school leavers, and then to examine the proportion of that participation rate that was achieved within the first two of these three years. In brief, the participation rate that had taken the 1985-86 school leaver cohort ten years to achieve was achieved within less than two years by the 1994-95 cohort. And while the 1985-86 cohort of leavers had only achieved 67% of its three year participation rate after two years, this had risen to 81% for the 1994-95 cohort (Figures 4 and 5).

3.4 *Combining education with work*

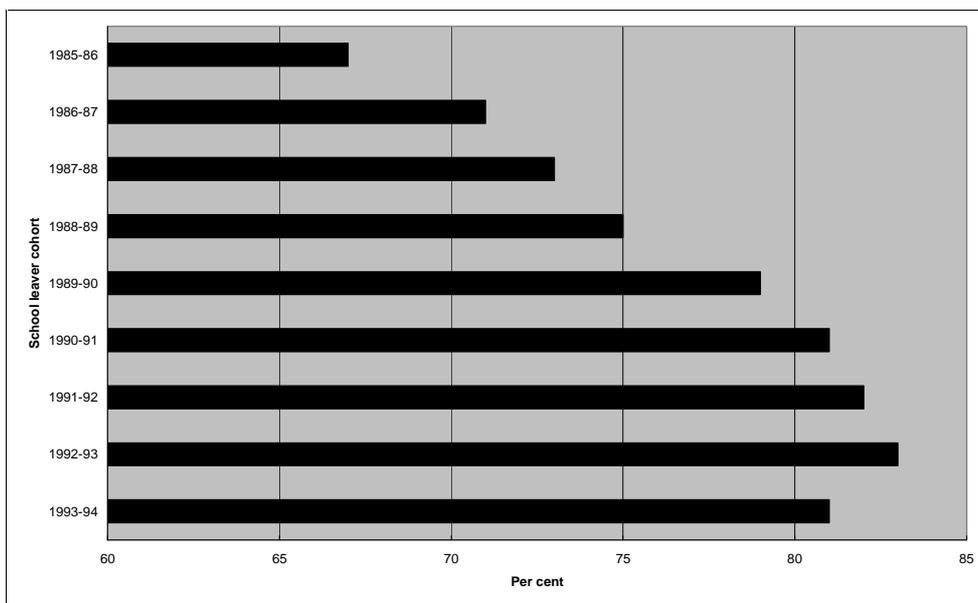
Although it now takes young Swedes a long time to settle into work after they leave education, this does not mean that they have little contact with working life until their mid 20s. Labour Force Survey data substantially under-estimate the extent to which Swedish students have part-time, weekend or vacation jobs, suggesting (OECD, 1998b, Table A4.3) that only around one in five 15-19 year old students combine their studies with work. However a March 1997 school leaver survey (Statistics Sweden, 1997)

Figure 4 Number of years taken by successive school leaver cohorts to achieve a 34 per cent higher education participation rate



Sources: CEDEFOP (1999) Table 8 and National Agency for Higher Education

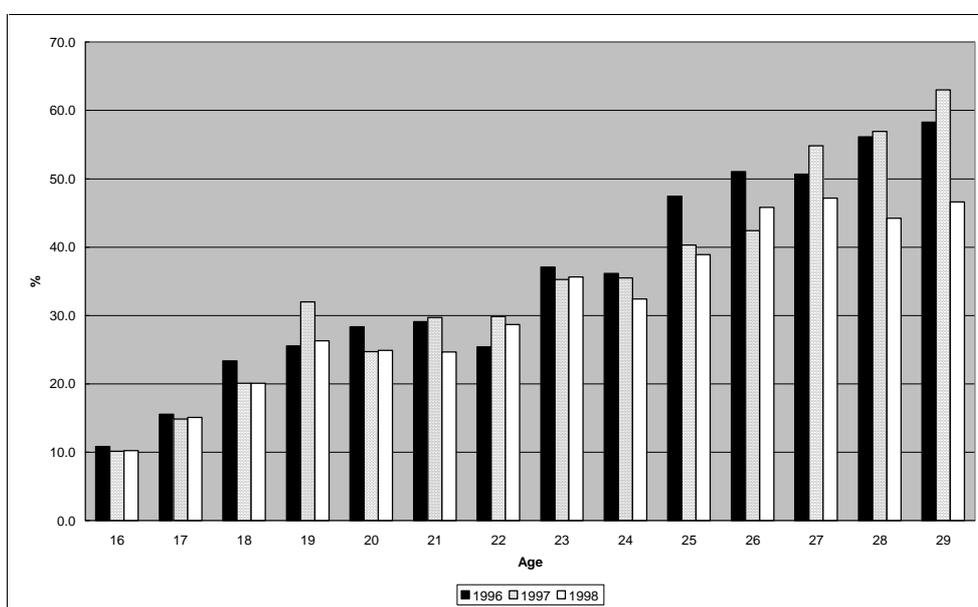
Figure 5 Proportion of three year higher education participation rate achieved by successive school leaver cohorts within two years



Sources: CEDEFOP (1999) Table 8 and National Agency for Higher Education

shows that 12% of students had worked before or after school, 22% had worked on weekends, and 40% had worked during school holidays. In total 57% had combined their upper secondary education with employment. Data from the Labour Force Survey for the first quarter of each year indicates that between a third and a half of students of tertiary age combine their studies with involvement in the labour force, roughly twice the level of involvement in the labour force found among students of upper secondary age using the same measure. Given the extent to which Labour Force Survey data under-estimate the real level of student employment, Figure 6 would suggest that for most tertiary students, particularly towards the end of their studies, combining work and study is the rule rather than an exception. The total income that can be gained from a combination of widespread participation in part-time work and generous student financial assistance is likely to be another factor extending the period of tertiary study in Sweden.

Figure 6 Per cent of students in the labour market, 1996-98



Source: First quarter Labour Force Survey data supplied by Statistics Sweden.

Having holiday and after school jobs greatly helps young Swedes in the search for work after leaving school. Among young women who had neither worked nor had APU whilst at school only around 26% had a job in March 1997. Among those who had only done APU the employment rate was slightly higher. But among those who had part-time or holiday jobs the employment rate was 46%. The combination of APU and part-time or holiday work raised the employment rate to 57%. Among young men an almost identical relationship was found (Statistics Sweden, 1997).

3.5 *A pathway from vocational education to tertiary study*

Students who successfully complete a vocational programme in Sweden can qualify for entry to higher education (although in many cases specific subject requirements also need to be completed). Many OECD countries are keen to create a direct pathway from upper secondary vocational programmes to higher education. This makes the Swedish experience of considerable general interest. Data is available on flows to university by the cohorts leaving upper secondary education in 1994, 1995 and 1996, a period that spans the introduction of the new upper secondary programmes. Whilst at times this makes comparability of data difficult, it allows some initial assessment of the effects, if any, of the new upper secondary reforms upon this important pathway.

Bearing in mind that it is normal for young Swedes to delay their entry to university over a period of several years, the evidence in Table 8 suggests that the pathway provides real opportunities for young people to keep their options between employment and higher education open. Within two years of leaving school close to one in ten of those in three year vocational programmes enter university, and roughly 5% enter within a year of leaving school. Flows from vocational programmes to university appear to have been greater from three year than from two year vocational programmes under the previous arrangements. The extension of all vocational programmes to three years thus could result in some overall increase in the proportion taking this pathway, given that in the 1994 cohort those on three year programmes constituted only a small proportion of all those in vocational programmes but the majority of those in vocational programmes in the 1996 cohort. However this will need more detailed monitoring over time.

Table 8 Per cent of leavers from three annual cohorts entering university within a specified period¹

	Per cent entering university within:		
	1 year	2 years	3 years
1994 leavers from:			
3 or 4 year theoretical	31.0	52.6	62.9
2 year theoretical	2.8	10.1	16.2
2 year vocational	2.3	3.8	5.5
3 year vocational	5.2	8.9	12.0
<i>All vocational programmes</i>	3.2	5.4	7.5
Total	17.6	30.3	37.0
1995 leavers from:			
3 or 4 year theoretical	30.4	51.7	n.a.
2 year theoretical	2.5	7.4	n.a.
2 year vocational	4.3	7.0	n.a.
3 year vocational	5.9	9.8	n.a.
<i>All vocational programmes</i>	5.6	9.4	n.a.
Total	21.9	37.3	n.a.
1996 leavers from:			
3 or 4 year theoretical	28.6	n.a.	n.a.
3 year vocational	4.8	n.a.	n.a.
Total	16.8	n.a.	n.a.

Note: Entries show the per cent of those from each of the indicated groups of programmes entering university within one, two or three years of leaving school. For example 2.3% of those who left 2 year vocational programmes in 1994 had entered university within one year, 3.8% within three years, and 5.5% within three years.

Source: National Agency for Higher Education

The proportion who enter university varies widely from programme to programme, but it is very rare indeed for any vocational programme to provide no entrants to university. Under the previous arrangements up to one in five of all those leaving programmes such as Maintenance Technical, Nursing, Graphics, Health Care and Nursing appeared to enter university within three years. Flows into university one year after leaving school under the new reformed vocational courses indicate that similar flows from vocational education to university are likely to be achieved by the Childcare and Recreation, Arts, Media, and Health Care programmes. On the other hand flows to university from programmes such as Construction, Industry, Food, and Vehicle engineering seem to be extremely low indeed. Significantly more females than males take the pathway from vocational education to university. In part this is because

many young men undertaking military service in the year after they leave school. However even three years after leaving school the proportion of young women from vocational programmes in the 1994 cohort who had entered university was three times the proportion of young men (18.6% compared to 6.1%). Substantial differences in favour of young women also exist within particular vocational programmes. So the overall difference in favour of young women is not just due to the different patterns of participation by males and females in particular vocational programmes.

3.6 *A safety net for early leavers*

Since the early 1980s Sweden's municipalities have been responsible for following up all young people up to the age of 19 who have not continued from compulsory school to upper secondary school, or who have dropped out of upper secondary school prior to graduation, and who are without jobs, and ensuring that they are offered education. In 1996 responsibility for assisting young people without work up to age of 20 was transferred from local job centres to the municipalities.

Programmes of study, vocational orientation and support have been devised with special support staff according to individual needs, usually consisting of study combined with traineeships at workplaces, or other forms of employment. Income support for the age group, either unemployment compensation or social allowance, depends upon active participation in the municipalities' follow up programme. This is a powerful incentive for young people to continue in or return to some form of education and training.

The individual programme introduced in the 1991 upper secondary reforms now plays an important role in meeting the needs of this group of young people. Individual programmes vary widely in their nature, as do students' reasons for taking part. Some students take part because they have gaps in their compulsory schooling. Some have difficulty in deciding upon a career orientation or a national programme. Some have tried a national programme but dropped out because they have not liked it or could not cope with its academic demands. Roughly one in three of those in individual programmes are from immigrant backgrounds, compared to half this level in upper secondary schooling as a whole.

In nearly all cases the intention is to use the individual programme as a route back into a national programme (although it is possible for a young person to complete three years of upper secondary education within an individual programme), and the number of students in the individual programme in the second year is only around 10% of the number who commence it. Follow up studies show that 60% of students who go directly from compulsory school to an individual programme proceed to a national programme. Some also continue studying in folk high schools or in municipal adult education.

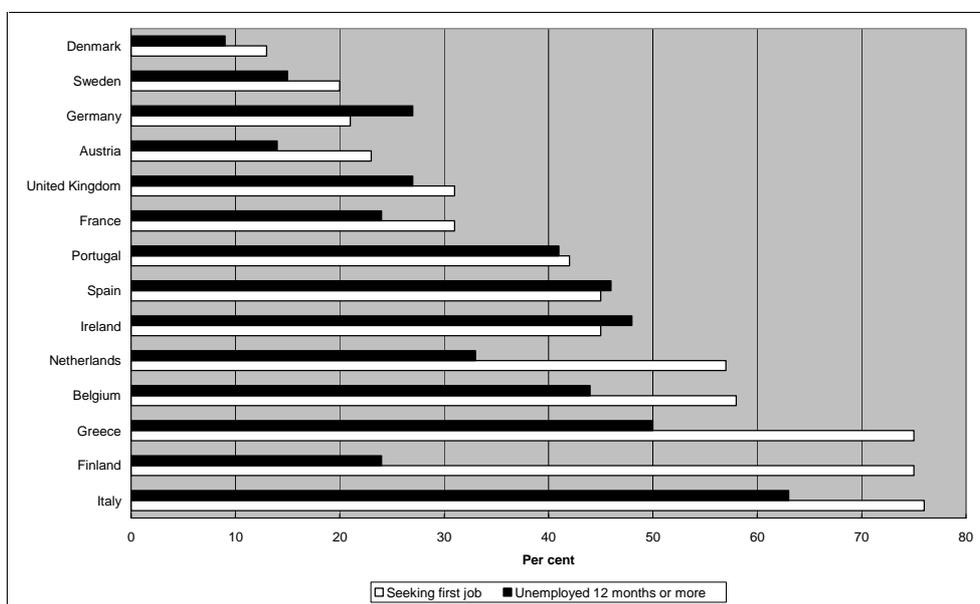
In addition to this way of ensuring that early leavers are quickly picked up and encouraged to continue their education, Swedish policy places considerable emphasis upon attempting to ensure that a high proportion of those of school leaving age who become unemployed receive labour market assistance. Data supplied by the National Labour Market Board (AMS) shows that around 60% of 18-19 year olds who are registered at employment offices are involved in labour market measures at any one time in the non summer months, compared to a penetration rate of around 45% for 20-24 year olds. These figures indicate the extent to which participation in labour market measures has become a standard part of the transition process in Sweden for those who do not quickly find work upon leaving school.

Recent policy changes have given the municipalities, rather than the labour market authorities, an enhanced role in meeting the needs of young people without work. In January 1998 the municipalities assumed responsibility for unemployed young people aged 20-24. Within 90 days of the young person enrolling with the local employment service the two of them, acting in consultation with the municipality, must have drawn up an action plan. If no suitable activity is found within 100 days, responsibility for the

young person passes to the municipality. It then becomes the duty of the municipality to organise suitable activities for the young person, basically on the same lines as the municipal programme for those under the age of 20.

As a result there has been a significant change in the types of labour market assistance provided to young people. In 1995, of those 20-24 year olds in labour market measures, nearly half were in training programmes, a third in work experience programmes, and one in six in subsidised employment. In 1998 there had been little change in the first and last of these figures, but work experience had fallen to only one in ten of all participants, whereas around one in five were now in youth programmes organised by the municipalities. An increased role for the municipalities will result in a greater educational focus in the programmes provided for unemployed youth.

Figure 7 Per cent of unemployed 15-24 year-olds a) seeking their first job and b) unemployed for twelve months or more



Source: EUROSTAT (1997)

The combination of a locally administered follow up service and a high proportion of those under the age of 20 who are unemployed being given access to labour market programmes is associated with relatively few young Swedes, compared to other European countries, leaving school and directly entering unemployment, and with the incidence of long term unemployment being relatively low²⁹ (Figure 7). Early intervention programmes to assist those most at risk in the transition are important, as OECD research shows that moving from school into unemployment is a strong predictor of longer term difficulties in settling into work (OECD, 1998b).

²⁹ This can, however, be associated with many young people experiencing repeated short spells of unemployment. See Schröder (1996).

4. KEY POLICY ISSUES

4.1 *Pathways within upper secondary education*

The 1991 reforms considerably broadened the vocational pathways within upper secondary education. Rather than having to choose between a large number of courses offering fairly intensive training in a relatively narrow occupational area, young people now have to choose between only 14 vocational programmes when they begin upper secondary school, and these provide a wider introduction to related occupations or skill areas. Students are also given wider scope for individual choice, being able to devote 15% of their time to subjects of their choice. Specially designed programmes are possible, and the possibility of setting up private schools has motivated some firms or industries, such as ABB and the construction industry in Karlstad, to open “industrial high schools”.

This broad model has many attractions, but also many practical difficulties in being implemented. For financial or timetabling reasons schools often have to limit the programme choices available to students, or ration places according to students’ grades, rather than according to their preferences or interests. The reality is that the real choice available to students within any one school is quite limited. Data provided by the National Agency for Education shows that nearly half of all schools offer no more than three vocational programmes, and only around a third offer five or more. Limitations on choice are also imposed by schools’ equipment and workshops. Where, for example, a school has previously specialised in the wood trades, a new and broader Industry programme, requiring a wide exposure to metals and engineering as well as to wood trades, is unlikely to be implemented fully unless considerable funds are spent on constructing new facilities and purchasing new equipment, or unless an increased emphasis is placed by municipalities upon co-operation between schools to share expensive specialised equipment and materials. The traditional subject cultures and industrial cultures of teachers can be a further barrier to be crossed in the implementation of broader, multi-skilled curriculum which spans the boundaries of several trades (CEDEFOP, 1999).

The 1991 reforms gave students wider choices in some ways. However the choices available within any one programme are still extremely limited: 85% of their time must be spent on centrally determined subjects, rather than on subjects of their own choice. The common core of general subjects, for which high standards are set, is one of the strengths of Sweden’s school system, and is one factor responsible for the high standards of general education that can be observed in the adult population. There are strong grounds for retaining this.

In the case of the non-core subjects in the theoretical programmes, and in the case of vocational subjects in the vocational programmes, however, a tight specification of what students must study seems harder to argue for. Substantially more personal room for choice might do a lot to give what appears a tightly-knit system a friendlier face, more respectful towards the individualities of those who are close to adulthood. In a difficult labour market situation many young people will be willing to take any job that they can get. And formal occupational qualifications are not commonly required by Swedish employers, so that there is a fairly loose correspondence between occupation and qualification in the Swedish labour market: only around 60% of those who leave vocational programmes and have obtained a job in the following year get one that is mainly in the field that they trained for³⁰. The limited proportion of students’ time that can be devoted to non-core subjects makes it much harder for the school to be responsive to local labour market circumstances or to the needs of particular sections of industry that do not readily fit into the standard

³⁰ The proportion ranges from 36% in the Media programme to 83% in the Health Care programme (Statistics Sweden, 1997, Table 13), and the overall proportion falls to 53% when the Health Care programme is excluded.

national programmes. This has been a factor in the establishment of the new apprenticeship initiative, discussed below.

For these reasons it makes sense to consider a much more flexible structure, both for the vocational component of the curriculum and for the theoretical programmes, allowing students the freedom to navigate their way from one level of it to another with a much more flexible set of rules on the range of subjects that can be combined with one another or sequenced. Increased personal choice could be allowed in several ways. One would be to allow students greater room for optional subjects within particular programmes, both the theoretical programmes and the vocational programmes. Another would be to allow students to take subjects from more than one national vocational programme. It makes sense, for example, for a student in the Construction programme to be able to learn something about business management skills by taking subjects from the Business and Administration programme, and for someone in the Arts programme to develop some of the skills taught in the Media programme, and vice versa. A more flexible structure should also make it easier for young people who have changed their minds to move from one programme to another. It will also make it possible for vocational programmes to be tailored more easily to the needs of particular regions and industries. These possibilities were under discussion at the time of the review team's visit, and are strongly supported. It is important, however, to make sure that clear combination and sequencing rules remain, so that students emerge from upper secondary school with a coherent programme of courses that confers a real depth of knowledge and skill in an area that is able to be clearly related to the world of employment or further study. The model of the 'smorgasbord' high school, in which students have almost unlimited choice of subjects, is to be avoided.

These developments will place even more importance upon adequate course and career guidance being available within schools.

The 1991 upper secondary reforms have placed increased emphasis upon general education, and this has made new demands upon the weaker students. The increased role played by the individual programme has been one way of addressing this issue, but the impression remains that for many young people their schooling remains heavily theoretical, and too little connected to life outside of the school. The apprenticeship initiative, discussed below, has been one response to this problem. By itself, however, increased time in the workplace will not address the difficulties that such students are having with their general subjects. And by itself more time in the workplace will not necessarily help such students to see the connections between practice and theory. Both problems require skilled teachers, able to work flexibly within and outside of the school to strengthen the connections between the two worlds -- the classroom on the one hand and the workplace and community on the other -- and to make the student's learning more applied and relevant.

The changes to the ways that schools are organised and that learning is managed that are needed to achieve this are, by a happy coincidence, widely felt to be the sorts of changes that are needed to build a solid foundation for lifelong learning. As with the changes needed to improve the quality of APU -- discussed below -- they require substantial changes to the conditions of teachers' work and the organisation of the school. Agreement is required, for example, on the balance between teaching hours and preparation time, on class sizes, and on what can be counted as teaching effort. Such agreement can at times be achieved within individual institutions, but is rare across an entire education system.

A 1996 development agreement negotiated between the Swedish Association of Local Authorities (Sweden's main teacher employer body), the Swedish Teachers' Union and the National Union of Teachers in Sweden³¹ is an impressive step to make more flexibly organised schools possible on a system-wide basis. For example it replaces teaching hours with working time as the basic unit for the organisation

³¹ *On the Threshold of the 21st Century*, 1996.

of teachers' work, allows this central agreement to be supplemented by locally negotiated agreements to reflect local circumstances and needs, and gives teachers both a right and an obligation to spend time on a continuous learning process. The agreement shows a strong degree of unanimity on the way that both teacher employers and teacher unions are thinking about the implementation of lifelong learning within Swedish schools. Its implementation should also do much to create a better learning climate for weaker students.

4.2 *Links between schools and working life*

Swedish upper secondary education places a heavy emphasis upon all young people achieving a high standard of general education, and upon young people's personal and social development. Strong traditions of equity and social inclusion have resulted in the view that none of the principal upper secondary programmes should be an educational dead end, and that all programmes should be able to qualify young people for tertiary study, which in practice has meant tertiary study at university level. The strong impression gained by the review team was that together these tendencies had resulted in an implicit undervaluing of learning that is vocational, applied and tacit within upper secondary education. Certainly it was apparent that the increased general education content of the vocational programmes that has been one result of the upper secondary reforms of the 1990s is causing real problems for many of the weaker students: problems of motivation, and problems in them seeing the relevance of much of their learning to their lives after school. That Sweden has been able to prevent these problems being translated into higher drop out rates in large part is due to the strong national commitment, in terms of both resources and dedication, to equity and inclusion. This may be seen in some of the individual programmes that are offered to those who have problems in coping with the demands of the national programmes, one example of which is illustrated in Box 1.

The impression that was gained of an apparent under-valuing of applied, vocational and workplace learning within upper secondary education sits alongside some contradictory tendencies and pressures. The reforms of the 1990s, for example, have required time in the workplace now to be part of the curriculum, and as such to be properly recognised and assessed. Some excellent local examples exist of co-operation between schools and firms to make this goal a reality, whatever conclusions might be drawn about its overall implementation on a national scale. In some industry sectors, such as hairdressing and automotive repair, there has been a long tradition, since apprenticeship was to all intents and purposes abolished in 1970, of students spending extensive time in the workplace for "practice", even if this time was not formally part of the curriculum. Indeed it is ironic that in some of these sectors employers can be heard to complain that the amount of students' workplace time has been reduced as a result of reforms designed to bring the school and the workplace more closely together. And the impression of an apparent undervaluing of practical and work-based learning within upper secondary education sits alongside a very strong Swedish commitment to promoting more learning-intensive forms of work organisation. Official documents give strong emphasis to connections between schools and working life. For example the Ten Point Action Plan for Quality and Equivalence in the School, released by the Ministry of Education and Science in June 1998, asserts that "all pupils should have opportunities to acquire experience of working life through prao". Yet schools are given conflicting signals, for the previous requirement for 6-10 weeks of compulsory work experience for all students was removed when the 1994 national curriculum for compulsory schools was introduced. In a climate of resource constraint it is not surprising that young people's access to prao has declined, thus weakening contact between schools and working life. The quality of prao placements is reported to have been variable, with employers often preferring to give access to students requiring APU placements during upper secondary schooling.

In Sweden the links between schools and working life take a number of forms: work experience, or prao, in the compulsory school; career education and guidance; APU during upper secondary school; advisory or

other forms of links between individual schools and their local employers to improve programme development and implementation; and formal relationships between employers, trade unions and educational policy makers. These are all important. But perhaps of more importance, and underlying all of them, is a need to find ways to place greater real value upon vocational, applied, experiential and workplace learning within Swedish education. One important way for this to be done is for the recognition of prior and experiential learning to become a central and standard feature of post-school education, and in Section 4.4 we recommend its adoption as a key feature of a new national post-secondary qualifications system. In the rest of this Section we discuss in greater detail two recent initiatives within upper secondary education that have attempted to improve the connection between schools and working life: APU and the more recent apprenticeship initiative.

Box 1

The Järfälla Study and Working Life Centre (SAC)

Within the Järfälla municipality upper secondary individual programmes are offered through SAC, or the Study and Working Life Centre. It caters for those who have not met the standards required for entry to upper secondary school, school drop outs, recent immigrants with a poor knowledge of Swedish, those who have not succeeded in a national programme, and those whose interests have not been able to be met by a national programme. SAC is a school with a number of notable features. All students have an individual learning plan that is regularly updated: not only its content but also the sequencing of its elements and the ways that learning will occur. Class sizes are small and a home-room system ensures that one teacher is a principle point of contact with each student. Discussions with teachers and counsellors to assess progress in achieving goals occur on a weekly and monthly basis. This is only one way in which the school projects a message of caring for students, and of learning built around close relationships with adults. All students must be individually “recognised” by an adult at least once a day, and teachers are encouraged to see themselves as coaches rather than as traditional teachers.

SAC offers a number of special programmes that are able to tailor learning to student needs and interests: for example a sea and boating life programme, a tourism and service programme, and a furniture programme. It offers a programme for youth from immigrant backgrounds, and another for slow learners. A heavy emphasis is placed by SAC on practical and workplace learning as a way to motivate students and to meet their learning needs. Individualised “apprenticeship” programmes are constructed, in which the school agrees to teach the core curriculum subjects, and the company, in conjunction with the school counsellor, develops learning plan based around the joint needs of the student and the firm. This can draw upon specialised content of the national vocational programmes, but its key feature is its individualised nature and it does not have to be developed around the learning goals of any single national programme. The level and length of the plan is determined on an individual basis. Quality control of the workplace component occurs through regular contact between the school’s counsellor and the firm, and through regular “motivation days” in the school designed to check what has been learned by the young person. The goal of these apprenticeship programmes is seen to be a job, rather than a transfer to a national programme.

APU

As indicated in Section 2.3, all students in upper secondary vocational programmes are required to spend 15% of their time over three years in the workplace, with this time treated as part of the curriculum. Although this obligation is imposed on schools, there is no corresponding obligation upon employers to participate. To meet their objectives teachers, schools and the education system must seek close co-operation with individual employers, provide them with strong incentives to participate, and provide them with strong back-up and support so that they genuinely undertake an educational role.

On balance the school system appears to have been quite successful in gaining the required number of places, particularly given the difficult labour market conditions in which the new system was introduced, and the short time period required to introduce a very major change in the behaviour of both schools and employers. A survey of 1996 school leavers (Statistics Sweden, 1997) showed that 78% of students in the vocational programmes undertook APU, 62% in the individual programme, and 15% in the general programmes (Table 9). However not all of this APU lasts for the stipulated 15% of the total time over the three years: the National Agency for Education has estimated that within vocational programmes only 63% of students undertake the full amount of APU. The total amount of APU undertaken varies somewhat between programmes, from an average of 24 weeks over three years in Construction to an average of eight weeks over three years in Electrical Engineering. Nevertheless in nine of the 13 vocational programmes in which APU is compulsory, students reached or exceeded the minimum required amount of APU (Statistics Sweden, 1997).

These overall outcomes fall somewhat short of the specified target. Nevertheless they are a significant achievement. A number of other countries taking part in the Thematic Review such as Canada, the United States and Australia have, over the same period, sought to introduce extensive structured workplace learning programmes. None have been able to achieve a participation rate as high as Sweden in a comparable period. Another positive feature of the way that Sweden has introduced APU is that students mostly seem to enjoy it. They are satisfied with their supervisors, with the tasks that they are given to do and with the equipment that they get the chance to use. Most want more rather than less APU.

Students may enjoy their APU, but it is far less clear that it is having a major impact upon their job prospects. This must give rise to concern about the quality of much of it. Across all vocational programmes there is only a 6% difference between the employment rates of those who undertake work placements and those who do not. There are only three programmes (Media; Natural resources; and Industry) where doing APU results in a very clear-cut labour market advantage. In five programmes doing APU results either in no advantage or only a very small one when it comes to obtaining a job. In five programmes those who did not do APU had higher employment rates than those who did (Table 9).

As indicated above in paragraph 71, having a part-time or summer job, not integrated at all with student's study, seems to have a substantially greater impact upon school leavers' chances of getting a job when they leave school than does taking part in APU: the proportion of students who have had only a part-time or summer job but not APU and who are employed after they leave school is roughly twice as high as the proportion who have done only APU but not had a part-time or summer job (Statistics Sweden, 1997, Figure 1). This suggests either that students learn more real work-related skills from their part-time jobs than they do from APU, or that they build better contacts with employers from part-time work than from APU. It certainly suggests that employers are putting more weight upon experience in paid work than upon APU when selecting young employees.

Table 9 March 1997 employment outcomes for 1996 upper secondary school leavers by programme and whether or not work placement (APU) had been undertaken¹

	Per cent employed	
	APU undertaken	APU not undertaken
Handicraft (89)	56	65
Hotel and restaurant (86)	54	49
Health care (87)	54	52
Media (86)	46	25
Business and administration (90)	37	37
Child recreation (88)	36	34
Food (83)	35	37
Natural resources (86)	35	22
Construction (71)	33	29
Industry (79)	31	18
Arts ² (28)	26	30
Electrical engineering (68)	23	21
Vehicle (74)	23	31
Energy (86)	19	33
Total vocational programmes (78)	37	31
Natural sciences (8)	10	20
Social sciences (19)	35	35
Total general programmes (15)	30	29
Specially constructed programmes (55)	40	36
Individual programmes (62)	24	29
All programmes (47)	36	30

Footnotes:

1. The per cent of students undertaking work placements within each programme is shown in brackets in bold after its title.

Source: Calculated from Statistics Sweden Publication No. U 83 SM 9701, Table 7.

2. APU is not compulsory within the 4 Arts programme

One of the reasons that the impact of APU upon later employment chances is not strong, and not as strong as the influence of students' part-time jobs, could be that it does not build strong bonds, between the young person and the enterprise: the large majority (69%) of students do not have their APU in the same firm on each occasion. The quality of the supervision that students receive, and the lack of clarity on the part of employers about what they are meant to do to assist young people during APU, could be other factors. A 1995 study by the Swedish Association of Local Authorities showed that only 46% of schools had organised basic training for workplace supervisors. There also appears to be a general lack of resources produced by schools such as guides, manuals, log books and training courses to assist the firms that they co-operate with. In the 1980s municipalities were obliged to establish local joint employer-union advisory bodies to advise school boards on vocational education. These are no longer mandatory, and only 62% of municipalities have them (CEDEFOP, 1999). 61% of municipalities have other forms of co-operation between schools and working life.

All of this suggests the need for a much closer understanding of what it is about successful, high quality APU that results in students benefiting from it through learning real workplace skills and having increased employment chances on leaving school. Experience gained to date in the Thematic Review suggests that the following factors are likely to result in high quality workplace learning by students:

- Work placements that are long enough for real learning to occur;

- Systematic analysis of the training capacity of the workplace, to see what it can realistically supply;
- A formal training plan, setting out what has to be taught and learned, and clarifying the work-based and school-based parts of a student's programme;
- Employer involvement in student selection for work placements;
- The presence of a trained programme co-ordinator, able to liaise between the school and the firm and troubleshoot when problems occur;
- The use of qualified, highly competent workers as workplace supervisors;
- Regular face-to-face contact between the co-ordinator and employers and in-firm supervisors;
- Monitoring of students on-the-job by the programme co-ordinator;
- The evaluation of student performance against a training plan at the end of placements, with the evaluation carried out by the job supervisor and the co-ordinator jointly; and
- Deliberate efforts by schools to relate what has been learned at work to students' school-based learning.

All of these, of course, are resource intensive. In most cases they are not things that can be done through classroom contact between teachers and students. They need teachers to be given time away from the classroom to work with employers. So achieving quality in workplace learning lies at the heart of how schools allocate resources and decide upon their priorities, and at the heart of how Sweden now runs its school system. Whilst schools may be required to provide all students in vocational programmes with 15% of their time in the workplace, they are not required to take specific steps that will ensure that the time spent in the workplace results in real learning occurring. How they do this is up to them. And so if they have either conflicting signals about the importance of contact with working life, competing priorities, insufficient resources to do everything required of them, or all three, broadly phrased national goals are unlikely by themselves to be able to ensure quality outcomes.

The Minister of Education can use direct specific purpose grants to address particular policy priorities. However the central funds available for this purpose are quite small, and so are unlikely to have a system-wide impact. They also have to be allocated on the basis of competitive tendering. This is likely to ensure that the schools where quality is low are the least likely to get the necessary additional resources. So this does not appear to be an appropriate mechanism in this case. Short of reverting to now abandoned ways of funding and managing the system, there are two approaches that are available to the government to more directly try to improve the quality of APU.

One is through the benchmarking of good or best practice, in association with intensive efforts to ensure that the outcomes of this are disseminated widely and that municipalities are encouraged to allocate funds according to the extent to which good practice is met. Benchmarking could be carried out in association with an industry body such as SAF that has a high profile among employers. The Thematic Review has revealed two cases in which similar steps have been taken. The Conference Board of Canada's work in sponsoring national and international awards for high quality education-industry partnerships is one. Another is the Australian Student Traineeship Foundation's work, in association with the Australian Quality Council, to provide a benchmarking framework against which particular local partnerships between schools and firms can measure progress in quality improvement. The other step that could be

taken to raise the quality of APU would be to introduce new reporting and monitoring requirements, so that schools and municipalities are required to provide publicly available information not only on the extent of student participation in APU, but on the steps that they have taken to make sure that this APU leads to high quality learning outcomes. In practice both options are worth exploring. And to the extent that the overall level, as opposed to the quality, of employer participation in APU is an issue, incentives such as the tax credits used to support employer participation in co-operative education and summer job programmes in Canada could be considered.

Apprenticeship

In 1970 Sweden abolished apprenticeship as its major way of providing young people with work skills³². In 1997, following pressure from some sectors of industry, 15 pilot projects for a “new modern apprenticeship system” were introduced. Young people who commence an apprenticeship have the status of students rather than employees: the time in the workplace is unpaid. They are enrolled in a national programme, and are required to complete the national curriculum goals specified for that programme, in both general and vocational subjects. Local goals can also be negotiated, but not exceeding the proportion allowed in the national curriculum. There are two principal differences between apprenticeship as a way to complete a national programme and the standard way. The first is that a contract is signed between the young person, the school and an employer. The second is that the time in the workplace is 50% rather than 15% of the total over three years, and there is provision for the training period to be extended to a fourth year. Students are selected for the apprenticeship by the school, and in most cases the schools and the school system appear to take the view that apprenticeship is a way to motivate less academically able students by providing them with more time out of the school, in the workplace. The school is responsible for managing the apprenticeship and ensuring its quality, although there is a local programme committee containing employer and trade union representatives. Firms taking part in the apprenticeship are required to have trained workplace supervisors.

The apprenticeship pilots were introduced after complaints from some of the smaller trades and crafts, who saw the national vocational programmes as too inflexible to provide them with young employees with appropriate skills. However the possibility of the flexibility that they were seeking being realised appears to have been greatly reduced by the requirement that the proportion of locally negotiated goals cannot exceed that specified in the national programme’s curriculum.

At the time that the apprenticeship initiative was being debated there was a lack of agreement, within the trade union movement in particular, about its value. There were many who feared that it would represent a shift back to what was seen to be the worst features of the pre-1970 system: a narrow curriculum; blocked educational pathways; and a vocational preparation system divided on class and gender lines. It was felt by some that schools were more likely to act in the interests of the young person than were employers. As a result, the initiative was introduced on the condition that the young people remain students rather than employees, and that schools, rather than industry, be responsible for its management and quality. This has led to the Swedish new modern apprenticeships losing some of the key features that are often cited as explaining the success of apprenticeship in countries such as Denmark, Germany and Switzerland: strong employer and industry influence over the content of the training; employer selection of the apprentices; the bond between the firm and the young person created by employee status; and employer responsibility for quality control through examination and certification. In addition Sweden lacks any strong ongoing mechanism for employer and trade union involvement in setting the content and delivery of the national vocational programmes. They are revised only once every five years, and then in a way that leaves control of the revision process firmly in the hands of the education authorities.

³² However it remained in a very small residual form for special circumstances, including the possibility of it being incorporated within the individual programme.

Another reason for the success of apprenticeship elsewhere is that it is seen as a mainstream way of providing industry with the skills that it needs, as well as of providing young people with a pathway to work. In order to maintain its status in the eyes of employers, as well as among young people, it has not been stigmatised as a residual path for the academically weakest students. However some stakeholders in Swedish education, partly among employers and among people in education itself, seem to regard apprenticeship as a residual pathway. This view may be inspired by past experience in Sweden, but might presently work as a self-fulfilling prophecy. Since the abolition of the old apprenticeship system in Sweden the tradition of learning and coaching in the workplace and of realising mutual benefits for firms and for young people seems to have eroded. It is a long way back to a genuinely effective apprenticeship system, and only powerful policy measures, aimed at both education and industry, will be able to give the modernised concept a fair chance. An approach which focuses upon those students having the most difficulty will create significant problems in encouraging employers to accept it, and in attracting capable students into it. Experience from countries taking part in the Thematic Review in which apprenticeship has increasingly attracted the weaker students (such as Australia and Austria) shows that this can lead to increasing employer dissatisfaction with the system, and a lack of willingness to take part in it.

The arguments being used in support of the apprenticeship initiative at the time of the review team's visit were that it would: allow more of the training to take place in the workplace, thus strengthening the relationship between the school and working life; lead to closer contact between the students and employers and so increase young people's chances of employment after leaving school; provide a type of training that is not available in the school; combine theory and practice more naturally; and allow a shorter training period after the young person leaves school. In short, that it would "build a bridge between upper secondary school and working life" and "comply to the changing needs of competencies on working life"³³.

All of these arguments were used prior to the 1991 reforms to justify the mandatory requirement for 15% of the students' time in vocational programmes to be spent in the workplace, and for this to become part of formal curriculum time. The impression could be given that apprenticeship was in part introduced in order to address emerging problems in the quality of APU, and that APU has not been successful in meeting the goals of the 1991 reforms. To the extent that this is the case it seems more sensible to address the quality of APU directly, in the ways suggested above. APU and apprenticeship need to be seen as complementary, able to serve different student and employer needs, and as pathways of equal quality towards the same goals. The risk with the apprenticeship initiative being seen as a solution for problems with the implementation of APU is that it will ever be able to affect only a very small number of young people, having little prospect of spreading widely in its present form. This will leave the central problem unresolved.

4.3 *Income support for youth*

As indicated in Section 2.3, as a proportion of total educational expenditure Sweden spends far more upon income support for students, particularly students in tertiary education, than do almost all other OECD countries. In contrast to some other OECD member countries, the income support payments available to those aged 20 and over in Sweden appear to be adequate to the financial need of students. In addition, the system seems to recognise the growth in independence and self-determination of young people as they move into adulthood. That is, none of the income support measures offered to young people are subject to a parental income test.

³³ The Education System in Sweden, Eurydice. <http://www.eurydice.org/Eurybase/Files/SWEN/SWEN.htm>.

The Swedish system of financing study is generous not only in an international context, but also in comparison with other sources of youth income. For example higher education students are eligible to receive a total of 7 098 SKR per month from 20 years of age; 1 973 SKR is provided as a grant, while the other 5 125 SKR takes the form of a re-payable loan, with the terms and duration of the repayments being generous. ‘Student Assistance Loans and Grants’ are available through the national study assistance bureau, CSN (Centrala Studiestödsnämnden). A Swedish tertiary student receiving a study grant and the maximum loan (and some 70% of students take out a loan to help finance their studies) can receive an income that is slightly more than that available from unemployment benefits, up to twice that available from social welfare, and around three quarters of that received by an unskilled worker (Table 10). When combined with earnings from part-time or vacation employment, the total income of a higher education student can be close to that of a full-time worker. This possibility reduces the incentive for students to complete their studies quickly in order to begin earning a normal adult wage.

Table 10 Monthly relative income of youth in education, at work and on social benefits

	<u>After tax income from:</u>	
	<u>Study grant</u>	<u>Study grant plus maximum loan</u>
As a per cent of:		
Earnings, unskilled worker	22	77
Unemployment benefits	29	103
Social welfare allowance I	59	213
Social welfare allowance II	48	174

Source: OECD, 1998d, Table 14.

However the current Swedish system of income support for 16-25 year olds, not only that applying to education, contains anomalies and inconsistencies that both complicate the transition from initial education to work and lead to a less than optimal use of public funds. As a result it is not at all clear that Sweden is receiving maximum value from its high levels of expenditure upon student income support.

The relative incomes that young people are able to gain from student aid, compared to other activities, certainly provide them with an incentive to take part in education. But at the same time the current higher education income support system seems to create perverse incentives, retarding the rate at which Swedish students graduate from universities and colleges. For example:

- Higher education students can all obtain income support for the same maximum period of six years, regardless of whether the formal length of their course is two years (for diplomas), three years (for bachelors degrees) or four years (for masters degrees). This means that diploma students can receive assistance for three times the theoretical length of their course, bachelors students for twice the formal length of their course, but masters students only for the length of their course plus 50 per cent. This provides those taking the shorter courses with larger incentives to delay completion of their studies;
- To sustain eligibility for income support, students must show that they are making adequate progress. However “progress” is defined in terms of the number of courses passed per semester, and the points needed to demonstrate satisfactory progression for income support purposes can be obtained in courses unconnected to the principal degree of enrolment. This rule can have perverse effects. For example, students enrolled in courses that are difficult to pass, who fear they may lose their income support entitlement if they fail, are inclined to add

“soft” courses to their study programme as a kind of insurance policy. Thus, it is not uncommon for a student enrolled in a four year programme to take five or six years to complete, thus adding to the costs the state must bear, to the income foregone by the student, and to the productivity foregone by the Swedish economy.

Income support that was limited to a standard proportion of the formal length of a course (for example 150%), whatever its actual formal length, and a requirement for the points needed to qualify for income support to be earned from courses within the principal degree of enrolment would help to remove these perverse incentives.

The income support arrangements for some other education and training options seem even less consistent than those for students in universities and university colleges. A particular problem evident to the review team relates to adult students who are completing upper-secondary school qualifications, or who are enrolled in post-secondary vocational courses. For these students, benefit levels often depend more on their employment histories than on their current needs. Thus, for young people over the age of 20 who want to (a) complete upper-secondary school qualifications, or (b) study approved post-secondary vocational courses, or (c) enrol in certain teacher training programs, several different options are potentially available:

- Some students gain a regular Study Assistance Loan and Grant, just as university students do. This provides 7 098 SKR per month in loans and grants from CSN.
- Students who can establish that they have accumulated 75 days of employment over four of the past 12 months can, however, gain a much higher level of income support through the Special Adult Study Support system, which pays up to 90 percent of their last salary in the form of a grant. (Median salaries for unskilled work in Sweden were approximately 15 000 SKR per month in 1998).
- Cash Labour Market Assistance (KAS) offers a third pathway. KAS provides 200 SKR per day, for five days per week, in the form of a grant (thus, KAS offers a maximum of 4 200 SKR per month). To be eligible for KAS, a young person must have either worked or participated in a training programme for five of the previous 12 months.
- Registered job seekers may also gain Special Adult Study Support or Cash Labour Market Assistance if they can show that they have been “gainfully employed”. In some circumstances, caring for a child under the age of 10 is classified as “gainful employment”.
- In addition to all the above, some Municipal Authorities also provide separate adult study support payments that may be used for completing upper-secondary school or for studying selected vocational courses.

Other anomalies and inconsistencies revealed during the review team’s visit included:

- In some circumstances there are real financial advantages in having a period of unemployment before starting study;
- Some courses in labour market demand can only be funded if the participants are unemployed. Others are available to all who wish to enrol;
- Young people who are unemployed can be entitled to widely different benefits as a result of their past labour market history, not as a result of individual need.

Students find the system's anomalies and inconsistencies puzzling and unfair, and the income support system as a whole complex and difficult to navigate. This became quickly apparent in our discussions with groups of students, who complained forcefully about the lack of fairness in the system about the difficulties that they experience when trying to get information about their entitlements, and about the incentives that they are as a result given to "play the system".

To summarise, among the key problems in Sweden's income support arrangements for youth are the following:

- The income support system is so complex and difficult to navigate that the level of support a student ultimately obtains often depends upon information acquired accidentally through chance contacts;
- For students enrolled in higher education, the rules used to establish adequate rates of progress can encourage some students to engage in behaviour that retards progress toward completion of their degrees;
- Young people who are unemployed at the time they commence their studies can be entitled to widely different benefits which relate to their past labour market histories rather than to their current needs; and
- Students of the same age enrolled in similar post-secondary vocational courses may receive widely varying amounts of income support, ranging from 4 200 SKR per month to approximately 13 500 SKR per month, and these amounts are not always clearly related to their needs and circumstances.

An essential first step to resolve these anomalies and inconsistencies should be a comprehensive cross-portfolio review of all forms of income support available to young people. This review should not be restricted to the education portfolio, but should also cover allowances available through labour market assistance agencies and through the social welfare system. It could, therefore, be appropriate for responsibility for it to rest with an agency of government outside of these separate portfolios: for example the Prime Minister's Office. It should take into account the interaction between government income support, student earnings from part-time work and the taxation system, and, seen in relation to earnings from full-time work, the ways in which these affect the incentives for students to prolong their studies. The goal of such a review should be the development of a fair and consistent system of income support, based upon a clear and common set of principles.

We recognise that a fundamental dilemma in income support policy is how to strike the right balance, between providing assistance to the most needy, and delivering incentives to encourage young people to engage in programs that reflect the government's policy priorities. However the amounts currently spent upon income support are large, placing the emphasis of reform more upon a better use of existing funds than upon arguments for an increase in overall funding levels.

Given the complexity of the system, we believe that it would be more helpful at this stage to suggest the broad principles that could act as a guide for the reform of the current income support arrangements, rather than to provide detailed and specific advice on what should be done to improve it. Bearing in mind the Swedish paradigm concerning income support policy, and attempting to stay broadly within its limits, we suggest that revised income support arrangements for Swedish youth in transition from initial education to working life should be based upon three fundamental principles.

First: *Income support arrangements for young people should be simple, with a minimum number of payments providing a consistent and understandable as well as equitable structure.* The implications of the first principle are that:

- Students in similar circumstances undertaking essentially similar programs of study should receive similar treatment; and
- Regardless of the source of the payment, the total amount of income support payable to young people should be readily apparent to the young person (and to his or her parents).

Second: *Adequate financial support should be available to all young people in need, including those who are unable to participate in education and training programs.* This second principle implies that:

- Adequate financial support must be available to help students complete those professional or vocational qualifications that are needed to equip them to enter or remain in the labour market;
- Payments to students engaging in post-secondary vocational programs should be just as transparent and just as adequate as those available for students engaged in university programs; and
- Unemployment benefits and social transfer payments must always remain at adequate levels, to avoid the risk of social problems among young people, the most serious of which is youth homelessness.

Third: *The income support structure should reflect and support the government's broader objectives and programs for young people.* The implications of the final principle are that:

- No young person should be prevented from completing upper-secondary school qualifications due to inadequate financial support; and
- Particular attention must be paid to the needs of those young people who are seriously under-represented in post-secondary education, including young people from low-income families and other disadvantaged groups.

4.4 Post-secondary education and training

While Sweden produces upper secondary school graduates at a rate that is higher than the OECD average (Table 5), it has a tertiary qualifications gap compared to the rest of the OECD (Figures 2 and 3). This gap is most evident at the level of non-university tertiary qualifications. This gap has been reinforced by the strength of the unitary pathway developed from upper secondary education to university, and by resistance to creating a binary tertiary education system in Sweden. One consequence has been the marginalisation of the esteem of other post-secondary educational options, and their failure to be developed in a coherent manner. Nevertheless, as has been shown (Section 2.3, these non-university tertiary programmes are a significant pathway for many upper secondary leavers, accounting for half as many as enter university in the year after upper secondary graduation.

These “educational orphans” share four characteristics:

- They are shorter than degree programs, generally being of one or two years in duration;

- They are mostly applied, and generally involve some work-based component, for example in media technology, antique furniture repair and restoration, internet page making, or electronic network management;
- They are delivered by a wide range of different providers, such as municipalities, municipal adult education institutes, private firms, employer organizations, private training companies, and university colleges; and
- In most cases, there is no nationally-recognised system of qualifications for these courses, and no uniform standards for admission to the occupations they represent.

Students who seek to take these courses often face specific problems in relation to information, availability, access, income support and course financing.

- *Information:* It may be difficult for a student to obtain information about the availability of a course that he or she would like to study. With the decentralisation of the education system it has become harder to access data that comprehensively shows what is offered across Sweden, and where it is offered.
- *Availability:* It is quite possible that the course a student is seeking to study will not be offered in his or her own municipality. Since municipalities are not obliged to provide open places in all courses to students who are not residents, it is possible that an applicant will be unable to gain a place in their chosen field.
- *Access:* Sweden has a small number of Qualified Vocational Schools which offer one-to-two year courses of the kind we are describing here. Some of these are so over-subscribed that it is very difficult to gain a place.
- *Income support:* There is not a systematic approach to income support for students studying in this marginalised category of courses. In some instance, students will qualify for a Study Assistance Loan and Grant. Others may seek help through the Special Adult Study Support system, while some may be able to get only Cash Labour Market Assistance (KAS). This problem, is discussed in section 4.3.
- *Financing:* Unlike higher education, there is no single and coherent national method of financing these courses. Some are centrally funded, some funded by the municipalities, and some require their participants to be unemployed before entry so that they can be financed through labour market programme funds.

A substantial expansion of the higher education system in its present form during the 1990s has not been able to close Sweden's qualifications gap. Completion rates have not risen, enrolments in longer courses have grown faster than enrolments in shorter courses, and the system of student financing provides incentives for students to delay completion of their courses. As a result input has expanded but output has remained static.

Not only has the expansion of higher education in its present form during the 1990s not been sufficient to close Sweden's qualifications gap. It has also not been sufficient to meet rising levels of demand in the population of tertiary participation age. The failure of supply to meet demand has coincided with the sharpest fall in employment levels observed in Sweden since the 1930s. As a result unemployment has grown sharply among 20-24 year olds. In contrast, an even sharper rate of decline in employment among those aged less than 19 has not been translated into rising unemployment levels, as the response of the

upper secondary education system, combined with the local follow up services, has been such as to absorb the surplus labour.

There are strong grounds for an expansion of Sweden's non-university tertiary system. The key policy issues are the form that this expansion should take, whether or not it will result in the creation of a binary system of tertiary education, and how it will relate to existing courses. Elements of this problem have clearly been appreciated by the Swedish government, and the new qualified vocational education or KY courses referred to in Section 2.3 are a response, even if a relatively modest one at this stage.

The new pilot KY courses, for which a separate Commission on Qualified Vocational Education is responsible, have many attractive features:

- They are closely related to the employment market. They require one third of the student's time to be spent in the workplace; require industry representatives to form a majority of members of course steering groups; and are concentrated in areas with demonstrated skill shortages such as information technology;
- They combine practice with theory, and general education subjects with more specific vocational content;
- They can be delivered in a flexible way; and
- They can be delivered by a wide range of providers such as private organisations, university colleges, upper secondary schools or municipal adult education. Of the present pilot courses roughly a third each are with private providers, komvux, and regional university colleges.

On the other hand there are some weaknesses.

- The ways in which students who complete KY courses can gain credit in university courses has not been standardised, and must be negotiated on a case by case basis;
- The certificates that the courses lead to are provided not by a single national body, but by individual providers. This can cause problems with national portability, particularly when providers do not have a well known reputation with employers, and also problems in developing a coherent system of credits in higher education courses;
- The government intends that they will be integrated into the mainstream of the education system after completion of the pilot, but it was not clear to the review team how this is intended to be done; and
- Little thought appears to have been given to how the new KY courses will relate to other post-secondary courses such as supplementary education provided by the municipalities, the seven state funded vocational colleges, private education and training colleges, and labour market programs.

Each of these should be seen as part of the same issue and addressed as a coherent whole. In particular there is little sense in making decisions about the future of the KY courses without at the same time taking into account other post-secondary non-university options, as this would simply perpetuate Sweden's fragmented set of "educational orphans" within post-secondary education. The development of a unified national qualifications system is a sensible way to address all of the above issues at the same time. It is also a sensible first step in developing a coherent national means of financing this sector of education.

A more coherent approach to post-secondary qualifications becomes more pressing with the shift of responsibility for unemployed youth from local employment offices to the municipalities. In large part because of the municipalities' responsibility for education, this has already resulted in an increase in the provision of education, rather than work experience, for these young people. It will be important for this education to be a coherent part of the educational mainstream. Strenuous attempts to ensure that early leavers return to the mainstream of education, rather than being marginalised on its fringes, are an important factor in the success of Swedish approaches to those of upper secondary age who are without work. It is a key principle underlying the Knowledge Lift. It would make sense for a similar approach to be taken to post-secondary courses provided for unemployed youth.

A coherent national qualifications system should have a number of features. It should:

- Offer qualifications at more than one level, with the entry qualifications for some of these not necessarily needing to be the completion of upper secondary education;
- Contain relatively few rather than many levels;
- Allow progression from one level to another both within and between institutions, and on the basis of learning acquired in both formal and non-formal settings;
- Provide a coherent bridge between it and that part of tertiary education provided by the higher education system. This should either be through standard credit transfer agreements, through qualifications being used to meet university admission requirements in an agreed and standardised way, or both;
- Allow courses to be provided by a wide range of types of institutions, much as in the case of the KY pilot courses;
- Include, as a right for learners, the accreditation and insertion in the national qualifications system of competences that are acquired outside educational institutions (for instance at work, in the community or in private) both prior to admission to the course and during the course;
- Be linked to a common set of principles for financing courses encompassed by the qualifications system; and
- Have a separate national agency to provide quality control through accreditation and certification. A common national certification format, within a framework in which credentials themselves are issued by institutions, is important in ensuring the status of the qualifications in the eyes of students and employers, but a common "brand name" should not prevent individual providers being clearly identified on certificates. The social partners should play a key role on the governing body of the agency.

In developing a national qualifications system Sweden will be able to draw upon the experience of other countries that have taken this route. Among them are the Netherlands, the United Kingdom, Australia, New Zealand and Hungary. Doing so will allow it to avoid some of the associated problems that some of these countries have experienced which have limited the appeal and clarity of the new qualifications to users, including over-complexity, cost and bureaucracy.

5. CONCLUSION

Sweden's policy structure and institutional arrangements have been effective in largely isolating those under the age of 19 from the worst effects of the labour market crisis of the 1990s. The proportion of this age group neither in education nor in employment has fallen during the 1990s from an already low level at the beginning of the decade, as has the proportion who are unemployed. And there has been no tendency for the incidence of long term unemployment to rise among this age group, despite very difficult labour market circumstances. Success has largely arisen from a reduction in the supply of youth labour. It is less easy to be confident that Sweden has also been as successful in improving the quality of the skills and hence the competitiveness of those young people who enter the labour market from upper secondary education.

The Swedish approach for the younger age group has been effective through a combination of:

- A diverse and flexible upper secondary curriculum that is able to meet the diverse talents and interests of a very wide range of young people and thus encourage them to stay at school;
- A highly inclusive upper secondary system that pays particular attention to the needs of the weaker students; and
- An effective locally managed follow-up service which ensures that those who drop out of the system are quickly re-inserted into education, with a strongly individualised approach to ensuring that they can complete a full upper secondary education.

The co-ordination of education with welfare and support services at the local level has been a key factor in these safety nets for those of upper secondary age, as has been the implementation of policies that require active participation in education and training among those under the age of 20 as a requirement for receiving income support. Thus Swedish policy has both kept the number of early leavers low, and quickly addressed the needs of those who do drop out. The success of the safety net for early school leavers has been very much a result of it leading young people back into the mainstream of education so that they can gain a respected qualification, rather than offering them short, non-valued, marginal education and training courses³⁴..

Sweden has been much less successful in addressing the transition difficulties of young adults during the 1990s -- those aged 19 and over. Among this age group falling employment levels have been translated into very large rises in unemployment, and the expansion in the number of post-secondary education places has not been sufficient to mop up the surplus labour supply. As a result this group has had to carry the chief burden of a transition to working life that has become long, uncertain and insecure, rather than quick and smooth as it was at the beginning of the decade.

The adoption of an earlier intervention strategy to assist unemployed 20-24 year-olds in 1998 is a positive step for this age group. However no one factor would do more to improve young Swedes' transition to working life than an improvement in the overall situation of the Swedish labour market. It is the deterioration of overall levels of employment in the 1990s that has been associated with the transition becoming more insecure and uncertain, and becoming a difficult and drawn out experience where once it

³⁴ The Knowledge Lift is based upon similar principles, encouraging unemployed adults with low levels of education to finish a full upper secondary education, rather than providing them with short term and specific job training. It will be of considerable interest to monitor the initiative and to compare its results to those achieved with younger age cohorts. With this age group the contribution of education and training in raising productivity, as opposed to simply reducing labour supply, will be a key issue.

was quick and simple. The economic and employment policies in areas such as wages and employment conditions needed to address and solve this fundamental difficulty in the transition are beyond the scope of this Country Note, particularly given the educational rather than employment policy focus of the Swedish Background Report and of the review team's programme of visits.

Nevertheless there are a number of steps that can be taken within the field of education that would improve both the quality and effectiveness of Swedish transition arrangements. We have suggested a number of these: a more effective use of the public funds spent upon student financial assistance; a more coherent and transparent set of arrangements for post-secondary qualifications; wider provision for the accreditation of knowledge and skills acquired outside of education within tertiary qualifications; and a greater effort to improve the quality of the connections between schools and working life are among them. The gap between Sweden and the rest of the OECD in the production of tertiary graduates, at the degree level but even more so at the non-university tertiary level, suggests that policies to narrow this gap might address national skill and competency needs as well as contributing to a reduction in labour supply among an age group that has been particularly affected by the recession of the 1990s.

A return of the labour market to employment levels experienced in the 1980s would do more than anything else to improve the transition difficulties being experienced by young Swedes, and Sweden is now seeing some employment growth, even if total employment has yet to return to the level of a decade ago. However by itself employment growth is unlikely to be sufficient to eliminate these transition difficulties. Experience shows that employers use recessions to increase the productivity of their firms, both reducing the amount of labour required to achieve a given output and reducing their need for poorly qualified and inexperienced labour. This is likely to mean that many of the jobs at a lower skill level lost by those under the age of 20 during the recession of the 1990s are unlikely to return. In addition, it is unlikely that the new flexibility introduced into the Swedish labour market during the 1990s will disappear. Temporary contracts, self employment, outsourcing and project based employment are likely to be permanent features of a Swedish economy seeking to be competitive in a global economy. Whatever the overall levels of employment, a transition process featuring uncertainty will remain a reality for many young Swedes.

During the recession of the 1990s young Swedes have remained in education for longer periods. School participation has risen, as has tertiary participation, even if not sufficiently to meet student demand. A key question for those in education is whether a renewal of employment growth will attract young people out of education. This seems unlikely, as the general experience of nearly all OECD countries is that even if educational participation rises as a reaction to recessions, it rarely falls when economies rebound. And so for reasons of both supply and demand, it seems sensible for Sweden to plan for a future in which youth employment levels, particularly for those under the age of 20, are unlikely to return to the levels observed in the late 1980s.

A likely continuation of uncertain transition patterns for very many young people reinforces the importance of moves for greater flexibility within the upper secondary curriculum. A life after school in which self reliance, flexibility and choice become key skills will not be assisted by a curriculum in which opportunities for choice are limited. The reality of a more flexible labour market also reinforces the importance of Sweden developing a more responsive tertiary education system at the non-university level, able at the one time to meet the needs of young people seeking skills for the modern economy and the needs of employers seeking to use these skills for private and public benefit.

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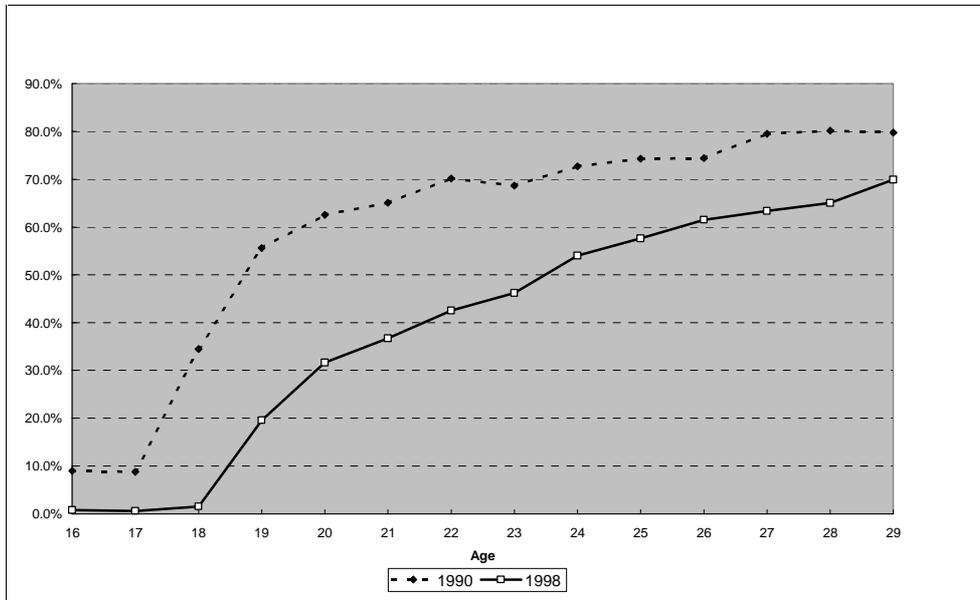
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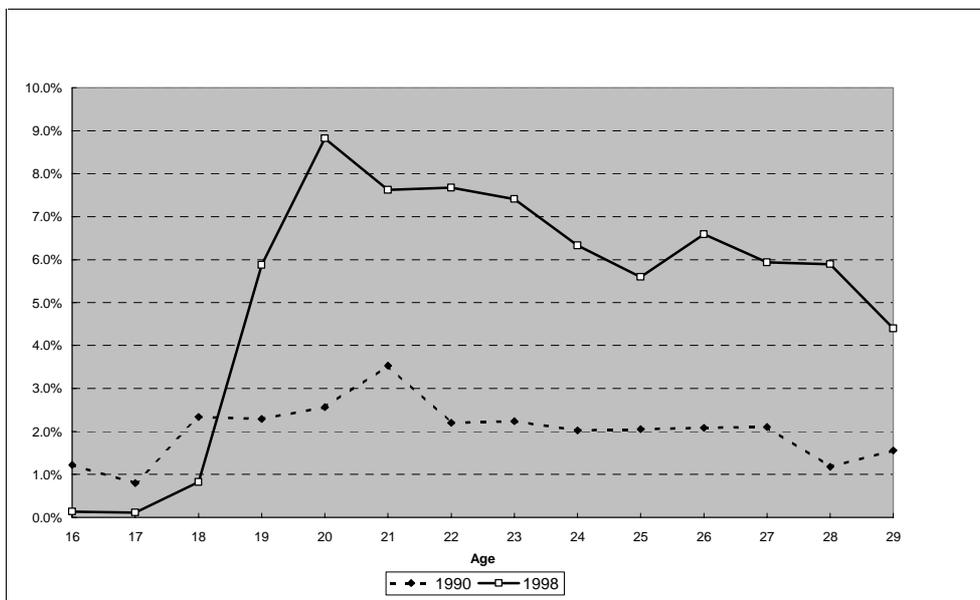
APPENDIX 3: INDICATORS OF CHANGE IN THE YOUTH LABOUR MARKET, 1990-98

Figure A1 Per cent employed and not in education, 1990 and 1998



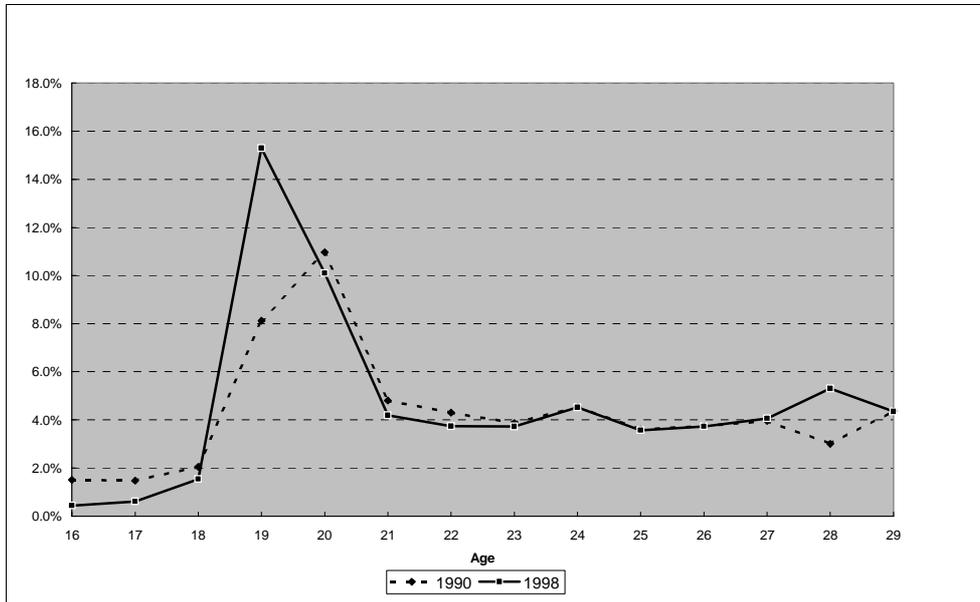
Source: Statistics Sweden, Labour Force Survey first quarter

Figure A2 Per cent unemployed and not in education, 1990 and 1998



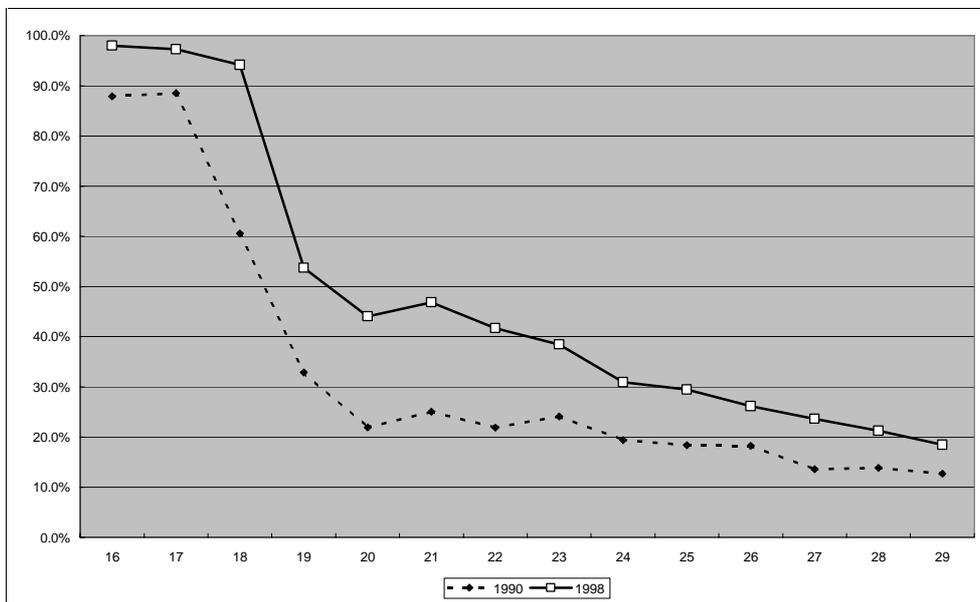
Source: Statistics Sweden, Labour Force Survey first quarter

Figure A3 Per cent not in education and not in the labour market, 1990 and 1998



Source: Statistics Sweden, Labour Force Survey first quarter

Figure A3 Per cent in education, 1990 and 1998



Source: Statistics Sweden, Labour Force Survey first quarter